



ECONOMIC IMPACT PAYMENTS, ROUND 2 FAQ

1. Am I eligible to receive the second round of EIP payments?

a. Basic Eligibility:

- i. Any person who has a valid work-authorized social security number (SSN),
- ii. As long as such person is not considered or claimed as a dependent on another Taxpayer's return; and
- iii. As long as such person's adjusted gross income (AGI) does not exceed certain thresholds¹.

b. **Military Spouses:** All spouses of members of the military are eligible, even if such spouses do not have a SSN.

c. **Adoptees:** Adopted children are eligible with an Adoption Tax Identification Number.

d. **“Mixed Status” Households:** The legislation introduced in the second round of EIP's fixed the rule in the CARES Act which precluded those in “mixed status” households from receiving the first round of Economic Income Payments. Under the new legislation, a taxpayer with a work-authorized SSN who is married to an ITIN filer, and married filing jointly (MFJ) with their spouse, is now eligible for the second round EIP payment, as are any eligible child dependents with valid SSNs². [This change is retroactive, meaning that those who qualify under this description who were excluded from the first round of EIPs can claim that rebate when filing their 2020 tax returns.](#)

2. How will the IRS determine eligibility?

The IRS will use the same methodology for calculating payments as it did for the first round of EIPs. However, this time, instead of considering either the 2019 or 2018 tax return in calculating AGI, the IRS will only consider 2019 tax returns. If you did not file a return in 2019, or did not use the non-filer portal, then you will have a chance to claim this second round on your 2020 tax return filing.

¹ \$75,000 for single filers; \$112,500 for a head of household filer; \$150,000 for joint filers. The payment is reduced by \$5 for every \$100 of income above these thresholds.

² Child dependents with SSNs are only eligible for the payments if at least one of the taxpayers claiming them as a dependent on their tax returns has a valid work-authorized SSN.

3. How much can I expect to receive from the IRS?

a. Second Round of EIPs:

- i. **\$600.00** for individuals with an AGI at or below \$75,000.00 dollars or \$112,000.00 dollars for those who filed as Head of Household in 2019.
- ii. **\$1,200.00** per couple who file MFJ, with an AGI at or below \$150,000.00 dollars in 2019.
- iii. **\$600.00** paid to eligible taxpayers for each qualifying child under the age of 17 in 2019, without limitation. Dependents who are 17 and older will not be eligible. **A family with a child born in 2020 is eligible for the \$600 per child rebate amount. If a child was born since the family's last filing, the family will not automatically receive the \$600.00 dollars for the child born in 2020. To receive the credit, the family can claim the \$600.00 dollar credit on their 2020 tax return filing made in 2021.**

b. First Round of EIPs for those who qualify for retroactive payment:

- i. \$1,200.00 for individuals with an AGI at or below \$75,000.00 dollars or \$112,000.00 dollars for those who filed as Head of Household in 2019, 2020 or 2018.
- ii. \$2,400.00 per couple who file MFJ, with an AGI at or below \$150,000.00 dollars in 2019, 2020 or 2018.
- iii. \$500.00 paid to eligible taxpayers for each qualifying child under the age of 17 and the end of the 2019 tax year, without limitation. Dependents who were 17 and older at the end of the 2019 tax year would not be eligible. **A family with a child born in 2020 is eligible for the \$500 per child rebate amount. If a child was born since the family's last filing, the family will not automatically receive the \$500.00 dollars for the child born in 2020. To receive the credit, the family can claim the \$500.00 dollar credit on their 2020 tax return filing made in 2021.**

4. When will I receive my EIP?

- a. **Second Round of EIPs:** the IRS began issuing payments during the last week of December, more payments in early 2021 and will continue to issue payments through 2021 for eligible taxpayers that may not have qualified based on their 2019 income but do qualify based on their 2020 income.
- b. **First Round of EIPs:** the IRS issued the first round of EIPs in early March 2020 and continued to issue them through the rest of the 2020. These payments were issued based on income reported on the 2019 or 2018 tax returns or the non-filer portal. If you did not qualify for the first round of EIPs because of your income, because you did not utilize the non-filer portal or file a tax return, or because you are in a mixed status household, you can claim the payment on your 2020 tax return.

5. I have not filed my 2019 taxes. Do I have to file to receive this second round of EIPs?

In general, yes. The IRS is basing this round of payments on the 2019 tax return. However, if you missed out on the non-filer portal, or did not file a 2019 tax return, you will have a chance to claim both EIPs by filing a 2020 tax return if you have taxable income or by using the IRS's Free File Program. **See, #14 k-n for filing resources. See, #11 for the exception.**

6. When does the tax filing season begin?

The 2021 filing season began on **February 12, 2021.**

7. How can non-tax filers receive an EIP?

Unlike last year, the non-filer portal is no longer available for taxpayers who make little to no income and are not required to file a return. Instead, you will need to file a simple 2020 tax return when the filing season opens on February 12, 2021. Please see our resources below for more information on claiming economic impact payments on your 2020 tax return.

8. I do not usually file a Tax Return because I get SSA, SSI, SSDI, VA benefits. Am I eligible to receive the EIP?

The IRS is working directly with the Social Security Administration, Railroad Retirement Board, and the Veterans Administration to obtain information needed to distribute the second round of EIP's the same way benefits are paid to their respective beneficiaries.

9. How will I receive the Economic Impact Payment?

- a. You can expect to receive the payment as **either a direct deposit, paper check or pre-paid debit card**. If the IRS has your direct deposit information on file, you will receive a payment this way. If you have changed your bank account since the 2019 filing season, or you did not provide bank account information when filing your 2019 tax return, you can expect to receive a paper check or debit card in the mail at the last known address the IRS has on file.
- b. **A Note on Debit Cards:** Some people who received a paper check last time may receive a debit card this time. The pre-paid debit card, called the "Economic Impact Payment Card" is sponsored by the Bureau of the Fiscal Service and is issued by Treasury's financial agent, MetaBank, N.A. The IRS does not determine who receives the debit card. The cards are *safe and secure* and are being sent in white envelope that displays the U.S Department of Treasury seal. For more information on the debit cards, please see our resources.
- c. **If you are eligible, but do not receive your payment for any reason, you can claim the payment when you file your 2020 taxes in 2021. Remember, the Economic Impact Payments are an advance payment of what will be called the Recovery Rebate Credit on the 2020 Form 1040 or Form 1040-SR.** *See, #11 for the exception.*

10. Will my Economic Impact Payment be used to offset a debt I owe for child support, private creditors, debt collectors, or back taxes?

- a. **Second Round of EIPs:** In general, no. Unlike the first round of EIPs, the second round of EIPs will not be subject to offsets for overdue child support or outstanding tax debt. They are also exempt from private creditor or debt collector garnishments. *See, #11 for the exception.*
- b. **First Round of EIPs:** Yes, the first round of EIPs were subject to offsets for overdue child support and in some states, could be garnished by private creditors and debt collectors. California was one of the states that introduced legislation, to prevent garnishments by private debt collectors and private creditors. *See, #11 for the exception.*

11. If I claim the Recovery Rebate Credit (Round 1 EIP, Round 2 EIP, or Both) on my 2020 Tax Return, will it be used to offset unpaid federal taxes and certain other debts?

- a. **First Round EIPs and Second Round EIPs Offset:** If you did not receive your first or second EIP payment, you will be directed by the IRS to claim a Recovery Rebate Credit (RRC) when you file your 2020 tax return. This will enable the IRS to credit you with these payments. **The Consolidated Appropriations Act, 2021 (CCA)** protected the second round of EIPs from all offsets, including past-due child support. However, that protection was **only for advance payments based on the 2018 or 2019 tax return.** At the same time, the CCA retroactively revised the CARES Act, subjecting the **RRCs** to regular offset rules for unpaid federal taxes and certain other debts. **Unfortunately, RRCs are treated differently from EIPs paid in advance.** This means if you are an eligible individual who has not yet received your full **EIP** and you have certain outstanding debts, such as federal and state back-taxes, unpaid child support, and certain other private debts, it is possible that your unpaid EIP will be treated as an RRC, and therefore withheld to offset such debts.
- b. **Offset Bypass Refund (“OBR”):** **If you can demonstrate a financial hardship, you may be eligible to request that the IRS bypass the offset rule and give you your refund instead of using it to pay outstanding federal tax debt and other debts that would otherwise be subject to an offset.** There is no legal authority that requires the IRS to issue an OBR. Instead, the IRS has made a policy decision not to offset the taxpayers refund and instead, a refund to the taxpayer if the taxpayer can demonstrate a hardship. **The request needs to be made before the IRS assesses a balance and when the return is filed.** Please see our resources section for further information on OBRs.

12. Will this Economic Impact Payment be taxed?

The Economic Impact Payment will not be considered income, and therefore will not be taxable on your 2020 return. It will also not *reduce* your refund amount or increase the amount you owe when you file your 2020 tax return. It is also not counted towards eligibility for federal programs for both income and asset test purposes.

13. Will this Economic Impact Payment affect my eligibility for federal programs, like Supplemental Security Income?

No, the Economic Impact Payment is considered a tax refund and is not counted towards eligibility for federal programs for both income and asset test purposes.

14. Are there any Public Charge implications?

The EIP is an advanced tax credit (based on 2020 tax returns), and the public charge regulation is clear that tax credits are NOT considered for the purposes of a public charge determination. Since the EIP is considered a tax refund, it is NOT counted towards eligibility for federal programs such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP).

15. Resources:

- a. **EIP (House Committee on Ways & Means):**
<https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/2021.01.2EIPOnePager.pdf>
- b. **Recovery Rebate Credit Q&A:** <https://www.irs.gov/newsroom/recovery-rebate-credit>
- c. **Claiming the Recovery Rebate Credit if you are not required to file a return:**
<https://www.irs.gov/newsroom/recovery-rebate-credit-topic-a-claiming-the-recovery-rebate-credit-if-you-arent-required-to-file-a-tax-return>
- d. **Recovery Rebate Credit Offset:** <https://www.taxpayeradvocate.irs.gov/news/nta-blog-many-taxpayers-may-not-receive-the-full-amount-of-economic-impact-payments-to-which-they-are-entitled-but-the-irs-has-the-discretion-to-correct-the-resulting-injustice/>
- e. **IRS CP21C Letter:** <https://www.taxpayeradvocate.irs.gov/news/nta-blog-economic-impact-payments-the-mystery-of-the-cp21c-letter/>
- f. **Offset Bypass Refund (OBR):** https://www.irs.gov/irm/part21/irm_21-004-006r
- g. **Requesting an Offset Bypass Refund:** <https://procedurallytaxing.com/requesting-an-offset-bypass-refund-and-tracing-offsets-to-non-irs-sources/#:~:text=In%20order%20to%20request%20an,the%20amount%20of%20the%20OBR.>
- h. **Second EIP Q&A:** <https://www.irs.gov/coronavirus/second-eip-faqs>
- i. **EIP Card:** <https://www.eipcard.com/>
- j. **EIP Debit Card IRS Announcement:**
<https://content.govdelivery.com/accounts/USIRS/bulletins/2b4af37>
- k. **IRS Newsroom:** <https://www.irs.gov/newsroom/treasury-and-irs-begin-delivering-second-round-of-economic-impact-payments-to-millions-of-americans>
- l. **EIP Round One Q&A:** <https://gop-waysandmeans.house.gov/qa-economic-impact-payments/>
- m. **EIP Round One FAQ's:** <https://www.irs.gov/coronavirus/economic-impact-payment-information-center#receiving>
- n. **Bet Tzedek Legal Services:** Please contact our intake line at 323-939-0506.
- o. **Tool to determine Filing Requirement:** <https://www.irs.gov/help/ita/do-i-need-to-file-a-tax-return>
- p. **Volunteer Income Tax Assistance (VITA):** <https://irs.treasury.gov/freetaxprep/>
- q. **Tax Counseling for the Elderly (TCE):** <https://irs.treasury.gov/freetaxprep/>
- r. **Free-File:** <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>

**These materials were last updated on February 19, 2021. **