

## Economic Impact Payments Update as of 5/14/20

You've probably heard by now that IRS will be making millions of "economic impact payments" (also called "recovery rebates" or "stimulus checks") in the coming months to help people stay afloat during this time of economic uncertainty related to the COVID-19 crisis. Many Americans have already started receiving these payments. Here are some updates related to questions you might be having about this program:

### **Why haven't I received my payment yet?**

Millions of Americans have already received their payments and more are on the way. The vast majority of people won't have to do anything in order to get an economic impact payment. The IRS will calculate and send the payment automatically to those who are eligible. If you have not received your payment yet, the IRS states there are many possible reasons for this. For example, you are not eligible for a payment or you are required to file a tax return and have not filed yet. It is also possible that they have simply not processed your payment yet. You can check your payment status on the IRS website at: <https://www.irs.gov/coronavirus/get-my-payment> if you have not received your payment.

### **I received my payment, but the amount was less than what I expected**

The amount of the economic impact payment is an advance payment of a 2020 credit, but the amounts are being calculated based on the most recently filed 2019 or 2018 tax returns. If you've already filed your 2019 tax return, the IRS will use the Adjusted Gross Income (AGI) and dependents from that return to calculate the payment amount. If you haven't filed for 2019 yet, information from your 2018 return will be used.

If the amount you received is less than the amount you are entitled to receive, you will be able to claim a credit for the difference on your 2020 tax return. This includes individuals that have an additional qualifying child in 2020 or whose income decreased in 2020 and results in a larger payment than the one received. Individuals who were ineligible to receive an economic impact payment because they were claimed as a dependent in 2019 but cannot be claimed as a dependent in 2020, may be able to claim the credit on their 2020 tax returns.

### **Are the payments taxable in 2020?**

The economic impact payment that you receive won't be included in your income for tax purposes. It won't cause you to owe tax or decrease your refund for 2020. However, it is important to keep a record of the payment you received for your 2020 tax preparation purposes.

### **What happens if my payment was larger than what I was entitled to receive?**

There is no requirement to pay back the economic impact payments when the amount received by an eligible individual was based on their 2019 or 2018 AGI and dependent information, and any of that information changes in 2020, resulting in a smaller calculated payment. However, an ineligible individual who receives a payment in error is required to return that payment. That includes individuals who passed away before their payment was received.

Please let us know if you have any questions about the economic impact payments or if we can assist you in any way.