



COMPANIES
CPA'S & BUSINESS ADVISORS

WHY IS MY REFUND LOWER THIS YEAR?

Several favorable benefits available to taxpayers are no longer applicable in 2022. Changes to these tax rules may impact your tax liability and refund this year. Below is a comparison to prior years, and details what the anticipated impact may be to you.

Tax Deduction / Credit / Benefit	Prior Years 2020 / 2021	Current Year 2022	Anticipated Impact to Taxpayers in 2022
Economic Impact Payments / Stimulus Checks	3 rounds of issued stimulus checks	No stimulus checks issued	Reduced non-taxable income
Child Tax Credit	- \$3,600 per child under 6 years old; - \$3,000 per child 7-17 years old; - Advance payments made to taxpayers	- \$2,000 per child 16 years old and younger; - No advance payments	Reduced tax credit, increasing tax liabilities and reducing tax refunds
Child and Dependent Care Assistance Credit	- Refundable credit; - Max credit of 50%; - Full credit available for taxpayers with AGI of less than \$125,000	- Nonrefundable credit; - Max credit of 35%; - Full credit available to taxpayers with AGI of less than \$15,000	Reduced tax credit, increasing tax liabilities and reducing tax refunds
Earned Income Tax Credit (EITC)	- Increased credit for childless taxpayers; - Maximum credit of \$9,820	- Reduced credit for childless taxpayers; - Maximum credit of \$7,320	Reduced tax credit, increasing tax liabilities and reducing tax refunds
Above the Line Charitable Contribution Deduction	- \$300 deduction for 2020; - \$600 deduction for 2021	No above the line deduction	Reduced tax credit, increasing tax liabilities and reducing tax refunds
Employer Provided Child Care	- \$10,500 of employer provided child care excluded from taxable income	\$5,000 of employer provided child care excluded from taxable income	Reduced tax credit, increasing tax liabilities and reducing tax refunds
Healthcare Premium Tax Credit	- Expanded credit to include individuals receiving unemployment income	- Expanded credit repealed; - Eligibility based on household income and federal poverty line	Reduced tax credit, increasing tax liabilities and reducing tax refunds