

AFFIRMATIVE ***BUSINESS SOLUTIONS***

STIMULUS CHECKS FOR ALL INDIVIDUALS

According to the Senate Committee on Finance summary:

All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible Social Security number are eligible for the full \$1,200 (\$2,400 married) rebate. In addition, they are eligible for an additional \$500 per child. This is true even for those who have no income, as well as those whose income comes entirely from non-taxable, means-tested benefit programs, such as SSI benefits.

For the majority of Americans, no action on their part will be required to receive a rebate check as the IRS will use a taxpayer's 2019 tax return if filed, or alternatively, their 2018 return. This includes many low-income individuals who file a tax return in order to take advantage of the refundable earned income tax credit and child tax credit. The rebate amount is reduced by \$5 for each \$100 that a taxpayer's income exceeds the phaseout threshold. The amount is completely phased out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.

ABS TAKE-AWAYS, NOTES, AND RECOMMENDATIONS: Many of you have not filed your 2019 Income Tax Return and thus your check will be calculated from your 2018 Income Tax Return. If you have not filed your 2018 income tax return, I recommend doing so immediately. Additionally, this means in 2018 if you were married and filed jointly, and your marital status has changed, the check issued will include EVERYONE from your 2018 Return. Same stands for 2019 Income Tax Returns that were required to file jointly even after divorce.

It is still unclear as to how the government plans to issue these checks to the American people. It could be a paper check or direct deposit.

If direct deposit is chosen, there could be issues surrounding this option. Those issues include but are not limited to the bank account on your 2018 return no longer being valid. Additionally, those that did not receive a refund on their 2018 or 2019 and owed or had a \$0 balance, clearly, there will not be bank account information to direct deposit the check.

If paper checks are chosen, there also could be issues surrounding this option. ***If the government elects for paper checks to be issued, and you have moved from the address listed on your most recent return, you will need to submit a change of address form 8822 with the IRS immediately.*** If you do not have access to a printer or computer, we will have these forms available at our office.

Additionally, If you have a dependent listed on your return, but they file their own return separately as well, it is still unclear as to whether or not you will receive a stimulus check for them at all.

<https://www.washingtonpost.com/graphics/business/coronavirus-stimulus-check-calculator/>

Please understand this is a rapidly evolving situation and will continue to update you as the answers become available.

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