

## 2021 Tax Changes

Tax Provision	2020 Law		2021 Law	
Child Tax Credit				
Credit Amount	\$ 2,000 per child	16 years old or younger	\$ 3,000 per child	6-17 years of age
			\$ 3,600 per child	Under age 6
Refundable Portion	\$ 1,400 per Child		Entire Credit - 50% paid in advance of filing	
Income limits	Single & Head of Household	\$ 200,000	No change for the first \$ 2,000 of Credit	
	Married filing jointly	\$ 400,000	No change for the first \$ 2,000 of Credit	
Income limits for Expanded Credit	Single	\$ 75,000	Applies to the \$1,000-1,600 expanded credit	
	Head of Household	\$ 112,500	Applies to the \$1,000-1,600 expanded credit	
	Married filing jointly	\$ 150,000	Applies to the \$1,000-1,600 expanded credit	
Child and Dependent Care Credit				
Eligible Dependents	Dependent child under 13		Dependent child under 13	
	Qualified Disabled dependent of any age		Qualified Disabled dependent of any age	
Credit	20-35% of eligible expenses	Up to \$ 3,000 in expenses for one dependent	20-50% of eligible expenses	Up to \$ 8,000 in expenses for one dependent
		Up to \$ 6,000 in expenses for 2 or more dependents		Up to \$ 16,000 in expenses for 2 or more dependents
Income phase out	% reduced prorata for income over \$ 15,000		% reduced prorata for income over \$ 125,000	Income over \$ 400,000 no credit
Refundable?	No	Yes		
Taxation of Unemployment Benefits				
Tax Free portion	Single	\$10,200	N/A - Fully Taxable	
	Married filing Jointly	\$20,400	N/A - Fully Taxable	
Income Limit	Household income of Less Than \$ 150,000		N/A - Fully Taxable	
Required Minimum Distributions from Retirement plans				
Required	No- waived in 2020		Required	
Other Deduction Changes				
Educator Expenses	No guidance on PPE expenses		PPE equipment costs qualify as educator expenses	
Business Meal Expenses	100% deductible		100% deductible	
Charitable Deductions				
Above the line deduction	\$ 300 - for non Itemizers		\$ 300 for non - itemizers, \$ 600 on a joint return	
Deduction Limit to 60% of AGI	Suspended- 100% of AGI		Suspended- 100% of AGI	