



Bet Tzedek Legal Services Economic Impact Payment ("Stimulus Check") FAQ

WE HAVE ANSWERS TO THESE QUESTIONS AND MORE

- A. Will I receive an Economic Impact Payment (commonly called a stimulus check)? *See, FAQ: 1.***
- B. What do I have to do to get it? *See, FAQ: 2, 4, 6, 14.***
- C. How much will I get? How will I get paid? When will I get paid? *See, FAQ: 3, 6, 12, 14.***
- D. What if I receive Social Security, SSDI, SSI, VA, or Railroad Retirement Benefits? *See, FAQ: 5, 14.***
- E. If I owe money to the IRS, Federal Government or State, or a private debt, how will that affect my Economic Impact Payment? *See, FAQ: 7, 8, 9, 10, 11, 14.***
- F. What kind of SCAMS do I need to be on the lookout for? How can I protect my Payment? *See, FAQ: 13, 14.***

Economic Impact Payments FAQ:

1. Am I qualified to receive the Economic Impact Payment?

- a. **Eligible:** You are eligible as long as 1) you are a U.S Citizen or Resident Alien; 2) you have a valid social security number; and 3) you cannot be claimed as a dependent on another Taxpayers return.
- b. **Not- Eligible:** 1) ITIN Holders (or do not have a valid SSN); 2) non-resident aliens; 3) persons claimed as Dependents on another person's Tax Return (children, students or older dependent who can be claimed on a parent's return); 4) taxpayers who have a valid SSN, but their spouse does not and they filed "MFJ" on either their 2019 Tax Return (or 2018 Tax Return if you have not filed 2019); 5) taxpayers who filed Form 1040-NR or Form 1040NR-EZ, Form 1040-PR or Form 1040-SS for 2019; and 6) high- income filers (see, questions #2);
- c. **Exception:** A married couple is eligible if one spouse was in the military and at least one spouse has a valid social security number

2. How is the IRS going to determine how much to send me?

- a. The Economic Impact Payment is an advanced credit on your 2020 Tax Return Filing. In order to expedite the payment, the IRS is going to look at the adjusted gross income (AGI) of your 2019 (or 2018 Tax Return if you have not filed 2019) in order to make their determination. They will first look at Tax Year 2019. If this return has not been filed, then the IRS will look at Tax Year 2018 to make their determination. If you have not filed a return, are not sure if you should file a return, or aren't required to file a return, please see #4 and #5.

3. How Much Will I Receive?

a. Amount of Payments:

- i. **\$1,200.00:** Eligible, Single/ Married Filing Separate Filers will receive the full amount if their adjusted gross income (AGI) was a maximum of \$75,000.00 dollars in Tax Year 2019 (or 2018 Tax Return if you have not filed 2019). Head of Household Filers will also receive the full amount if their AGI was a maximum of \$112,000.00 dollars in Tax Year 2019 (or 2018 Tax Return if you have not filed 2019)
- ii. **\$2,400.00:** Eligible Married Filing Joint Filers will receive the full amount if their combined AGI was a maximum of \$150,000.00 dollars in Tax Year 2019 (or 2018 Tax Return if you have not filed 2019)
- iii. **\$500:** In addition to the above amounts, eligible taxpayers will receive up to \$500.00 for each qualifying child under the age of 17, without limitation.

- b. **Reduced Payments:** The IRS will issue reduced payments to eligible taxpayers whose AGI falls between the bellow amounts. The payment will be reduced by \$5.00 dollars for each \$100.00 dollars above the either \$75,000.00, \$112,000.00- or \$150,000.00-dollar threshold.

- i. **\$75,000.00 and \$99,000.00 – Single/ Married Filing Separate**
- ii. **\$112,000.00 and \$136,000.00- Head of Household**
- iii. **\$150,000.00 and \$198,000.00- Married Filing Jointly**

4. I haven't filed my 2018 or 2019 Taxes. Do I have to, in order to receive an Economic Impact Payment?

- a. In general, the answer is yes. The IRS is first going to look at your 2019 Tax Return, to measure the AGI in that given year. If a 2019 Tax Return has not been filed, the IRS will look at your 2018 Tax Return to make the determination. If you haven't filed your 2018 or 2019 taxes, you may need to file (see (b)). **If you have filed a 2018 Tax Return, you do NOT need to file a 2019 Tax Return in order to receive the Payment.** All taxpayers are currently required to file their 2019 Tax Return by July 15, 2020.
- b. **You are required to file a 2019 Tax Return If You Did Not File a 2018 Tax Return AND:**
- i. **Single:** Your filing status is "single" and you were under the age of 65 in December of 2019 and your gross income for the 2019 Tax Year was at least \$12,200.00 or if you were over the age of 65 in December of 2019 and your gross income for the 2019 Tax Year was at least \$13,350.00.
 - ii. **Head of Household:** Your filing status is "head of household" and you were under the age of 65 in December of 2019 and your gross income for the 2019 Tax Year was at least \$18,350.00 or if you were over the age of 65 in December of 2019 and your gross income for the 2019 Tax Year was at least \$20,000.00.
 - iii. **Married Filing Jointly:** You and your spouse filed "married, filing jointly" and you were both under the age of 65 in December of 2019 and your combined gross income for the 2019 Tax Year was at least \$24,400.00 or if one spouse was over the age of 65 years old in December of 2019 and your combined gross income was at least \$25,700.00 or if you were both over the age of 65 in December of 2019 and your combined gross income for the 2019 Tax Year was at least \$27,000.00.
 - iv. **Married Filing Separately:** Your filing status is "married, filing separate" and you were any age in December of 2019 and your gross income for the 2019 Tax Year was at least \$5.00.
 - v. **Qualifying Widow(er):** Your filing status is "qualifying widower" and you were under the age of 65 in December of 2019 and your gross income for the 2019 Tax Year was at least \$24,400.00 or if you were over the age of 65 in December of 2019 and your gross income for the 2019 Tax Year was at least \$25,700.00.
- c. **Filing Resource:** If you have a filing requirement for 2018 or 2019 and have not been able to file your return and have lost access to a VITA clinic or a tax preparer due to COVID-19, the IRS has provided a free online resource where you can file your return.
- i. **Free-File:** <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>
 - ii. **Tool to determine Filing Requirement:** <https://www.irs.gov/help/ita/do-i-need-to-file-a-tax-return>

5. I don't usually file a Tax Return because I get SSA, SSI, SSDI, VA benefits. What are my options?

- a. **Automatic Payments:** If you are an eligible Social Security (including SSDI and SSI) or Railroad Retirement beneficiary recipient or if you receive veterans disability compensation, a pension, or survivor benefits from the Department of Veterans Affairs, you do not need to file a tax return or provide any information to receive an economic impact payment. The economic impact payments will be sent automatically, in the same manner that you are currently receiving benefits.
- i. **NOTE:** Eligible recipients, who are taking care of a qualified child under the age of 17, **must** provide information through the "Non-Filer" tool on the IRS website, in order to receive the additional \$500.00 payment per qualifying child. **You should provide this information ASAP. For some recipients, the deadline to list qualified children is 9amPT on Wednesday, April 22.**

b. Non-Filer Portal: If your income level does not require you to file a tax return, then you need to use the “Non-Filers Enter Payment Info Here” tool on the IRS website, in order to provide some simple information so that you can receive your economic impact payment.

i. Non-Filer Portal: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>

6. Is the IRS going to deposit the Economic Impact Payment into my bank account or mail me a check?

a. E-Filed Return: If you e-filed your 2019 Tax Return (or 2018 if you have not filed your 2019 tax return) and provided banking information when you filed those returns, the IRS will directly deposit the Economic Impact Payment into that account.

b. Paper Filed Return: If you filed a paper return in 2019 (or in 2018, if you have not filed your 2019 tax return) you have an opportunity to provide bank account information through the IRS “Get My Payment” tool, in order to expedite your payment.

i. NOTE: The “Get My Payment” Tool will only work, if the IRS has not already processed your payment. If they have, you will be receiving a paper check. Also, note that the “Get My Payment” tool will not allow you to change the banking information provided on your 2019 or 2018 filed Tax Return. This was done in order to avoid scams and fraud from occurring. If your account has closed since then, you will likely receive a paper check.

ii. Get My Payment Tool: <https://www.irs.gov/coronavirus/get-my-payment>

7. I have delinquent federal tax debt. Will the Economic Impact Payment go to paying the outstanding tax debt?

a. No, the Economic Impact Payment will not be used to offset any prior federal tax debt.

8. I have federal non-tax debt and state tax debt. Will the Economic Impact Payment go to paying the outstanding debt?

a. At this time, the Economic Impact Payment will *not* be used to pay the outstanding debt.

b. Exception: If you have delinquent child support debt, the Economic Impact Payment will be used to pay the delinquent child support debt.

c. Resource: To find out the status of your debt, you can contact the treasury offset program (TOP) at 800-304-3107 to get information about what debts remain subject to collection through TOP.

9. I owe someone money; will the IRS pay them?

a. No, the IRS will not use this money to pay a private debt. But, if you were sued in court and a judge has ordered you to pay a person or a business, that person or business could take the money from your bank account. If your check is deposited into your bank account, that person or business may be able to take some, or all, of your money. You may be able to stop that from happening by asking the IRS to mail you a paper check, rather than directly depositing the money into your account. It may take longer to get your refund if you request a paper check.

10. I have not filed my 2019 Tax Return and I owe taxes for a prior year. If I am due a refund, will this be used to pay the taxes that I owe in the prior years?

a. In general, yes. If you will be receiving a 2019 refund, it will be used to offset a prior delinquent tax debt. In some circumstances, the IRS will allow you to keep your refund by utilizing the offset bypass program. If you would like to know more, need further assistance, or see if you qualify, please contact our offices at 323-939-0506.

11. Is the Economic Impact Payment taxable as 2020 income?

- a. 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. The payment will not affect your income for purposes of determining eligibility for federal government assistance or benefit programs.

12. When will I receive the Economic Impact Payment?

- a. The IRS has already started issuing payments and will continue to issue payments through 2020 and 2021 for eligible taxpayers that may not have qualified based on their 2019 income but do qualify based on their 2020 income.

13. SCAMS

- a. **Please stay *alert* and watch out for potential scams related to the Economic Impact Payments.** In general, a taxpayer should always go directly to <https://irs.gov> for official information or consult a tax professional for information concerning notices or other communications.

b. Scammers may:

- i. Ask you to sign over your Economic Impact Payment check to them.
- ii. Ask for verification of personal banking information.
- iii. Suggest that they can get you your tax refund or your Economic Impact Payment faster.
- iv. Issue a fake check, often in an odd amount, then tell you to call a number to verify the information online in order to cash it.
- v. Call, e-mail or text you to verify or request your financial, banking or personal information.

c. Tips to prevent scams:

- i. The IRS will *not* call, e-mail or text you to verify or request your financial, banking or personal information.
- ii. Watch out for websites and social media attempts to request money or personal information. The official website is IRS.gov.
- iii. Don't open surprise e-mails that look like they are coming from the IRS or click on attachments or links.
- iv. Taxpayers should not provide personal or financial information or engage with potential scammers online or over the phone.
- v. Forward suspicious emails to phishing@irs.gov, then delete.
- vi. Go to IRS.gov for the most up-to-date information.

14. Resources:

- a. **Coronavirus Tax Relief:** <https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments>
- b. **IRS News Room:** <https://www.irs.gov/newsroom/news-releases-for-current-month>
- c. **IRS Tax Tips:** <https://www.irs.gov/newsroom/irs-tax-tips>
- d. **SCAMS:** <https://www.irs.gov/newsroom/taxpayers-should-be-aware-of-coronavirus-related-scams>,
<https://www.irs.gov/privacy-disclosure/report-phishing>,
- e. **Economic Impact Payment FAQ's:** <https://www.irs.gov/coronavirus/economic-impact-payment-information-center#receiving>

If you have more questions or need assistance, we are happy to help. Please contact our intake line at 323-939-0506.

**These materials were last updated on April 21, 2020, and do not contain or incorporate any benefits from the recently passed Federal CARES Act. We are in the process of incorporating this information and will post an updated guide as soon as possible.*