

Inland Counties Legal Services, Inc.



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Recovery Rebate Tax Credit COVID-19

Inland Counties Legal Services may be able to assist you with questions or issues regarding the Recovery Rebate Tax Credit. However, for many of you who have filed tax returns for 2018 or 2019, you may not need to do anything. Below are some answers regarding your questions about the Recovery Rebate Tax Credit:

Who qualifies for the 2020 Recovery Rebate Tax Credit?

All adults who have a valid Social Security number authorizing work who are not claimed as a dependent on another's tax return (for 2020). One exception to this general rule is if a married couple files jointly and one of the spouses is a member of the Armed Forces, then only one of the spouses has to have a valid Social Security number that authorizes work.

All children, grandchildren, brothers, sisters, stepbrothers, stepsisters, nieces, and nephews who live with the adult as a member of their household in the US for more than one-half of the year and who are under age 17 with a valid Social Security number authorizing work (as of December 31, 2020) ("qualifying children")(no limit to the number of "qualifying children").

How Much Will I Receive?

Adults will receive \$1,200 per qualifying individual (\$2,400 for married filing jointly).

Adults who have "qualifying children" (as described above) will receive an additional \$500 each, without limitation.

Adults who are claimed as a dependent on another's tax return will not receive a Recovery Rebate Tax Credit.

Even if you owe the IRS back tax liabilities your Recovery Rebate will not be reduced by any outstanding debts. The Recovery Rebate is a refundable tax credit against 2020 federal income taxes so it is not gross income/taxable income for 2020.

However, the 2020 recovery rebate amount is reduced by \$5 for every \$100 above the following adjusted gross income thresholds: \$75,000 for single (or married filing separately) taxpayers, \$150,000 for married filing jointly taxpayers, and \$112,500 for head of household taxpayers.


When Will I Receive My Recovery Rebate?

The federal government wants to push out these payments ASAP. Therefore, they plan to deposit monies into bank accounts per 2019 (or 2018) automatic refund deposit authorizations. The Secretary of the Treasury has indicated that these payments would start in about three weeks. If they do not have this information from your tax filings they will mail you a paper check to your last known address. Needless to say, the manual check mailing distribution process will be slower than any automatic deposits for a number of obvious reasons including that the IRS is significantly underfunded, it is the middle of a busy tax season and many, if not all, of its face to face services have been shuttered due to COVID-19. The law does not permit US Treasury to send out any advance Recovery Rebates after December 31, 2020.

What Amount Will I Receive Since My 2020 Income and Other Information Is Not Yet Complete?

The federal government wants to push out these payments ASAP. Therefore, they are going to estimate your Recovery Rebate amount based upon your last tax return on record (e.g., 2019 or if not then 2018 (but not 2017 or 2016, etc.)). Accordingly, your advance Recovery Rebate payment will be based upon the information from your 2019 (or 2018) tax return on file including how much your adjusted gross income was and how many "qualifying children" (as defined about) you claimed.

 [1 -e-poster_economic impact payments.pdf](#)

 [2 -e-poster_if you still need to file.pdf](#)

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<http://www.inlandlegal.org/node/69/recovery-rebate-tax-credit-covid-19>

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