

Tax Notes

Economic Impact Payments for Non-Filers

By Barbara E. Bel, CPA, Partner, and Krista Picone, Tax Supervisor

Please share this information with anyone you know who does not file a tax return and may not be aware that they could receive funds from the Economic Impact Payment program.

Under the Economic Impact Payment stimulus, taxpayers who filed tax returns for either 2018 or 2019 tax years will receive a payment up to \$1,200 for individuals or \$2,400 for married couples. Parents will also receive \$500 for each qualifying child under the age of 17. The threshold for eligibility is adjusted gross income up to \$75,000 for individuals and \$150,000 for married couples. The payment is completely phased out with adjusted gross income over \$99,000 for individuals and \$198,000 for married couples.

The Internal Revenue Service has recently released new guidance about Covid-19 Economic Impact Payments for people who don't normally file a tax return. This guidance was created to help non-filers register for their payments. The Treasury Department and IRS have launched a new web tool to help make this process simple and easy for non-filers.

For taxpayers who filed a tax return in 2018 or 2019, their Economic Impact Payments will be distributed automatically to them. The process will be much easier for people who filed returns and chose direct deposit for their refund.

Non-Filers

Non-filers include the following:

- People who did not file a tax return in 2018 or 2019 because they had no income or their income was less than the filing thresholds (\$12,200 or \$24,400 for married couples).
- People who **do not** receive Social Security, Social Security Disability Survivor, or Railroad Retirement benefits.

Non-filers can use a recently launched web tool to enable the Internal Revenue Service to identify them and their dependents and receive valid direct deposit and address information. The non-filer should go to [this site](#) and click on "Non-filers: Enter Payment Info Here."

Certain Recipients: Social Security, Disability, Survivor and Railroad Retirement

For those who receive Social Security, Social Security Disability, Survivor, or Railroad Retirement benefits, do not use the web tool as the Internal Revenue Service already has the information and will automatically send the payment.

However, individuals who did not file a tax return for 2018 or 2019 **and** started receiving Social Security, Social Security Disability Survivor or Railroad Retirement benefits on or after January 1, 2020 will also need to complete the information on the IRS non-filer website (see above).

Individuals receiving Social Security, Social Security Disability, Survivor, or Railroad Retirement benefits, have qualifying children and didn't file a tax return in 2018 or 2019, need to use the above website as well to claim the \$500 payment per child.

Unfortunately, dependents or someone who can be claimed as such, are not eligible for the Economic Impact Payment.

Launching Soon

Coming mid-April, the IRS will release a second web tool named "Get My Payment" to check the status of the payment and to provide banking information for taxpayers who filed tax returns but did not provide their banking information on either their 2018 or 2019 tax returns.

Contact Us

We invite you to visit our [COVID-19 Resource Center](#) for information and insights on various financial matters related to the pandemic.

If you have any questions or need assistance with economic impact payments or tax matters in general, please contact your client partner in charge or Barbara Bel, CPA, Partner at bbel@pkfod.com.

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