



Dipåtamenton Kontribusiyan Adu'ána

DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guáhan

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FOR IMMEDIATE RELEASE

**The Guam Department of Revenue and Taxation
Issues FAQ #1 for the Advance Child Tax Credit for Guam Residents**

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Barrigada, GU – The Guam Department of Revenue and Taxation (“DRT”) today issued its first FAQ for the Advance Child Tax Credit for Guam residents.

The American Rescue Plan Act of 2021 authorized the Advance Child Tax Credit and gave mirror code territories the opportunity to elect to opt into the Advance for their respective jurisdictions.

DRT will begin to pay the Advance Child Tax Credit in the month of September 2021 and then monthly through December 2021.

Taxpayers will be able to make adjustments to their information for purposes of the Advance Child Tax Credit in phases.

For the September 2021 Advance Child Tax Credit payment, taxpayers will only be able to unenroll and must do so no later than September 14, 2021. Until the Child Tax Credit Update Portal is launched, changes will only be able to be submitted manually by using the Form 15323A GU. The Form 15323A GU must be filed at DRT’s Income Tax Branch.

1. What are Advance Child Tax Credit payments?

Advance Child Tax Credit payments are early payments processed by Guam DRT of 50 percent of the estimated amount of the Child Tax Credit that you may properly claim on your 2021 Guam income tax return during the 2022 tax filing season. If you have a validly filed and processed 2020 Guam income tax return, or if none, a validly filed and processed 2019 Guam income tax return, and you claimed qualified dependents and Guam DRT has all required information for those dependents (name, social security number, date of birth, and relationship), these monthly payments will be made beginning in the month of September 2021 and then in equal monthly payments through December 2021, based on information contained in that return. If DRT does not have complete dependent information, including date of birth, you must provide DRT with the information either online once the Guam CTC Update Portal is launched or by manually filing the Form 15323A GU, *Advanced Child Tax Credit Updates*, once DRT allows for changes/updates to dependent information.

2. How do I qualify for Advance Child Tax Credit payments?

You qualify for Advance Child Tax Credit payments if you have a qualifying child who is claimed on your validly filed 2020 Guam income tax return, and if none on your validly filed and processed 2019 Guam income tax return. Also, you — or your spouse, if married filing a joint return — must have your main home in Guam for more than half the year.

3. Who is a “qualifying child” for purposes of the 2021 Child Tax Credit?

Generally, for tax year 2021, a qualifying child is an individual’s dependent for more than half of the year 2021, who meets the relationship test, who has not reached the age of 18 by the end of 2021, who does not provide for more than one half of their support, and who is a US citizen.

4. When will I receive my Advance Child Tax Credit payments?

Guam residents who qualify will begin to receive their Advance Child Tax Credit payments in September 2021 and then in equal monthly installments through December 2021.

5. What if I will claim a child in 2021 that was not claimed in my 2020 or 2019 Guam income tax return?
You can add a qualifying child on Guam CTC Update Portal once it is launched or by submitting the manual Form 15323A GU to DRT once DRT allows for changes/updates to dependent information. This will update the amount you receive for your Advance Child Tax Credit payment. Once DRT launches the portal, it will advise the community and recommends that individuals utilize the portal as the manual filing of the Form 15323A GU may take time to process.
6. What if I do not want to receive Advance Child Tax Credit payments?
Joint filers see Question 14. If you do not want to receive your Advance Child Tax Credit, you can unenroll.

For the first Advance Child Tax Credit Payment which will be made in September, the manual Form 15323A GU to opt to unenroll will be due on Tuesday, September 14, 2021.

The additional schedule for submission of changes on the Guam CTC Update Portal or by Form 15323A GU will be provided at a later time.

Once DRT launches the portal, it will advise the community and recommends that individuals utilize the portal as the manual filing of the Form 15323A GU may take time to process.

NOTE: Unenrolling is a one-time action and you will not be able to re-enroll. Please contact DRT's Customer Call Center if you experience issues regarding unenrollment.

7. Are Advance Child Tax Credit payments taxable?
No. Advance Child Tax Credit payments are not income and will not be reported as income on your 2021 Guam income tax return. Advance Child Tax Credit payments are Advance payments of your tax year 2021 Child Tax Credit.

However, the total amount of Advance Child Tax Credit payments that you receive during 2021 is based on DRT's estimate of your 2021 Child Tax Credit. If the total is greater than the Child Tax Credit amount that you are allowed to claim on your 2021 Guam income tax return, you may have to repay the excess amount on your 2021 Guam income tax return during the 2022 tax filing season. For example, if you receive Advance Child Tax Credit payments for two qualifying children properly claimed on your 2020 Guam income tax return, but you no longer have qualifying children in 2021, the Advance Child Tax Credit payments that you received based on those children are added to your 2021 income tax unless you qualify for repayment protection.

For this reason, you may wish to unenroll from receiving Advance Child Tax Credit payments. You can unenroll through the CTC Update Portal which DRT will be launching or by manually filing a Form 15323A GU. Once DRT launches the portal, it will advise the community and recommends that individuals utilize the portal as the manual filing of the Form 15323A GU may take time to process.

8. How much will I receive in Advance Child Tax Credit payments?
For tax year 2021, the Child Tax Credit is increased from \$2,000 per qualifying child to:

- \$3,600 for children ages 5 and under at the end of 2021; and
- \$3,000 for children ages 6 through 17 at the end of 2021.

Your total Advance Child Tax Credit payment amounts will equal half of the amount of your estimated 2021 Child Tax Credit based on your validly filed and processed 2020 Guam income tax return and if

none, then your validly filed and processed 2019 Guam income tax return. This amount will be divided into payments which will begin in September and then be paid monthly through December 2021.

9. How will I receive my Advance Child Tax Credit payments?

If Guam DRT has received your banking information based on your validly filed and processed 2020 Guam income tax return and if none, then your validly filed and processed 2019 Guam income tax return, your payment will be sent to you as a direct deposit. We will use bank account information from the following sources, in the following order:

- Your validly filed and processed 2020 Guam income tax return
- Your validly filed and processed 2019 Guam income tax return

If we do not have your bank account information to issue you a direct deposit, we will send your Advance Child Tax Credit payments by mail unless you provide your updated bank information through the Guam CTC Update Portal once it is launched or by manually filing your Form 15323A GU. Once DRT launches the portal, it will advise the community and recommends that individuals utilize the portal as the manual filing of the Form 15323A GU may take time to process.

10. Do I have to pay back the Advance Child Tax Credit payments?

If your Advance Child Tax Credit payments exceed your Child Tax Credit when you file your 2021 Guam income tax return, you may need to repay that excess amount.

11. What if I want to receive credit for only one of my qualifying children?

You can remove a qualifying child you do not want to receive Advance Child Tax Credit payments for through our portal or by submitting Form 15323A GU to DRT.

For the first payment of the Advance Child Tax Credit which will be in September 2021, DRT will not allow for dependent updates. DRT will advise once this option is available.

Once DRT launches the portal, it will advise the community and recommends that individuals utilize the portal as the manual filing of the Form 15323A GU may take time to process.

12. How do I get to the portal?

Once Guam DRT launches the CTC Update Portal, you will be able to access it at www.myguamtax.com.

13. Where is my Adjusted Gross Income (AGI) on my Guam income tax return?

Your AGI is the amount on line 11 on your 2020 Guam income tax return or the amount on line 8b of your 2019 Guam income tax return.

14. We are joint filers and we do not want to receive our Advance Child Tax Credit payment. What do we do?

Both individuals on a joint return must unenroll in order to avoid receiving the Advance Child Tax Credit payment. If only one spouse chooses to unenroll, that spouse will not receive the Advance Child Tax Credit payment. The remaining spouse who did not unenroll will receive payments for their portion of the Advance Child Tax Credit payment.

To unenroll for the September installment, you must submit your Form 15323A GU to Guam DRT by Tuesday, September 14, 2021. Once DRT launches the portal, it will advise the community and recommends that individuals utilize the portal as the manual filing of the Form 15323A GU may take time to process.

NOTE: Unenrolling is a one-time action and you will not be able to re-enroll. Please contact DRT's Customer Call Center if you experience any issues unenrolling.

15. Do I need income to receive Advance Child Tax Credit payments?
No. Even if you have \$0 in income, you can receive Advance Child Tax Credit payments if you are eligible.
16. Will Guam DRT contact me about Advance Child Tax Credit payments before they are disbursed?
No.

17. Will Guam DRT send me a letter of my Advance Child Tax Credit payments to help me correct Child Tax Credit amount on my 2021 return next year?
Yes. In January 2022, DRT will send you Letter 6419 to provide the total amount of Advance Child Tax Credit payments that were disbursed to you during 2021. Please keep this letter regarding your Advance Child Tax Credit payments with your tax records. You may need to refer to this letter when you file your 2021 Guam income tax return during the 2022 tax filing season.

18. Will Advance Child Tax Credit payments affect any government benefits that I receive?
No. Advance Child Tax Credit payments cannot be counted as income when determining if you or anyone else is eligible for benefits or assistance, or how much you or anyone else can receive, under any federal program or under any state or local program financed in whole or in part with federal funds.

19. What type of information can I update on Guam's CTC Update Portal?

In September, DRT will accept forms from those individuals who wish to unenroll only. For the September installment, the unenrollment form must be submitted to DRT no later than September 14, 2021.

DRT will be launching the Guam CTC Update Portal in phases and will provide more information regarding the phases in future FAQs.

The following will be able to be done on Guam's CTC Portal in 2021. In September, DRT will allow for unenrollment only. All other changes will be allowed at later dates as advised by the agency.

- a. Unenroll from payments
- b. Make changes to your address
- c. Make changes to or add your bank information to be paid by direct deposit
- d. Make changes to your dependents – to add, remove, or update a dependent
- e. Make changes to your Adjusted Gross Income (AGI)

You must have a validly filed and processed 2020 or 2019 Guam income tax return in order to be able to make these updates.

20. What is my modified AGI?

For purposes of the Child Tax Credit and Advance Child Tax Credit payments, your modified AGI is your adjusted gross income (from the 2020 Guam Form 1040, line 11, or the 2019 Guam Form 1040, line 8b), plus the following amounts that may apply to you.

- Any amount on line 45 or line 50 of the 2020 or 2019 [Form 2555, Foreign Earned Income](#).
- Any amount excluded from gross income because it was received from sources in Puerto Rico or American Samoa.

If you do not have any of the above, your modified AGI is the same as your AGI.

21. How does the first phaseout reduce the 2021 Child Tax Credit to \$2,000 per child?

The Child Tax Credit begins to be reduced to \$2,000 per child if your modified AGI in 2021 exceeds:

- \$150,000 if married and filing a joint return or if filing as a qualifying widow or widower;

- \$112,500 if filing as head of household; or
- \$75,000 if you are a single filer or are married and filing a separate return.

The first phaseout reduces the Child Tax Credit by \$50 for each \$1,000 (or fraction thereof) by which your modified AGI exceeds the income threshold described above that is applicable to you.

22. How does the second phaseout reduce the remaining \$2,000 Child Tax Credit?

The Child Tax Credit won't begin to be reduced below \$2,000 per child until your modified AGI in 2021 exceeds:

- \$400,000 if married and filing a joint return; or
- \$200,000 for all other filing statuses.

The second phaseout reduces the Child Tax Credit by \$50 for each \$1,000 (or fraction thereof) by which your modified AGI exceeds the income threshold described above that is applicable to you.

For more information regarding the Advance Child Tax Credit for Guam residents, you can contact DRT's Call Center at 635-1840/1841/7614/7651 or 635-1813. You may also send *general* e-mail inquiries to pinadmin@revtax.guam.gov. DO NOT PROVIDE any confidential taxpayer information in your e-mails. For specific questions, please call DRT's Call Center.

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