

February 2021

VITA/TCE Volunteer Tax Alert

VTA 2021-05, Economic Impact Payments for Residents of U.S. Territories

Purpose:

To alert VITA/TCE volunteers about Economic Impact Payments (EIPs) and the Recovery Rebate Credit for residents of U.S. territories.

Message to Volunteers:

Special rules in the law apply to Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. In general, the tax authorities in each U.S. territory will make payments to eligible residents. Individuals who are residents of one of these U.S. territories with questions about a payment should contact their local tax authority.

Individuals who received an EIP from more than one jurisdiction:

Resident of a U.S. Territory: Individuals who received a payment from the IRS and a U.S. territory tax agency and are residents of a U.S. territory for the 2020 tax year should consult with their U.S. territory tax agency concerning information about an incorrect or duplicate payment.

Not a resident of a U.S. Territory: Individuals who received a payment from more than one jurisdiction and who are NOT residents of a U.S. territory for the 2020 tax year should return any incorrect or duplicate payment received from the U.S. territory tax agency to the IRS following the instructions about repayments. Go to the Economic Impact Payment Information Center on IRS.gov, **Topic I: Returning the Economic Impact Payment** for instructions.

Individuals who did not receive an EIP or believe they did not receive the correct amount:

For residents of a U.S. territory, don't complete the Recovery Rebate Credit Worksheet and don't enter an amount on line 30 of Form 1040 or Form 1040-SR. In general, the tax authorities in American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the Northern Mariana Islands will provide the Recovery Rebate Credit to eligible residents. Territory residents should direct questions about Economic Impact Payments or the 2020 Recovery Rebate Credit to the tax authorities in the territories where they reside.

Completing the return of a resident of a U.S. territory using TaxSlayer:

Select "SKIP" on the Recovery Rebate Credit screen. This will allow you to prepare the return without completing the Recovery Rebate Credit Worksheet.

Recovery Rebate Credit

Did you receive any stimulus payment(s) from the government due to COVID-19?



NOTE:

This information is strictly used to ensure you have received the full amount you are entitled. It will not increase your taxable income or taxes due.

Select **all** that apply:

- I received stimulus payment(s) during the first round of payments.
- I received stimulus payment(s) during the second round of payments.
- I have not received any stimulus payments.

SKIP

CONTINUE

Resources:

- [Tax Year 2020 Form 1040 and Form 1040-SR Instructions](#)
- [Economic Impact Payment Information Center](#)

For additional questions, please talk to your site coordinator, partner or IRS SPEC relationship manager.

Thank you for volunteering and for your dedication to top QUALITY service!