

# New Income Phase-Out Limits for Child Tax Credit in 2024 Announced by Harbor Financial

*The Internal Revenue Service (IRS) has announced new income phase-out limits for the Child Tax Credit, set to take effect in 2024.*

TRAVERSE CITY, MI, US, January 17, 2024 /EINPresswire.com/ -- The Internal Revenue Service (IRS) has announced new income phase-out limits for the Child Tax Credit, set to take effect in 2024. This change is expected to impact millions of American families.

Under the new rules, families with adjusted gross income (AGI) above \$400,000 for married couples filing jointly, and \$200,000 for all other filers, will see a reduced Child Tax Credit. This phase-out will be based on a per-child basis, with a reduction of \$50 for each \$1,000 of income above the phase-out threshold.



Child Tax Credit Income Limit



Child Tax Credit Threshold Limit

## [The Child Tax Credit is a valuable tax](#)

[break for families](#) with children under the age of 17. The credit is worth up to \$2,000 per child, and is partially refundable for lower-income families. The credit has been expanded and made more generous under the American Rescue Plan, passed earlier this year.

This change in the income phase-out limits is expected to affect higher-income families the most. According to the Tax Policy Center, only about 1% of households with children will be affected by this change.

Generally, in order to claim the credit, one must have earned income during the year. However,

the credit has been expanded so that eligible taxpayers can [receive up to \\$2,000 per child even if they have no earned income](#). This is known as the "refundable" portion of the credit.

The IRS has advised taxpayers to monitor their income levels carefully, especially if they are close to the phase-out thresholds. Taxpayers who expect to exceed the thresholds in 2024 may want to consider reducing their taxable income through strategies such as contributing to tax-advantaged retirement accounts or deferring income until the following year.



Claim the Child Tax Credit

[This change in the income phase-out limits for the Child Tax Credit](#) is part of a broader effort to make the tax code more equitable and progressive. The Biden Administration has proposed additional changes to the tax code, including raising the top income tax rate and increasing taxes on capital gains and dividends for higher-income individuals.

For more information about the Child Tax Credit, taxpayers can visit <https://filemytaxesonline.org/how-much-is-the-child-tax-credit/>

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