

Tax Alert

Advance Refund Payment

This information is based on preliminary analyses of the 864 page CARES Act. We post our Tax Alerts on our website and they will be updated as new information becomes available. LAST UPDATED 03/30/20.

What is it?

The check is an **Advance Refund** of a **Tax Credit** you will be able to take **on your 2020 return**. If you do not receive a check you will be able to file a 2020 return to get your refund of any credit for which you qualify.

Who will receive the Credit

Individuals who are:

- Not a nonresident alien
- Not claimed as a dependent on another taxpayer's return
- Not an estate or trust

How much will you receive?

The amount is based upon your filing status and Adjusted Gross Income as follows:

- *Married filing joint* – \$2,400 if your AGI is less than \$150,000 with the Credit being phased out for AGIs between \$150,000 and \$198,000.
- *Head of Household* – \$1,200 if your AGI is less than \$112,500 with the Credit being phased out for AGIs between \$112,500 and \$135,500.
- *Single* – \$1,200 if your AGI is less than \$75,000 with the Credit being phased out for AGIs between \$75,000 and \$99,000.
- *Dependents* – An additional \$500 will be given for each dependent listed on the return who is under age 17.

How will it be calculated?

The amount of the check will be based as follows:

- The amount will be based on your 2019 return.
- If you have not filed your 2019 return it will be based upon your 2018 return.
- If you have not filed a return in either year, and your only income is Social Security or Railroad Retirement, you will receive a \$1,200 check.

How will you receive the advance refund?

If you had a refund directly deposited into your bank account for the year (2018 or 2019) which will be used to calculate the amount, that account will be used for your Advance Refund. If not, you will receive a check in the mail.

Important: If your address or bank information has changed from that which was on your return for the year being used to calculate your Advance Refund, call the IRS NOW to update your information (1-800-829-1040).