

Coronavirus Aid Relief and Economic Security Act – Economic Impact Payment

What is the Economic Impact Payment (EIP)?

On March 27, 2020, the Coronavirus Aid Relief and Economic Security (“CARES”) Act was signed into law to provide relief for individuals and businesses that have been negatively affected by the coronavirus pandemic. The relief includes a one-time payment to individuals to support financial stability during the crisis. This payment is known as the Economic Impact Payment and has also been referred to as the “stimulus payment” or “recovery rebate.”

Who is eligible to receive the EIP?

U.S. residents will receive the EIP if they are not a dependent of another taxpayer AND have a work eligible Social Security number with adjusted gross income (AGI) up to:

- \$75,000 for individuals
- \$112,500 for head of household filers and
- \$150,000 for married couples filing joint returns

Taxpayers will receive a reduced payment if their AGI is above these amounts and will eventually cap off at adjusted gross incomes of \$99,000 and above based on filing status.

Who is not eligible to receive the EIP?

Taxpayers likely won't qualify for an Economic Impact Payment if any of the following apply:

- You can be claimed as a dependent on someone else's return.
 - For example, this would include a child, student or older dependent who can be claimed on a parent's return.
- You do not have a valid Social Security number.
- You are a nonresident alien.
- You filed Form 1040-NR or Form 1040NR-EZ, Form 1040-PR or Form 1040-SS for 2019.
- Your adjusted gross income is greater than
 - \$99,000 if your filing status was single or married filing separately
 - \$136,500 for head of household
 - \$198,000 if your filing status was married filing jointly
- You filed a tax return listing a spouse or dependent with an ITIN.

How much is the EIP worth?

Individuals eligible for the full amount of the EIP based on income (see question 2 above) will receive \$1,200 if filing single, married filing separately or head of household. Joint filers eligible for the full amount of the EIP based on income will receive \$2,400. Individuals may also be eligible for an additional \$500 per qualifying child.

How will the EIP be issued to eligible individuals?

For filers:

For individuals who filed a 2018 or 2019 federal income tax return and provided direct deposit information on their tax return, the EIP will be directly deposited into their account.

For individuals who filed a 2018 or 2019 federal income tax return but did not provide direct deposit information on their return, and wish for their EIP to be deposited into their bank account, they may inform the IRS of their banking information using the IRS online portal available at <https://www.irs.gov/coronavirus/economic-impact-payments> under “Filers: Get Your Payment.”

For individuals who filed a 2018 or 2019 federal income tax return but did not provide direct deposit information on their return and are unable to inform the IRS of their bank account information, or do not have a bank account, the stimulus will be mailed to the last known address the IRS has on file for them (usually the address used on the latest filed tax return).

For non-filers:

For individuals who did not file their 2018 or 2019 federal income tax returns but had a filing requirement those years due to taxable income received those years, they will need to file their 2019 federal income tax return prior to December 31, 2020 to receive the EIP. If they are unable to file by December 31, 2020, they will need to wait until they file their 2020 federal income tax return in 2021 to claim the EIP on their 2020 federal income tax return.

For individuals who do not file tax returns because they are not required to do so based on income, and began receiving Social Security retirement, disability (SSDI), survivor benefits, or Railroad Retirement and Survivor Benefits prior to January 1, 2020, the EIP will be distributed in the way the benefits are received.

NOTE: People in these groups who have qualifying children under age 17 will need to use the IRS online portal available at <https://www.irs.gov/coronavirus/economic-impact-payments> under “Non-Filers: Enter Payment Info Here” to claim the \$500 payment per child.

How will the EIP be issued to eligible individuals? (continued)

For non-filers:

For individuals who did not file a 2018 or 2019 federal income tax return because they were not required to do so based on their income, to receive the EIP, they will need to file a tax year 2019 federal income tax return, or inform the IRS of their direct debit information using the IRS online portal available at

<https://www.irs.gov/coronavirus/economic-impact-payments> under “Non-Filers: Enter Payment Info Here.”

Will the EIP be offset to other debts owed such as IRS debt?

The EIP will not be offset to federal income tax debt owed or most other federal debts such as student loan debt. However, the EIP may be offset to child support debt, or subject to state/local government garnishment or court-ordered garnishments.

How can I protect myself from scammers?

The IRS urges taxpayers to be on the lookout for scam artists trying to use the economic impact payments as cover for schemes to steal personal information and money. Remember, the IRS will not call, text you, email you or contact you on social media asking for personal or bank account information – even related to the economic impact payments. Also, watch out for emails with attachments or links claiming to have special information about economic impact payments or refunds.

For more information, please contact

The Community Tax Law Project

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This information is not legal advice. We are providing this information as a public service. We have tried to make it accurate as of the date below, but keep in mind that tax laws change frequently.

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