

FACT LIST:

REBATE CHECKS FROM THE FEDS DURING THE COVID-19 CRISIS

This information is current as of 3-30-2020.

The CARES (Corona Aid, Relief and Economic Security) Act was signed into law on 3-27-2020. It provides a one-time rebate check for millions of workers and their families. The “Rebate Check” is actually a “refundable credit”.

The law provides a \$1,200 (\$2,400 for joint taxpayers) refundable credit for taxpayers earning \$75,000 or less (\$150,000 for joint taxpayers and \$125,000 for head of household). The amount of the refundable credit will be reduced 5% per dollar over the threshold (ex. \$76,000 earner will receive a refundable credit for \$1,150). Additionally, a taxpayer with children will receive \$500 per child.

The government will calculate the amount using your 2019 tax return (2018 if you have not yet filed in 2019). The amount will later be checked using your 2020 income. This means, if you received a smaller check than you are eligible for (based on your 2020 income), you will get the difference after you file your 2020 tax return next year. Overpayments will not be clawed back.

- For example, taxpayer filed 2019 tax return reporting income below \$75,000 and no dependents. The taxpayer’s child has born on February 3, 2020. Based on the 2019 tax return the taxpayer receives \$1,200 stimulus check. When the taxpayer files the 2020 return reporting wages below \$75,000 and the child as a dependent, the taxpayer will receive the \$500 additional check.

The refundable credit will first be used to against tax liability and will be refunded only to taxpayers with no tax liability to offset.

The refunds will be electronically deposited into the bank account you previously provided to the IRS. Otherwise, the IRS will mail the check to the last known address. If your only income is from Social Security and you have not filed 2018 or 2019 income tax returns, the IRS will use the information from the Social Security Administration to determine eligibility.

BE AWARE! Unscrupulous tax preparers will take advantage of the COVID-19 crisis by charging high fees or diverting checks. If you already filed your tax return and authorized your refund check to be deposited into the tax preparer’s bank account, you may need help getting the check from the tax preparer.

Legal Aid Service of Collier County is here to help. Our Low Income Taxpayer Clinic can assist you during this difficult time. We want to provide a safe place for the community to have their tax returns (2018 and 2019) prepared and filed. If you need help with your tax matters, call Legal Aid at the number at the bottom of the page, call 954-736-2477, or email kguerra@legalaid.org.

This sheet is intended for general information purposes only. It is not a substitute for advice from a licensed attorney. If you want advice on your specific situation, talk with a Florida attorney.

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