

# Here's How a Taxpayer's Custody Situation May Affect Their Advance Child Tax Credit Payments

Parents who share custody of their children should be aware of how the advance child tax credit payments are distributed. It is important to remember that these are advance payments of a tax credit that taxpayers expect to claim on their 2021 tax return. Understanding how the payments work will allow parents to unenroll, if they choose, and possibly avoid a possible tax bill when they file next year.

Here are some of the most common questions about shared custody and the advance child tax credit payments.

## **If two parents share custody, how will the IRS decide which one receives the advance child tax credit payments?**

Who receives 2021 advance child tax credit payments is based on the information on the taxpayer's 2020 tax return, or their 2019 return if their 2020 tax return has not been processed. The parent who claimed the child tax credit on their 2020 return will receive the 2021 advance child tax credit payments.

## **If a parent is receiving 2021 advance child tax credit payments and they shouldn't be, what should they do?**

Parents who will not be eligible to claim the child tax credit when they file their 2021 tax return should go to [IRS.gov](https://www.irs.gov) and unenroll to stop receiving monthly payments. They can do this by using the [Child Tax Credit Update Portal](#). Receiving monthly payments now could mean they have to return those payments when they file their tax return next year. If their custody situation changes and they are entitled to the child tax credit for 2021, they can claim the full amount when they file their tax return next year.

## **If parents alternate years claiming their child on their tax return, will the IRS send the 2021 advance child tax credit payments to the parent who claimed the child on their 2020 tax return even though they will not claim them on their 2021 tax return?**

Yes. Because the taxpayer claimed their child on their 2020 tax return, the IRS will automatically issue the advance payments to them. When they file their 2021 tax return, they may have to pay back the payments over the amount of the credit they're entitled to claim. Some taxpayers may be excused from repaying some or all of the excess amount if they qualify for [repayment protection](#). If a taxpayer won't be claiming the child tax credit on their 2021 return, they should unenroll from receiving monthly payments using the Child Tax Credit Update Portal.

## **If one parent is receiving the advance child tax credit payments even though the other parent will be claiming the child tax credit on their 2021 tax return, will the parent claiming the qualifying child still be able to claim the full credit amount?**

Yes. Taxpayers will be able to claim the full amount of the child tax credit on their 2021 tax return even if the other parent is receiving the advance child tax credit payments. The parent receiving the payments should unenroll, but their decision will not affect the other parent's ability to claim the child tax credit.

IRS.gov has additional information and answers to [frequently asked questions](#) about custody situations and how they may affect advance payments of the child tax credit