



U.S. SENATOR
GARY PETERS

THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

TAX CHANGES FOR INDIVIDUALS

The CARES Act contains a number of provisions to provide economic relief to individuals, including 2020 Recovery Rebates and tax filing deadline extensions.

RECOVERY REBATES

Who qualifies to receive a check and how much will an individual receive?

Anyone who filed a tax return this year or last year is automatically eligible as long as they are under the maximum income threshold. Individuals receive \$1,200, married couples receive \$2,400, and child dependents (under 17) receive \$500.

What are qualified income levels based off of?

There is no qualified income threshold or requirement to receive the rebate. However, the rebate phases out at a 5 percent rate above adjusted gross incomes of \$75,000 for single filers, \$112,500 for heads of household, and \$150,000 for joint filers.

What should I do if I did not file a 2018 or 2019 tax return?

The Treasury Department recently launched a new web tool allowing quick registration for Economic Impact Payments for eligible individuals who do not normally file a tax return. The link to the tool is www.irs.gov/coronavirus/economic-impact-payments.

Can those collecting Social Security or disability receive a check?

Yes. Social Security beneficiaries who typically do not file a tax return will automatically get the \$1,200 payment as long as they are under the income threshold.

Will SSA administer the funds to my EBT/Debit card that I receive my SSA benefits through?

No. The IRS is sending out the rebates via direct deposit or checks.

How does an individual claim their check?

They do not need to claim their checks – the IRS will send out rebates automatically to their direct deposit or to the address provided on the last tax return submitted. **However**, people who receive Social Security retirement, survivors, or disability insurance benefits **and** who did not file a tax return for 2018 or 2019 **and** who have qualifying children under age 17 are encouraged to proactively go to the IRS's webpage to enter their information instead of waiting for their automatic \$1,200 recovery rebate.

How long will it take for this check to be delivered?

Rebates sent via direct deposit have started to be sent out by the IRS. Rebates sent via checks may take a few months.

Will I be taxed on this check?

No, rebates are not taxable.



U.S. SENATOR GARY PETERS

Will I be eligible if I haven't finished filing my 2018 taxes?

You need to have filed either a 2018 tax return or a 2019 tax return. If you have not filed either, you will not be eligible. You can file a 2019 tax return now to claim the rebate.

Will I be eligible if I have a lien against me, but I am in non-collect status?

Yes. Rebates will not be subject to garnishment, except if back child support is owed

I am owed child support. Will I receive the excess funds being held from the above garnishment?

Yes. The Treasury Department would give the excess funds to the MDHHS, who would then disburse the money to the parent who is owed child support if the amount owed is above \$150 or \$500, depending on if it is cash or non-cash assistance.

I withdrew my retirement in 2018- so my income that year was inflated. Is there any waiver for one time sources of income?

In this case, the taxpayer should file a 2019 tax return.

I benefit from the Supplemental Nutrition Assistance Program (SNAP) and/or other federal income-targeted programs. Will the rebate affect my eligibility?

No. The rebate you receive will not impact your eligibility for federal programs.

How does this impact my future tax returns?

If a taxpayer files their 2020 income tax returns in 2021 and finds that the recovery rebate is greater than the actual refund they are owed, then they would not be required to repay the excess credit. In addition, if the advanced credit is less than the actual credit, then taxpayers would be able to claim the difference on their 2020 income tax returns.

CHANGES TO TAX FILING

What has changed for income tax filing this year?

The tax filing due date has been extended to July 15, 2020. Tax returns and any income taxes owed will not be due until July 15.

Are there any changes to tax filing for businesses?

The income tax return due date for calendar year corporations has also been extended to July 15, 2020. Tax returns and any income taxes owed will not be due until July 15. Employers can defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Deferral is not provided to employers that avail themselves of SBA 7(a) loans designated for payroll.

If you have any additional questions about the federal resources available, please go to www.peters.senate.gov/coronavirus.