

Why does it seem like I didn't get as much tax refund money in 2022 compared to 2020-2021?

| Tax Rule INDIVIDUALS | New Rule (2022) | Old Rule (2020-2021) | 2022 Impact on Taxpayers |
|--|---|--|--|
| Economic Impact Payments | None—No economic impact payments to individuals | 3 Rounds of Economic Impact Payments to Individuals in 2020 - 2021 | Unfavorable: No additional income (excluded from tax) |
| Child Tax Credit | \$2,000 per qualifying child under up to age 16 | \$3,000 per child, \$3,600 for under age 6, include age 17, plus advance payment of half the amount July – Dec. 2021 | Unfavorable: Less child tax credit amounts and kids aged 17 not eligible. |
| Child and Dependent Care <i>Assistance Credit For working individuals with children under age 13 and dependents incapable of self-care</i> | Nonrefundable (i.e., limited to tax liability). Max credit percentage dropped to 35%. Full credit available to taxpayers with AGI of \$15,000 or less | Refundable tax credit. For 2021, max credit percentage was 50%; full credit available to taxpayers with AGI of \$125,000 or less | Unfavorable: less tax credit and not refundable |
| Earned Income Tax Credit <i>Childless wage earners could earn more income and get a larger credit in 2021 compared to 2022.</i> | Credit percentage for childless earners reverts back down to pre-pandemic rates (7.65%), and ceiling of earned income is lower (\$7,320) | The credit percentage was increased for Childless income earners (15.3%) – maximum credit was larger and ceiling for eligible earned income was higher (\$9,820) | Unfavorable: reduces the childless EIC to smaller % and eligibility ceiling is less income |
| Charitable contributions for non-itemizers | No above the line deduction- only itemized deduction | \$300 above the line deduction (2020) increased to per person in 2021 (\$600 MFJ) | Unfavorable change: less charitable deductions. |
| Employer Provided Child Care <i>Dependent care spending account rules</i> | \$5,000 in employer provided childcare is excluded from income (Cafeteria Plan) | \$10,500 employer provided childcare is excluded from income (Cafeteria Plan) | Unfavorable: increases dependent care income subject to tax. |
| Healthcare Premium Tax Credit Refundable credit for participants in a state affordable health insurance exchange programs | Reverts to pre-pandemic rules. Eligibility is based on household income relative to the federal poverty limit | Health Insurance premium credit expanded to include individuals receiving unemployment compensation | Unfavorable: less taxpayers are eligible for the credit |