

Recovery Rebates (Economic Impact Payment) under the CARES Act

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What is the CARES Act?

The CARES Act is the 2 trillion dollar stimulus law passed by the federal government in March 2020 responding to the COVID-19 pandemic. The law has many different parts, including money for individuals through the Recovery Rebate also known as the Economic Impact Payment.

What is a Recovery Rebate?

Among other things, the CARES Act provides for a Recovery Rebate, which is a one-time payment from the government. It goes to individuals who made less than \$99,001; to married couples who made less than \$198,001; and to heads of tax households who made less than \$136,501. The amounts are from the most recent year (2019 or else 2018), and are based on adjusted gross income.

Who is (and isn't) eligible for a Recovery Rebate?

To receive the Recovery Rebate, you must have a Social Security Number (SSN) and you cannot have been claimed as a dependent on someone else's taxes.

If you have an Individual Taxpayer Identification Number (ITIN), you are **ineligible**.

Note: You are ineligible even if you have a SSN, if your most recent tax filing (2019 or else 2018) included a person who has an Individual Taxpayer Identification Number (ITIN). This unfortunately may impact some immigrant households.

What do I need to do?

The Recovery Rebate will come to you automatically, without you needing to do anything, if you:

- Filed a tax return for 2019 (without someone with an ITIN on your taxes),
- Filed a tax return for 2018 (without someone with an ITIN on your taxes),
- Receive Social Security benefits (including retirement, disability and survivors),
- Receive Supplemental Security Income (SSI) benefits, or
- Receive Railroad Retirement benefits.

Note: You can still file your 2019 tax return now. The deadline is July 15, 2020, but it is possible to file even after the deadline. Once you file your tax return, you will be eligible for an automatic Recovery Rebate, if you meet the other eligibility criteria discussed above.

If you do not have any of the above things, but you do receive any of the following benefits, you must apply to receive a Recovery Rebate:

- Veteran's Benefits, or
- Public Assistance.

If you have no income, or income so low in 2019 that you did not have to file a tax return, you must apply to receive a Recovery Rebate.

To apply for a Recovery Rebate, go to www.irs.gov/coronavirus/non-filers-enter-payment-info-here

What if I have kids under age 17?

Each dependent child under age 17 adds \$500 to the Recovery Rebate. If you filed taxes in 2019 or 2018 with your children as dependents (without including someone with an ITIN on your return), you do not need to do anything to get the extra \$500 per child.

If you did not file taxes in 2018 or 2019 and have children in your household under age 17, you should apply for a Recovery Rebate to get the extra \$500 per child. Also, the children must not be claimed as dependents on someone else's taxes, and they must have Social Security Numbers.

How much will I get?

The amount of your Recovery Rebate depends on your family size and how much income is reported on your tax return for the most recent year (2019 or else 2018). A single person with no kids with \$75,000 or less in income will get \$1,200. A married couple with \$150,000 or less with no kids will get \$2,400. A head of household tax filer with \$112,500 or less will get \$1,200. However, the rebate amount is reduced by \$5 for every \$100 of income over these income levels. Each additional dependent child under age 17 adds an extra \$500 to the Recovery Rebate.

When will I get the Recovery Rebate?

It is not known when this money will come to each person. The first deposits were received by some people on April 14, 2020. People who included bank information on their tax returns may start getting their money now; otherwise, it may take several more months for the money to arrive. Some people will receive the money in September 2020.

What if my spouse and I filed taxes jointly, but only one of us has a Social Security Number and the other has an ITIN?

You may be able to amend your taxes before July 15, 2020 to Married Filing Separately, so that the spouse with a SSN can receive the Recovery Rebate, if he or she is not over-income. After July 15, 2020, it would be much harder to amend your taxes.

Will I have to pay back the Recovery Rebate?

No. The Recovery Rebate is an advanced tax credit that does not come out of anything in the future. You do not have to pay it back. It does not deduct from anything else.

Will the Recovery Rebate harm me for immigration purposes or make me a Public Charge?

No. The Recovery Rebate does not count towards Public Charge for immigration purposes.

Will the Recovery Rebate reduce or make me ineligible for any government benefits?

No. The Recovery Rebate is a type of a tax refund. It does not count as income towards government benefits including Public Assistance, Medicaid, SNAP (Food Stamps), SSI, Section 8, and NYCHA.

For SSI the money does not count against the resource limit of \$2,000 or \$3,000 (couples) for 12 months. For Public Assistance, it does not count against the resource limit of \$2,000 (\$3,000 age 60+) for 2 months after the month received.