



U.S. REP. MIKE KELLY

COVID-19 UPDATE

ECONOMIC IMPACT PAYMENTS

January 30, 2021

Dear Constituent,

Thank you for reaching out to my office in regards to your Economic Impact (Stimulus) Payment.

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which authorized Economic Impact Payments (EIPs) of \$1,200 for eligible individuals (\$2,400 for joint filers), plus an additional \$500 for each child under the age of 17. In order to issue payments as quickly as possible, the Internal Revenue Service (IRS) used 2019 tax return information to determine a taxpayer's income and family size (or 2018 tax return information if a taxpayer had not yet filed for 2019). For individuals who are not required to file tax returns, the IRS established a portal for non-filers to register and paid certain government beneficiaries automatically with information received from other federal agencies. Furthermore, on December 21, 2020, Congress authorized a second round of EIPs, providing eligible individuals with \$600 (\$1,200 for joint filers), plus an additional \$600 for each child under the age of 17.

The CARES Act required that the first round of EIPs be issued by December 31, 2020 and the second round of EIPs be issued by January 15, 2021. Any eligible individual who has NOT received their EIP by these dates, must now claim the **Recovery Rebate Credit (RRC)** when filing federal income taxes. Both rounds of EIPs were structured as advance payments of a 2020 tax credit. Therefore, eligible individuals will be able to claim the RRC on their 2020 tax return if they either did not receive an EIP or received only a portion of the full amount to which they would be entitled.

PLEASE NOTE: At this time, my office is unable to open new casework for EIP related issues nor can we continue previous casework involving EIPs. Since the legislation required EIPs be issued by specific dates and those deadlines have passed, all issues must be resolved through the process created by the IRS. **We have been instructed to advise all constituents to claim the Recovery Rebate Credit when filing taxes for 2020, in order to resolve any issues with either round of EIPs.** Once you have filed your taxes and claimed your Recovery Rebate Credit, if you are still experiencing additional issues, please reach out to my office at that time. Furthermore, if your EIP was issued but lost, stolen, or destroyed, please see the instructions in the pages to follow.

Again, if you have not yet received either round of EIPs at this time, then you will have to file a 2020 tax return (Form 1040) and claim the funds. You can claim the EIPs on line 30 of the 2020 Form 1040 as a "recovery rebate." The IRS announced that the nation's tax season will start on Friday, February 12, 2021, when the tax agency will begin accepting and processing 2020 tax year returns. Please see additional details and important information in the document attached.

Sincerely,

Mike Kelly
Member of Congress

IRS KEY FILING SEASON DATES

There are several important dates taxpayers should keep in mind for this year's filing season:

- **January 15.** IRS Free File opens. Taxpayers can begin filing returns through Free File partners; tax returns will be transmitted to the IRS starting Feb. 12. Tax software companies also are accepting tax filings in advance.
- **February 12.** IRS begins 2021 tax season. Individual tax returns begin being accepted and processing begins.
- **April 15.** Deadline for filing 2020 tax returns.
- **October 15.** Deadline to file for those requesting an extension on their 2020 tax returns

IRS OUTLINES STEPS TO SPEED REFUNDS DURING PANDEMIC

To speed refunds during the pandemic, the IRS urges taxpayers to file electronically with direct deposit as soon as they have the information they need. People can begin filing their tax returns immediately with tax software companies, including IRS Free File partners. These groups are starting to accept tax returns now, and the returns will be transmitted to the IRS starting Feb. 12.

Tips for taxpayers to make filing easier

To speed refunds and help with their tax filing, the IRS urges people to follow these simple steps:

- File electronically and use direct deposit for the quickest refunds.
- Check IRS.gov for the latest tax information, including the latest on Economic Impact Payments. There is no need to call.
- For those who may be eligible for stimulus payments, they should carefully review the guidelines for the Recovery Rebate Credit. Most people received Economic Impact Payments automatically, and anyone who received the maximum amount does not need to include any information about their payments when they file. However, those who didn't receive a payment or only received a partial payment may be eligible to claim the [Recovery Rebate Credit](#) when they file their 2020 tax return. Tax preparation software, including IRS Free File, will help taxpayers figure the amount.
- Remember, advance stimulus payments received separately are not taxable, and they do not reduce the taxpayer's refund when they file in 2021.

FORM 1040 AND 1040-SR INSTRUCTIONS - RECOVERY REBATE CREDIT WORKSHEET

If you have not received either round of payments by the deadlines above, then you will have to file a 2020 tax return (Form 1040) and claim these amounts. You claim them on line 30 of the 2020 Form 1040 as a "recovery rebate."

[Complete the 2020 IRS Form 1040 or 1040 SR to receive your Recovery Rebate Credit](#)

ADDITIONAL GUIDANCE FROM THE IRS:

Why can't the IRS reissue the second Economic Impact Payment to me?

The IRS is working hard to deliver the second Economic Impact Payment as rapidly as possible, as required by law, while still preparing for the upcoming 2021 tax filing season. Due to the compressed timeline, the IRS is unable to reissue any payments. If your mailed payment is returned to the IRS by the Post Office as undeliverable, IRS is unable to reissue the check.

If Get My Payment (GMP) on IRS.gov shows your payment has been directly deposited to a bank account that you don't recognize, there may be an issue related to how information is displayed in the tool tied to temporary accounts used for refund loans/banking products. It does not mean your deposit was made to the wrong account and or that there is a fraud. You **do not** need to complete Form 14039, Identity Theft Affidavit.

The IRS and tax industry partners are taking steps to redirect stimulus payments to the correct account for those affected. The IRS anticipates many additional taxpayers will receive payments following this effort. You don't need to take any action as this work continues; you **do not** need to call the IRS, your tax provider or your financial institution.

If you're eligible, and don't receive a payment – or if you don't receive the full amount – you may be eligible to claim the [Recovery Rebate Credit](#) when you file your 2020 Form [1040 or 1040-SR](#) tax return.

I received my payment by check, but it was lost, stolen or destroyed. How do I get a new one?

If you received your payment by check and it was lost, stolen or destroyed, you should request a payment trace so the IRS can determine if your payment was cashed. See [How do I request a payment trace to track my first or second Economic Impact Payments?](#)

If a trace is initiated and the IRS determines that the check wasn't cashed, the IRS will credit your account for that payment but the IRS cannot reissue your payment. Instead, you will need to claim the [Recovery Rebate Credit](#) on your 2020 tax return if eligible.

Note: If you are filing your 2020 tax return before your trace is complete, do not include the payment amount on line 16 or 19 of the Recovery Rebate Credit Worksheet. You may receive a notice saying your Recovery Rebate Credit was changed, but an adjustment will be made after the trace is complete and it is determined your payment has not been cashed. You will not need to take any additional action to receive the credit.

If you do not request a trace on your payment, you may receive an error when claiming the Recovery Rebate Credit on your 2020 tax return. Since the payment was issued to you, you may not be eligible for any credit.

I received Notices 1444 and 1444-B in the mail saying my payment was issued, but I have not received my payments. What should I do?

If you received Notice 1444 in the mail and have not received your payment as mentioned in the notice, see [How do I request a payment trace to track my first or second Economic Impact Payments?](#)

Note: Do not request a payment trace if you are trying to determine eligibility for the payment or the amount of payment you should have received. You must have been issued Notice 1444 or received a payment date from Get My Payment to perform a trace.

How do I request a payment trace to track my first or second Economic Impact Payments?

If Get My Payment or your Notice 1444 or 1444-B shows your payment was issued as a direct deposit more than 5 days after the payment date, your first step is to check with your bank and make sure they didn't receive a deposit. Do not check with your bank prior to 5 days because they may not have any information.

You should only request a payment trace to track your payment if you received Notice 1444 or Notice 1444-B or if Get My Payment shows your payment was issued and you have not received it within the timeframes below. IRS assistors cannot initiate a payment trace unless it has been:

- 5 days since the deposit date and the bank says it hasn't received the payment
- 4 weeks since the payment was mailed by check to a standard address for the first EIP; after February 24, 2021 for the second EIP
- 6 weeks since the payment was mailed, and you have a forwarding address on file with the local post office for the first EIP; March 10, 2021 for the second EIP
- 9 weeks since the payment was mailed, and you have a foreign address for the first EIP; March 31, 2021 for the second EIP

Note: If you have a foreign address, there may be international service disruptions at the United States Postal Service (USPS) or the foreign country you are in due to the COVID-19 pandemic. See the [USPS Service Alerts](#) page and check with your local consulate for more information.

Do not request a payment trace to determine if you were eligible for a payment or to confirm the amount of payment you should have received.

HOW WE PROCESS YOUR CLAIM

We'll process your claim for a missing payment in one of two ways:

- If the check **was not** cashed, we will reverse your payment and notify you. If you find the original check, **you must return it as soon as possible**. You will need to claim the [Recovery Rebate Credit](#) on your 2020 return to receive credit, if eligible.
- If the check **was** cashed, the Treasury Department's [Bureau of the Fiscal Service](#) will send you a claim package that includes a copy of the cashed check. Follow the instructions. The Treasury Department's Bureau of the Fiscal Service will review your claim and the signature on the canceled check before determining whether the payment can be reversed. If reversed, you will need to claim the Recovery Rebate Credit on your 2020 return, if eligible.

Note: If you are filing your 2020 tax return before your trace is complete, do not include the payment amount on line 16 or 19 of the Recovery Rebate Credit Worksheet. You may receive a notice saying your Recovery Rebate Credit was changed, but an adjustment will be made after the trace is complete and it is determined your payment has not been cashed. You will not need to take any additional action to receive the credit.

To start a payment trace:

- Call us at [800-919-9835](tel:800-919-9835)
- Mail or fax a completed [Form 3911, Taxpayer Statement Regarding Refund PDF](#).

Reminder: DO NOT request a trace prior to the timeframes above. IRS assistors cannot start a trace prior to those timeframes.

To complete the Form 3911:

- Write "EIP1" or "EIP2" on the top of the form to identify which payment you want to trace.
- Complete the form answering all refund questions as they relate to your EIP
- When completing item 7 under Section 1:

- Check the box for “Individual” as the **Type of return**
- Enter “2020” as the **Tax Period**
- Do not write anything for the **Date Filed**
- Sign the form. If you file married filing joint, both spouses must sign the form.

You will generally receive a response 6 weeks after we receive your request for a payment trace, but there may be delays due to limited staffing. Get up-to-date status on affected [IRS operations and services](#). Do not mail Form 3911 if you have already requested a trace by phone.

I used the Non-Filers: Enter Payment Info Here tool last year and don't usually file a tax return. What should I do to claim a Recovery Rebate Credit?

If you're [eligible](#) – and either didn't receive Economic Impact Payments or if you think you qualify for more than you received – you'll need to file a 2020 tax return and claim the [Recovery Rebate Credit](#) even if you otherwise are not required to file a tax return.

The best way to file a complete and accurate return is to file electronically. The tax software will ask you questions about your income, credits and deductions and will help you figure your Recovery Rebate Credit.

If your income is \$72,000 or less, you can use brand-name software to prepare and file your Federal tax return electronically for free with [IRS Free File](#). IRS Free File is a great option for people who are only filing a tax return to claim the [Recovery Rebate Credit](#).

Visit [IRS.gov/filing](#) for details about [IRS Free File](#), [Free File Fillable Forms](#), [free VITA or TCE tax preparation sites](#) in your community or finding a [trusted tax professional](#).

The safest and fastest way to get a tax refund (which would include your Recovery Rebate Credit) is to combine electronic filing with [direct deposit](#).

I do not have a filing requirement, but I think I qualify for more than I received as Economic Impact Payments. How can I file for the Recovery Rebate Credit?

If you're [eligible](#) – and either didn't receive Economic Impact Payments or if you think you qualify for more than you received – you'll need to file a 2020 tax return and claim the [Recovery Rebate Credit](#) even if you otherwise are not [required to file a tax return](#).

The best way to file a complete and accurate return is to file electronically. The tax software will ask you questions about your income, credits and deductions and will help you figure your Recovery Rebate Credit.

If your income is \$72,000 or less, you can use brand-name software to prepare and file your Federal tax return electronically for free with [IRS Free File](#). IRS Free File is a great option for people who are only filing a tax return to claim the [Recovery Rebate Credit](#).

What information do I need to provide to claim the Recovery Rebate Credit?

If you file electronically, the software will ask you for specific information. No matter how you file, you will need to take these steps:

- Select your filing status.
- Enter name(s), address, Social Security numbers(s).
- Answer presidential election campaign & virtual currency questions.
- Check the box if “Someone can claim” you as a dependent, if applicable
 - **Note:** Do not check the box if you are filing a joint return with your spouse in order to claim the RRC.

- Check the appropriate box(es) for “Age/Blindness” if applicable.
- List all eligible dependent(s), Social Security number(s), relationship(s) to you, if applicable, and check the applicable “Child tax credit” or “Credit for other dependents” checkbox.
- Enter your “Standard deduction” amount on line 12. If you checked box(es) for “Age/Blindness” see the form instructions.
- Compute the Recovery Rebate Credit amount using the tax prep software or the worksheet found in [Form 1040, line 30 Instructions PDF](#).
- Enter the computed amount from the worksheet to all the following lines:
 - line 30, Recovery Rebate
 - line 32, Total Other Payments and Refundable Credits
 - line 33, Total Payments
 - line 34, Overpaid
 - line 35a, Refunded to you
- Complete direct deposit information on line 35b-35d or check the box on line 35a and complete Form 8888 if you want to split your refund for deposit into more than one account or buy a U.S. Savings Bond. Direct deposit is the safest and fastest way to receive your refund. If you don't choose direct deposit, a paper check will be mailed to you.
- Don't forget to sign your return. If married filing jointly, both signatures are required.

Should I include income on the return even if I am not usually required to file?

Yes, your return must be complete and correct. Even if you don't have a [tax return filing requirement](#), you may be eligible to receive [additional credits](#) based on your filing information by including the amount of your income and information about a spouse or any dependents. Filing electronically is the fastest and most accurate way for you to file. The tax software will ask you questions about your income, credits and deductions and will help you figure your Recovery Rebate Credit and any other credits that may apply to you.

If your income is \$72,000 or less, you can use brand-name software to prepare and file your Federal tax return electronically for free with [IRS Free File](#). You can also file [electronically](#) with commercial tax preparation software.

Tax professionals can help you prepare a tax return. You may even qualify for free assistance from IRS VITA and TCE [programs](#) in your community.

IRS.gov has online resources to answer your questions immediately. The [Interactive Tax Assistant](#) is a tool that provides answers to several tax law questions specific to your individual circumstances. Based on your input including any income, it can determine your filing status, if you can claim a dependent, if you're eligible to claim a credit, or if you can deduct expenses. You can also review the [Instructions for Form 1040 and Form 1040-SR PDF](#) for additional guidance.

Which tax year is used to determine eligibility for an Economic Impact Payment?

Your 2019 tax return will determine whether you're eligible for a second stimulus payment. If you receive Social Security benefits (either retirement or disability) but didn't file a return in 2019 (because you earn too little to be required to file), you'll also receive a stimulus check, based on the information sent to the IRS on 2019 forms SSA-1099 and RRB-1099.

How do I get my Economic Impact Payment if I haven't filed a 2019 tax return?

If you receive Social Security or Railroad Retirement Benefits and did not file a tax return in 2019, you will not have to file a return in order to receive your payment—the IRS has your information already. If you don't receive those benefits and did not file a tax return for 2019, you may need to file one to confirm your eligibility. Check your status in the [Get My Payment portal](#) for instructions

Will my 2020 tax return affect the amount of my Economic Impact Payment?

In some cases, yes. If you're entitled to a larger payment based on your [2020 tax return](#) compared to your 2019 return, you will be eligible to receive the difference as a tax credit. If you lost your job or saw your income drop this year during the pandemic, this situation may apply to you. But you won't see any additional funds via a tax credit until 2020 returns are filed next year.

If the stimulus payment you are due is lower based on your 2020 income, you get to keep the higher payment that was sent to you based on your 2019 return.

Why did I receive a Notice CP21C regarding my Economic Impact Payment?

The IRS issued you this notice if we were unable to process your 2019 tax return in time to issue your Economic Impact Payment. The notice was intended to provide the following explanation:

- We're required by law to mail the first Economic Impact Payments by December 31, 2020. We couldn't issue you a check by this date, so you won't be receiving an Economic Impact Payment. However, you may claim a Recovery Rebate Credit on your 2020 tax return if eligible.

In some cases, the notice contained incorrect information. It stated:

- We applied a credit to your 2007 tax account due to new legislation. We used (offset) all or part of your economic stimulus payment to pay your federal tax as the law allows.

This notice is not accurate for anyone who received it. Since no payment was issued, no offsets occurred. We apologize for the confusion this may have caused. You can disregard the notice.

You can claim the Recovery Rebate Credit on your 2020 tax return if you are eligible.

If you owe federal debts, here's what you need to know about offsets and the Economic Impact Payments:

- The first Economic Impact Payments were offset only when the individual owed past due child support.
- The second Economic Impact Payments were not offset for any federal or state tax debts. The second payment was not offset if the taxpayer owes past due child support.

For more information about claiming the credit, see [Recovery Rebate Credit](#).

WATCH OUT FOR SCAMS RELATED TO ECONOMIC IMPACT PAYMENTS

The IRS urges taxpayers to be on the lookout for scams related to the Economic Impact Payments. People should watch out for scams using email, phone calls or texts related to the EIPs. Be careful and cautious: The IRS will not send unsolicited electronic communications asking people to open attachments, visit a website or share personal or financial information.

Report IRS-related Coronavirus scams [HERE](#).