

FAQs About the 2020 Stimulus Checks

Answers to some frequently asked questions.

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The federal government is providing a little economic relief to many taxpayers. The Internal Revenue Service is sending millions of Economic Impact Payments – or as they are commonly called, stimulus checks – to households.

Here are some facts to know about these payments. Keep in mind: this article is for informational purposes only. It's not a replacement for real-life advice, so make sure to consult your tax professional before modifying your strategy.

Who gets a check? If you have a Social Security Number and have not been claimed as a dependent on another taxpayer's most recent federal tax return, you may be eligible for a stimulus payment of up to \$1,200. Any money you get is tax free, and the payment will not be counted against a federal tax refund coming your way or federal benefits you currently receive.¹

Can I get a direct deposit rather than a paper check? Yes, assuming you provided a bank account number to the I.R.S. when you last filed federal taxes. If you did, the I.R.S. can route the stimulus payment right into that bank account. Another option is to update your account information through the I.R.S. website. Absent of such information, the I.R.S. will mail you a check instead.¹

When will my payment arrive? Secretary of the Treasury Steven Mnuchin expects that most eligible taxpayers will receive their stimulus money in April. Taxpayers waiting for a check in the mail may get their payments later.²

Where can I track my payment? Visit irs.gov/coronavirus/get-my-payment to check its status.³

Will most eligible taxpayers receive the full \$1,200 payment? Yes. The payment amount is calculated using your adjusted gross income (AGI) from your most recently filed federal tax return. A qualifying single filer with AGI of \$75,000 or less will get the full \$1,200. The same goes for someone filing as a head of household who has an AGI of \$112,500 or less.^{2,4}

Joint filers (i.e., married couples) with an AGI of \$150,000 or less will get a total of \$2,400. Joint filers and heads of households who have kids may get more – specifically, an additional \$500 for every qualifying child younger than 17. (A married couple or head of household with three young children could receive nearly \$4,000.)^{2,4}

Single filers with AGIs of more than \$99,000, child-free heads of household with AGIs of more than \$136,500, and child-free joint filers with AGIs above \$198,000 will not receive stimulus checks.^{2,4}

Single filers with gross incomes of \$12,200 or less in 2019 and joint filers with gross incomes of \$24,400 or less in 2019 must visit irs.gov/coronavirus/non-filers-enter-payment-info-here to facilitate their payments. This also applies to taxpayers who have not yet filed a 1040 form for the 2019 tax year or have no plans to do so.^{2,5}

Do you have to repay the money later? No. The stimulus payment is not a loan to you from the federal government. Misinformation about this is circulating, and as MarketWatch notes, it may stem from the way the stimulus checks are technically defined. Technically speaking, the stimulus money is a 2020 federal tax credit. The I.R.S. is effectively giving an advance tax refund to eligible taxpayers. One asterisk, though: if you owe child support, the I.R.S. has the option to use some or all of your stimulus payment to reduce the outstanding amount.⁶

Does this stimulus payment count against your 2020 taxes? No. It impacts neither federal tax refunds nor federal tax liabilities.⁶

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Citations.

1. BusinessInsider.com, April 22, 2020
2. The New York Times, April 16, 2020
3. IRS.gov, April 21, 2020
4. TheBalance.com, April 10, 2020
5. IRS.gov, April 22, 2020
6. MarketWatch.com, April 18, 2020

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