

CARES Act Stimulus Payments

The CARES act was signed on 3/27/20. Here's what you need to know about the stimulus payments that the Treasury will soon be sending to millions of US taxpayers.



How much are the payments? Taxpayers with Adjusted Gross Incomes (AGI) below \$75,000/\$112,500/\$150,000 (single/HH/MFJ) will receive federal tax rebates of \$1,200 (single/HH) or \$2,400 (MFJ). There will be an additional \$500 for each child you claim as a dependent under the age of 17 (nothing for dependents 17 or older). Dependents themselves will not receive the rebate.

The tax rebate will be phased-out for higher income taxpayers. Rebates will be reduced by 5% of your income in excess of the thresholds listed above. Based on this formula, taxpayers with no dependents (under 17) and an AGI greater than \$99,000/\$136,500/\$198,000 (single/HH/MFJ) will not receive the rebate. These AGI phase-outs increase by \$10,000 for each dependent (under 17) that the taxpayer claims on their return.

How will you receive the payment? That depends. Your payment will be direct deposited if you had either a 2018 or 2019 federal refund direct deposited. If you received a paper check for 2018/2019 (or if you owed) your rebate will arrive as a paper check (mailed to your most recent address on file with the IRS). If you have changed addresses you should fill-out IRS form 8822 and mail it to the IRS (see form 8822 instructions for the IRS mailing address).

Can I submit direct deposit details directly to the IRS? Yes. Go to: <https://www.irs.gov/coronavirus/get-my-payment>

What if I never filed in 2018/2019? You have several options.

1. If you think you might get a rebate you should file.
2. You can wait until you file your 2020 return to claim a tax credit for the unclaimed rebate (if you qualify).
3. Taxpayers on Social Security who typically don't file a return will likely get the rebate even if they do not file.

When will I get my rebate? It will vary. Payments by direct deposit have already started. Those without direct deposit will receive their rebate weeks (if not months) later. If you need your rebate fast see the comment above about how to submit direct deposit details to the IRS.

Will I be notified? Yes. Within 15 days of the rebate being issued the IRS will send a letter in the mail notifying you about the amount of the rebate and how it was paid.

What if I never get my rebate? If you believe that you qualify you should try the IRS' "Get My Payment" website (<https://www.irs.gov/coronavirus/get-my-payment>). If you attempt to call the IRS expect very long wait times. If all else fails, you may be able to claim the your rebate as a tax credit on your 2020 tax return (if you qualify).

Will my rebate be taxable income? No, but you still need to keep track of the amount you receive. That's because the dollar amount will be needed for your 2020 tax return.

I used to be high-income but I lost my job. Will I get the rebate? Maybe. If you make less than the income threshold (see column 1 for details) in 2020 then you can claim the unused portion of the rebate as a tax credit on your 2020 return.

Can the IRS take-back all of a portion of a rebate that is paid-out? No. IRS will not make you pay-back the rebate if your situation changes in 2020.