

D&C July Newsletter

**Dickinson
&
Clark CPAs**

ADVANCED CHILD TAX CREDIT PAYMENTS - TAX BREAK OR BILL?

With The American Rescue Plan Act (ARPA) signed into law earlier this year, came an increase to the Child Tax Credit for tax year 2021.

Qualifying taxpayers will see a credit of \$3,000 per qualifying child between the ages of 6 and 17, and \$3,600 per qualifying child under the age of 6.

The Internal Revenue Service will begin advancing these payments to qualifying taxpayers monthly beginning July 15th. Taxpayers will see a check/deposit for either \$250 or \$300 per qualifying child through December.

Qualifying individuals will automatically receive these checks unless they opt out before July 15th.

The IRS has set up a portal on their website for individuals to update information if needed. Banking information, and number of dependents can be changed/updated through this portal along with the option to not receive monthly payments. This can be done from July 1-15.

A second portal is on the website for non-filers to register for the advanced payments.

HOW WILL THIS AFFECT YOU?

Taxpayers need to be cautious when deciding whether to receive advanced payments. Many taxpayers use the Child Tax Credit to offset their income. If they receive the advanced payments, only part of the credit will be included on their tax return. This could result in a smaller refund or a tax bill at the end of the year.

Taxpayers could also see a bill if there is a change in income from 2020 to 2021, as the advanced payments are being calculated.

Consult your tax preparer to see how this personally affects you.





MEET THE TEAM

This month we will highlight Tom Umphreys.

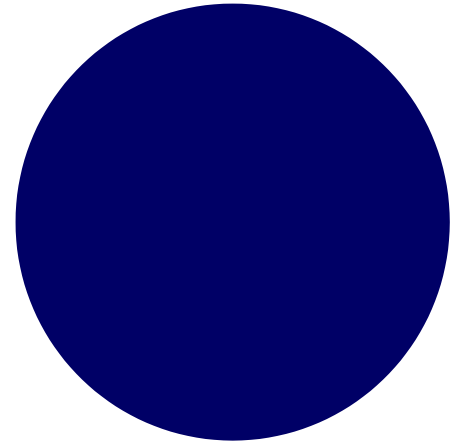
Tom is the managing shareholder here at Dickinson & Clark. He has been with the firm for over 19 years. He currently holds a CPA license in the state of Iowa.

Tom graduated from the University of Nebraska Omaha and has been practicing for the past 30 years.

He is also actively involved with his family and serving at the First Christian Church in Council Bluffs.

Tom specializes in the construction industry. He has much experience working with different types of entities.

We are glad to have Tom on the Dickinson & Clark management team, not only in the Tax department but in Consulting Services as well.



Important Tax Due Dates :

- 941 Monthly Deposits – July 15th
- 941 Quarterly Payroll Report – July 31st
- Iowa Quarterly/Monthly Sales Tax – July 31th
- Nebraska Monthly Sales Tax – July 20th

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