IRS Congressional Update

News for members of Congress and their staffs.....June 2020

Low-income people are eligible to get an Economic Impact Payment

Low-income individuals are eligible to receive an **Economic Impact Payment**. Those who do not have a regular filing requirement can use the free, online tool **Non-Filers: Enter Payment Info** to quickly and easily register to receive their payment. There is also a Spanish language version of the tool available.

The Non-Filers tool is for married couples with incomes below $24,400 or single people with income below $12,200. This includes couples and individuals who are homeless. Usually, married couples qualify to receive $2,400 while single people qualify to get $1,200. People with dependents under 17 can get up to an additional $500 for each child.

Even if a person doesn't work, they can still qualify for an Economic Impact Payment. However, if they were claimed as a dependent by someone else, they are not eligible.

If a person is not required to file a federal income tax return, they generally qualify for an Economic Impact Payment. Since the IRS does not know who these people are, the only way they can get the Economic Impact Payment is to register with the IRS.

For those who don't normally file a tax return, the process is simple and only takes a few minutes. First, visit IRS.gov and look for Non-Filers: Enter Payment Info Here. Then provide basic information including Social Security Number, name, address, and dependents.

The IRS will use this information to confirm eligibility and send the Economic Impact Payment. No tax will be due as a result of receiving the payment. Entering bank or financial account information will allow the IRS to quickly deposit the payment directly in a savings or checking account. Otherwise, the payment will be mailed. Information entered on this site is secure.

Who should not use the tool?

Anyone who already filed either a 2018 or 2019 return does not qualify to use this tool. Similarly, anyone who needs to file either a 2018 or 2019 return should not use this tool, but instead they

should file their tax returns. This includes anyone who files a return to claim various tax benefits, such as the Earned Income Tax Credit for low-and moderate-income workers and working families.

IRS now offering special materials to share involving Economic Impact Payments

To help reach people who don't normally file a tax return, the Internal Revenue Service has embarked on a sweeping outreach effort to share information related to Economic Impact Payments. The materials include a new toolkit in Spanish and a variety of other print and visual items. The IRS encourages sharing this information with your constituents. You can also share these graphics and images in your newsletters and webpages. For more information, see **www.IRS.gov/EIPpartners**.

Telephone assistance for Economic Impact Payments

The IRS has started to add 3,500 telephone representatives to answer some of the most common questions about Economic Impact Payments.

> ***Check this first*** → The IRS regularly posts new and updated answers to the most frequently asked questions about **Economic Impact Payments** and the **Get My Payment tool**. Those who wish to know the status of their Economic Impact Payment are reminded to check **Get My Payment** regularly; the information is frequently updated as the IRS continues to process the remaining payments for delivery.

Assistance is now available for most EIP questions by calling 800-919-9835. Those who need additional assistance at the conclusion of the automated message will have the option of talking to a telephone representative. Due to high call volumes, live phone assistors may not initially be available to many callers; we will continue to increase available phone assistors as we monitor demand. We appreciate everyone's patience and understanding during these difficult times.

People First Initiative – Providing relief to taxpayers

On March 25, 2020, the IRS announced **The People First Initiative** to provide compliance relief to taxpayers experiencing COVID-19 related hardships.

This relief includes issues ranging from postponing certain payments related to Installment Agreements and Offers in Compromise to collection activities and limiting certain enforcement actions.

The People's First Initiative webpage includes Frequently Asked Questions: **People First Initiative Frequently Asked Questions (FAQs)**

Unemployment compensation is taxable

IRS recognizes that the loss of a job may create new tax issues. The IRS provides the following information about the tax consequences.

- Severance pay and unemployment compensation are taxable.
- Payments for any accumulated vacation or sick time are also taxable.

Workers may be required to make quarterly estimated tax payments. However, they can choose to have federal income tax withheld.

For more information, refer to **Form W-4V, Voluntary Withholding Request (PDF)** or see IRS **Publication 4128, Tax Impact of Job Loss**.

Taxpayers have until July 15 to file and pay their taxes

The federal income tax filing deadline has been extended to July 15. Taxpayers also have until July 15 to make any federal income tax payments that were originally due on April 15, without penalties and interest, regardless of the amount they owe. This extension applies to all taxpayers. There's no need to file any additional forms to qualify for the extended deadline.

Taxpayers can still use **Free File**. Free File is available online and can be done from home.

Taxpayers who owe, should file by the due date, and pay as soon as possible. They can schedule their **payment electronically** online, by phone or using their mobile device and the **IRS2Go app**. It's always good to pay as much as possible to minimize interest and penalties. The IRS offers a variety of electronic **payment options** to help taxpayers schedule electronic payments.

First and second quarter estimated tax payments normally due April 15 and June 15 are postponed to July 15, along with most other federal income tax deadlines.

IRS accepting applications for 2021 Low Income Taxpayer Clinic grants

The IRS is now accepting applications for 2021 Low Income Taxpayer Clinic grants. The application period will run through June 16, 2020. The mission of LITCs is to ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak English as a second language by:

- Providing pro bono representation on their behalf in tax disputes with the IRS;
- Educating them about their rights and responsibilities as taxpayers; and
- Identifying and advocating for issues that impact these taxpayers.

The IRS welcomes all applications and will ensure that each application receives full consideration.

An important program goal is to ensure that each state (plus the District of Columbia and Puerto Rico) has at least one clinic. Thus, in awarding LITC grants for calendar year 2021, the IRS will highly consider clinics in the following underserved areas:

- The states of Hawaii, Montana, Nevada, North Dakota, West Virginia and Wyoming, and the territory of Puerto Rico.
- The counties of mid-Florida and its eastern coast, central Arizona, northeast Pennsylvania, and southeast New York.

A complete list of underserved counties, complete program requirements and instructions on how to apply can be found in **Publication 3319, Low Income Taxpayer Clinics (LITC) Grant Application Package and Guidelines** on **IRS.gov**.

Reminders

- **New Employer Tax Credits**
- **Coronavirus (COVID-19): Small Business Guidance & Loan Resources**
- **Increased flexibility in section 125 cafeteria plans, including FSAs, Dependent Care, and High Deductible Health Plan.**
- **New rules about IRA & retirement plan distribution options and rollovers**
- **What people really want to know about Economic Impact Payments**
- **Visit the Economic Impact Payment and the Get My Payment tool pages for a complete list of FAQs on IRS.gov which are updated regularly.**
- **Low-income people are eligible to get an Economic Impact Payment**
- **Economic Impact Payments being sent by prepaid debit cards, arrive in plain envelope; IRS.gov answers frequently asked questions**
- **YouTube video Avoiding Economic Impact Payment Scams**
- **Treasury Inspector General for Tax Administration (TIGTA) Urges Taxpayers To Stay Alert And Safeguard Their Economic Impact Payment**
- **What the U.S. Government is Doing: A catalog of all U.S. government activities related to coronavirus. Available in both English and Spanish**

Help on IRS.gov

Filing – **Payments** – **Refunds** – **Credits & Deductions** – **Forms & Instructions** – **Tax Questions**

IRS in other languages

Spanish - **Chinese** - **Korean** - **Russian** - **Vietnamese** - **ASL** (YouTube)

IRS on social media

YouTube – Twitter – Instagram - Facebook

IRS2Go is the official mobile app of the IRS, available in both English and Spanish.

The *IRS Congressional Update* is a monthly newsletter, prepared by IRS Legislative Affairs. For information on resolving taxpayer account issues, visit Taxpayer Advocate Service.