

TXCPA CARES for Texans: Recovery Rebates

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. By now you've likely heard the Act includes recovery rebates for most Americans.

How do these rebates work and when will you get your checks? Read on to learn the high points of these pieces of the CARES Act.

What?

Recovery rebates, also known as stimulus checks or economic impact payments, will be paid to qualifying taxpayers under the CARES Act.

How Much?

Eligible taxpayers who filed tax returns for either 2019 or 2018 will automatically receive a recovery rebate payment of up to \$1,200 for individuals or \$2,400 for married couples. Parents also receive \$500 for each qualifying child.

Under the Act, individuals with adjusted gross income up to \$150,000 for married taxpayers filing jointly, \$112,500 for taxpayers who file as head of household, and \$75,000 for other individuals will receive the full payment. Taxpayers who have income above those amounts will receive payments that are reduced by \$5 for each \$100 above the applicable thresholds. The payment phases out for single filers with income exceeding \$99,000 and for joint filers with income exceeding \$198,000 (with no children).

For taxpayers who have already filed their 2019 tax returns, the IRS will use this information to calculate the payment amount. For those who have not yet filed their 2019 return, the IRS will use information from their 2018 return to calculate the payment.

Use [this calculator](#) to estimate the amount you'll receive.

When?

Rebates are expected to begin arriving in qualifying taxpayers bank accounts in mid- to late-April. The IRS says most people do not need to take any action. The IRS will calculate their payment amount and automatically send it to them.

The recovery rebates will be available throughout the rest of 2020.

Where?

The economic impact payment will be deposited directly into the same bank account used on your tax return. For taxpayers for whom the IRS does not have direct deposit information, the Treasury plans to develop a web-based portal so that individuals can provide their bank information to the IRS online to receive electronic payments. Otherwise, those individuals will receive checks in the mail.

Who?

Taxpayers who have filed a 2018 or 2019 tax return are eligible to be considered for rebate payments. Other taxpayers, who have not yet filed a 2018 or 2019 tax return but are required to, must file a tax return for 2018 or 2019 that includes their direct deposit bank information to receive an economic impact payment.

Nonresident alien individuals, people claimed as dependents and trusts or estates do not qualify.

Individuals who typically do not file a tax return will have to file a tax return to receive a payment, even though they are not otherwise required to file a return. Social Security and Railroad Retirement benefit recipients will receive rebate payments automatically, without needing to complete a return.

Need More Details?

Contact your CPA or visit www.irs.gov/coronavirus for the latest details or to discuss your individual situation. If you don't have a CPA, let TXCPA help you [find one!](#)