

Fact Sheet

SHOW ME THE MONEY 2021: THE FACTS ON THE SECOND ROUND OF STIMULUS PAYMENTS

KALITHA WILLIAMS

In 2020, federal policymakers passed the \$2 trillion federal stimulus legislation to help Americans get by during the COVID-19 crisis and boost the national economy. Lawmakers included a provision to give many Americans a one-time stimulus payment, also called economic impact payments. According to the IRS, Americans received \$270 billion dollars in federal stimulus payments in 2020.

Recognizing that many Americans continue to struggle to make ends meet, The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 authorized a second round of stimulus payments. Ohioans may have concerns on who qualifies for a payment and how to get it. This fact sheet was developed to answer these and other questions.

Who qualifies?

The second stimulus payment was based on information used to distribute the first stimulus payment. Specifically, the adjusted gross income on the most recent tax return, either 2018 or 2019.

- Individuals with annual earnings below \$75,000 will qualify for \$600. If the individual is a head of household as determined by the IRS, the person can earn up to \$112,500 and get \$1,200. Parents will receive an additional \$600 for each child under 17 years old.
- Married couples earning less than \$150,000 will get \$1,200. They will receive an additional \$600 for each child under 17 years old.
- People without income can receive a stimulus payment. So can people who receive social security retirement benefits, disability benefits, SSI, veteran benefits, and railroad retirement recipients.

Who does not qualify?

- Dependents who are claimed for tax purposes by someone else will not receive a payment. This includes college students, adults with disabilities and senior citizens who receive social security but are claimed as dependents by parents or other relatives on their taxes.
- Non-resident Aliens anyone who does not have a work-eligible Social Security Number. People with Individual Taxpayer Identification Numbers (ITINs), even if they have children who are U.S. citizens, will not receive a payment.

There are two exemptions:

- If a married couple files a joint federal tax refund and at least one spouse has a work-eligible Social Security Number, the family can claim up to \$600 for the qualifying spouse and \$600 each for each eligible child. If neither spouse has a valid Social Security Number, but the children have valid Social Security Numbers the family cannot claim a payment.
 - Married couples with at least one active servicemembers and at least one spouse has a valid Social Security Number, then can receive a stimulus payment for both spouses of up to \$1,200 and \$600 for each qualifying child.
- People with high salaries will not receive a payment. Individuals who are paid \$99,000 a year or more, head of household tax filers who are paid \$136,500 a year or more and married couples who are paid \$198,000 or more a year do not qualify. Tax filers who were paid too much to qualify in 2019, but lose their job or income in 2020, will not get a payment now, but can claim the Recovery Rebate Credit when they file their 2020 federal income taxes.

How do I get a stimulus payment?

Eligible people will receive their stimulus payment by direct deposit, mailed check, mailed prepaid debt card, or must claim the Recovery Rebate Credit in

their 2020 federal tax return. The IRS is encouraging people that have not already received their payment to check the status at the Get Your Payment Tool at the IRS website (www.irs.gov/getmypayment).

- Direct deposit payments will identify date of the transaction and the financial institution account information.
- Mailed checks/debit cards will show the date they were mailed. It could take up to a month to be received.
- If the status says “Payment Status #2- Not Available”, then the stimulus payment will need to be claimed as the Recovery Rebate Credit on the 2020 federal income tax return.

If the financial institution account where the first payment was sent is closed, neither the IRS nor the financial institution is holding the payment. The IRS will not accept new account information in the Get your Payment tool. The payment will need to be claimed as the Recovery Rebate Credit on the 2020 federal income tax return.

What I have not received the first stimulus payment?

Eligible people and families that did not receive the full amount of their first stimulus payment can claim it on their 2020 income tax filing. This includes people that missed the opportunity to claim payments for their qualifying dependents.

Is my payment protected from garnishments?

Yes. The second payment cannot be garnished to pay any federal or state debts, including past-due child support. The state of Ohio also protects payments from private garnishments.

How can I file my taxes?

There are two primary ways to get help filing your taxes: free provider services or paid provider services. Free tax provider services do not charge to file taxes and allow people to keep more their refund. Paid tax provider services charge hundreds of dollars to file taxes and may also offer expensive unneeded products and services.

- Free tax preparation sites near you can be identified by [1-800-906-9887](tel:1-800-906-9887) or by calling your local 2-1-1 hotline.
- www.GetYourRefund.org – service will re-open later in January
- The IRS recommends several online free tax preparation options on their website: <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free>.

What if I don't have a permanent address?

The IRS will, primarily, use the information provided to claim the first stimulus payment to distribute the second payment. If the bank information and address has changed, the person can claim the payment as the Recovery Rebate Credit in the 2020 federal tax refund. For tax filing purposes, shelters or other service providers like clinics or day centers can allow clients to use their address. Organizations that provide this service must have mail handling procedures that are secure and ensure the checks reach the intended recipient. People can also use a relative or friend's address.

What if I am incarcerated?

People that are incarcerated and meet the eligibility criteria can receive a stimulus payment.

Are the stimulus payments taxable? Is it a loan on my tax refund?

The payment is not taxable and will not affect your tax refund.

What's the deadline to file federal income taxes?

The deadline to file federal income taxes is April 15, 2021.

Get the latest updates from the IRS about the stimulus payments: <https://www.irs.gov/coronavirus/economic-impact-payments>

