

Economic Impact Payments (EIP) Overview For 2020 and 2021

Confirm amounts received! Processing delays and refund changes may occur if the tax return includes EIP amounts that do not match IRS records.

Things to watch out for: A taxpayer who claims to have received an amount that doesn't match their circumstances or the stimulus amounts. For example, a taxpayer couldn't have received just \$1000 for EIP1; that is not a possible sum from the amounts below.

There are exceptions: For example, if all or part of the EIP was seized by the IRS for child support or taxes due. In these cases, we report the entire original amount as having been received by the taxpayer rather than the actual amount received. Or, if someone's EIP was based on a tax return that reported income over \$75,000 for single / \$112,500 for head of household / \$150,000 for MFJ; in this case, the payments would be a reduced amount.

There is no "claw-back" provision for EIPs. If a taxpayer received more EIP than their final household circumstances qualify for or if they received EIP as a non-dependent when in fact they are a dependent on another person's return, there is no repayment or "claw-back" of the incorrect amount.

EIP1 - part of a 2020 tax return

- Amounts:
 - **\$1200** each for taxpayer and spouse
 - **\$500** for each dependent under 17
 - Everyone must have a SSN valid for work that was issued by the due date of the 2020 tax return (including extensions) in order to receive EIP1. At least one of the taxpayers (primary or spouse) must have a valid SSN. In these cases, EIP1 is issued for those members of the tax family who have valid SSNs, not including the ITIN holder(s). (If both taxpayer and spouse have ITINs, they cannot receive EIP1.)
 - Only dependents eligible for the Child Tax Credit can receive EIP1 (i.e. under 17, with SSN, lived with taxpayer 6+ months of the year).
- This payment would have been received around April 2020.
- If the taxpayer did not receive EIP1, they can receive it (or whatever part of it they didn't get) on their 2020 tax return as a Rebate Recovery Credit.
- People could have received it because they filed a 2018 or 2019 return, if they used the IRS non filer portal available during 2020 (which counts as a form of 2019 return), or if they are a recipient of certain federal benefits like Social Security.
- There is no requirement to have income in order to receive EIP1.

- EIP1 was offset by past-due child support but not by IRS or other federal debts. It is also not protected from garnishment by creditors once deposited into the taxpayer's bank account. However, the IRS will reduce any refund on a 2020 tax return (including the Rebate Recovery Credit) by past-due taxes owed.

EIP2 - part of a 2020 tax return

- Amounts:
 - **\$600** each for taxpayer and spouse, as well as for each dependent under 17
 - Everyone must have an SSN valid for work to receive EIP2. At least one of the taxpayers (primary or spouse) must have an SSN in order to receive the EIP2 for any member of the family who holds an SSN. (If both taxpayer and spouse have ITINs, they cannot receive EIP2.)
 - Only dependents eligible for the Child Tax Credit can receive EIP2 (i.e. under 17, with SSN, lived with taxpayer 6+ months of the year).
- This payment would have been received around December 2020 or January 2021. If a taxpayer did not receive it, they can get it as a credit on their 2020 tax return as a Rebate Recovery Credit.
- People could have received it because they filed a 2018 or 2019 return, if they used the IRS non filer portal available during 2020 (which counts as a form of 2019 return), or if they are a recipient of certain federal benefits like Social Security.
- There is no requirement to have income in order to receive EIP2.
- EIP2 was not offset for past-due child support or IRS or other federal debts. It is not protected from garnishment by creditors once deposited into the taxpayer's bank account. However, the IRS will reduce any refund on a 2020 tax return (including the Rebate Recovery Credit) by past due taxes owed.

EIP3 – part of a 2021 tax return

- Amounts:
 - **\$1400** each for taxpayer and spouse, as well as for each dependent on the tax return
 - Everyone must have a SSN valid for work to receive EIP3. But both taxpayer and spouse can have an ITIN and still receive EIP3 for eligible dependents.
 - All dependents with a valid SSN are eligible for the EIP3, regardless of age.
- People could have received it because they filed a 2019 or 2020 return, if they used the IRS non-filer portal newly available during, or if they are a recipient of certain federal benefits like Social Security.
- There is no requirement to have income in order to receive EIP3.
- If a taxpayer doesn't receive EIP3 during 2021, they will be able to claim it on their 2021 tax return.

- EIP3 is not offset for past-due child support or IRS or other federal debts. It is not protected from garnishment by creditors once deposited into the taxpayer's bank account.
- The IRS issues letters to taxpayers confirming the amount of EIP3 received.

Take Note! MFJ filers will receive **TWO** IRS letters with the amount of EIP3 received split between spouses. The amounts on these letters must be added together and the total then entered into the joint tax return.