

April 8, 2020

FAQs on COVID-19 Direct Payments

On March 27, Congress passed a sweeping \$2 trillion coronavirus relief bill, called the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, which includes direct payments to individuals to help Alabama families and workers meet the economic challenges caused by this virus.

Here are answers to some frequently asked questions about the Direct Payments in the CARES Act:

1. Q: Who is eligible for direct payments?

A: All adults who are U.S. residents with a Social Security number, are not claimed as a dependent by someone else, and do not fall above the income caps outlined below are eligible for the direct payments. This includes Social Security beneficiaries and SSI recipients.

Americans with incomes up to \$75,000 for individuals and up to \$150,000 for married couples filing joint returns will receive a one-time direct payment of up to **\$1,200 per adult**. Joint tax-filers that make \$150,000 or less will receive \$2,400.

Families and heads of household will receive an **additional \$500 per child under 17**.

Social Security recipients, railroad retirees, and other individuals who may not file taxes are also eligible.

For filers with income above those amounts, the payment amount is reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds. Single filers with income exceeding \$99,000 and \$198,000 for joint filers with no children are not eligible.

You can calculate your direct payment [here](#).

2. Q: When will I receive my direct payment?

A: The direct payments are being administered by the Department of Treasury and distributed by the Internal Revenue Service (IRS).

If you filed taxes in 2018 and 2019 and provided direct deposit information to the IRS or if you are an SSA beneficiary who filed federal tax returns that included direct deposit information,

you will be one of the approximately 60 million Americans who will receive their payment first through direct-deposit in **mid-April (likely the week of April 13th)**.

Shortly after the first round of payments go out (**likely within 10 days**), the IRS will make a second round of payments to Social Security beneficiaries who did NOT file tax returns in 2018 or 2019 but receive their Social Security benefits through direct deposit.

3 weeks after the first round of payments are made, or **around the week of May 4th**, the IRS will begin issuing **paper checks** to individuals who have not provided direct deposit information to the government through filing taxes in 2018 or 2019 or to the Social Security Administration for their SS benefits. Paper checks will be issued at a rate of about 5 million per week, which could take up to 20 weeks. Paper checks will be issued in reverse “adjusted gross income” order—starting with people with the lowest income first.

3. Q: Is there anything I can do to receive the payment quicker?

If you are a non-filer who wants to receive your payment more quickly, the IRS recommends that you file a “simple tax return” and include direct deposit information. The IRS is encouraging taxpayers to file their 2019 returns to the maximum extent possible.

The IRS expects to create an online portal by May 2020 that will allow taxpayers, once they have been authenticated, to: (1) find out the status of their direct payment and (2) update direct deposit information.

4. Q: How much will my direct payment be?

A: The amount of the direct payment depends on family size and income. The payment is \$1,200 for each adult individual (\$2,400 for joint filers), and \$500 per qualifying child under age 17.

The direct payment is reduced by \$5 for every \$100 of income to the extent a taxpayer’s income exceeds \$150,000 for a joint filer, \$112,500 for a head of household filer, and \$75,000 for anyone else (including single filers).

5. Q: I am caring for an elderly parent or disabled adult. Do they qualify for the \$500 dependent direct payment that children under 17 qualify for?

A: Adults listed as a dependent on someone else’s tax returns are NOT eligible for a direct payment. This includes children over the age of 17. Elderly and disabled adults who are NOT listed as some else’s dependent should be eligible to receive their own payment.

6. Q: Do these direct payments need to be repaid?

A: No, direct payments do NOT need to be repaid.

7. Q: Will I have to pay taxes on my direct payment?

A: No. Your payment is NOT subject to federal taxation. Your direct payment will also NOT be taken out of your tax refunds for next year.

8. Q: How will direct payments be delivered?

A: Direct payments will be delivered automatically—by the IRS—to most Americans who filed individual federal income tax returns in 2018 or 2019, if they receive their tax refunds or social security benefits through electronic direct deposit. All others will be delivered via paper checks.

9. Q: Many individuals don't need to file a tax return. Are non-filers eligible for direct payments?

A: Yes. There is no earned income requirement to be eligible for direct payment, but non-filers may need to take additional steps to receive their direct payment.

If you are a non-filer who wants to receive your payment more quickly, the IRS recommends that you file a “simple tax return” and include direct deposit information. The IRS is encouraging taxpayers to file their 2019 returns to the maximum extent possible.

The Social Security Administration will share direct deposit and income information for Social Security (Old-Age, Survivors, and Disability Insurance) beneficiaries with the IRS to help ensure these beneficiaries receive an automatic payment.

The IRS will conduct a public awareness campaign to reach other non-filers and provide them with information on how they can access direct payments.

10. Q: How will a person who has recently moved access these direct payments?

A: The IRS expects to create an online portal by May 2020 that will allow taxpayers, once they have been authenticated, to: (1) find out the status of their direct payment and (2) update direct deposit information.

11. Q. Are convicted felons eligible for a direct payment?

A: Yes. If you are a tax filer, you will receive your direct payment through the method of payment on file with the IRS. If you are a non-filer who wants to receive your payment more quickly, the IRS recommends that you file a “simple tax return” and include direct deposit information. The IRS is encouraging taxpayers to file their 2019 returns to the maximum extent possible.

12. Q. If I have unpaid taxes, will my unpaid taxes be garnished or taken out of my direct payment?

A: No. Unpaid taxes will not be taken out of your direct payment.

13. Q. How will the IRS know where to send my payment?

A: If you filed taxes in 2018 or 2019 and provided the IRS with direct deposit information OR receive social security benefits via direct deposit, the IRS will calculate your direct payment and send it to you via direct deposit.

If the IRS doesn't have your direct deposit information:

The IRS expects to create an online portal by May 2020 that will allow taxpayers, once they have been authenticated, to: (1) find out the status of their direct payment and (2) update direct deposit information.

14. Q. How long are the direct payments available?

A: These direct payments will be available throughout the rest of 2020.

Under the CARES Act, this is a one-time direct payment due to the economic impact of COVID-19.

15. Q. Will I receive a direct payment if I was listed as a dependent on a 2019 tax return?

A: No. You must file your own income taxes in 2018 or 2019 in order to receive the direct payment.

Additional Information

The IRS is updating key information on <https://www.irs.gov/coronavirus> as it becomes available.

If you have questions or concerns that aren't answered on this FAQ sheet, please fill out this [form](#) and my office will assist you.

Note: Taxpayers and Social Security beneficiaries who filed taxes in 2018 or 2019 and used direct deposit or receive their Social Security benefits via direct deposit will receive their payments first. The IRS urges anyone with a tax filing obligation who has not yet filed a tax return for 2018 or 2019 to file as soon as they can to receive a direct payment. Taxpayers should include direct deposit banking information on their return.