

## VITA/TCE Volunteer Tax Alert

### VTA-2021-07, Claiming Recovery Rebate Credits

#### Purpose:

To alert VITA/TCE volunteers about issues they may encounter when assisting taxpayers claiming the Recovery Rebate Credit.

#### Message to Volunteers:

Individuals who didn't qualify for the Economic Impact Payments (EIPs) or did not receive the full amounts of payments based on their 2019 or 2018 tax year information may be eligible for the Recovery Rebate Credit (RRC) based on their 2020 tax situation. They will need the amounts of any EIPs they received to correctly calculate the RRC. This Alert contains the following information:

- What information the taxpayer needs to provide to claim the credit?
- Where can taxpayers find their EIP amounts?
- What about taxpayers who have no income?
- What if taxpayers claim an incorrect amount of RRC?
- Who is not eligible for an RRC?
- What if a taxpayer's online account or letter shows they were issued a payment, but they never received one?
- What if a taxpayer received EIPs for a child who is no longer a qualifying child, but has a new qualifying child in 2020?

#### What Information Will Taxpayers Need to Provide to Claim the RRC?

Volunteers should complete the Basic Information section in the tax software.

- In TaxSlayer, you will be prompted to complete the screen shown on the next page to provide the amounts for each EIP the taxpayer received.

**Recovery Rebate Credit**

Did you receive any stimulus payment(s) from the government due to COVID-19?

**NOTE:**  
This information is strictly used to ensure you have received the full amount you are entitled. It will not increase your taxable income or taxes due.

Select all that apply:

I received stimulus payment(s) during the first round of payments.  
Total amount received during the first round of payments \*  
May be reported on Notice 1444  
\$

I received stimulus payment(s) during the second round of payments.  
Total amount received during the second round of payments \*  
May be reported on Notice 1444-B  
\$

I have not received any stimulus payments.

**CANCEL** **CONTINUE**

- Taxpayers should refer to Notice 1444, Your Economic Impact Payment, which shows the amount of the first EIP. The IRS is mailing Notice 1444-B, Your Second Economic Impact Payment, which shows the amount of the second EIP.
- If taxpayers received joint payments with their spouse but file separate 2020 tax returns, each must enter half of amount of the payment.
- If the taxpayer is unsure about the payment amounts or if payments were received, see below for instructions.

### Where Can Taxpayers Find the Amount of EIPs They Received to Calculate the RRC?

Taxpayers can view the amounts of the EIPs through their **online account**. It's an online IRS application that allows taxpayers to securely access their individual account information. A U.S.-based smartphone that can accept text messages is required.

The amounts of the taxpayer's EIPs are found under the Tax Records tab. The Tax Records tab will show two separate amounts:

1. The amount of the first EIP (some received multiple payments so the amount shown will be the total) and
2. The amount for the second payment.

If the taxpayer and spouse received joint payments, each will need to sign into their own account to retrieve their separate amounts.

### What About Taxpayers Who Do Not Have Any Income?

If the taxpayer is eligible for an RRC you do not need to enter any income to enable e-filing the return. If the taxpayer does not have any income, there is no need to enter anything on lines 1 through 11 and 13 through 29 when preparing the tax return.

**Note:** If the taxpayer has some income but is not required to file, see **Should I include income on the return even if I am not usually required to file?**

## What if Taxpayers Claim an Incorrect Amount?

The IRS will not calculate the RRC for people. However, if there is a mistake on the Line 30 amount, the IRS will calculate the correct amount of the RRC, make the correction to the tax return and continue processing the return. If a correction is needed, there may be a slight delay in processing the return and the IRS will send the taxpayer a notice explaining any change made.

## Who is Not Eligible for the RRC?

Individuals are not eligible for the RRC if any of the following applies:

- They may be claimed as a dependent on another taxpayer's 2020 return (for example, a child or student who may be claimed on a parent's return or a dependent parent who may be claimed on an adult child's return).
- They do not have a Social Security number that is valid for employment issued before the due date of the 2020 tax return (including extensions). Some exceptions apply for those who file married filing jointly where only one spouse **must have a valid Social Security number to claim RRC**.
- They are nonresident aliens.
- They are an estate or trust.

Also, individuals who died prior to January 1, 2020 are not eligible for the RRC. A payment made to someone who died should be returned to the IRS by following the instructions in [Returning the Economic Impact Payment](#). For eligible individuals who died in 2020, the RRC may be claimed on line 30 of their 2020 tax return.

## What if a Taxpayer's Online Account or Letter Shows They Were Issued a Payment, but They Never Received One?

There are several possibilities for why the taxpayer's account shows they were issued an EIP even though they did not receive one:

- Their first EIP was offset for past due child support payments. Taxpayers are still considered to have received that payment and must include that amount when calculating the RRC.
- They were issued an EIP Card and inadvertently discarded it not realizing it was their EIP. Taxpayers may request a free replacement through MetaBank® Customer Service by calling **800-240-8100** and following the prompts for a lost or discarded card. Please see the Economic Impact Payment Information Center — [Topic E: EIP Cards](#) for more information.
- The payment was made to a bank account or address shared with a spouse.
- The payment was returned by the post office or financial institution and hasn't been credited back to their account yet. See [How do I request a Payment Trace to track my Economic Impact Payment?](#)
- Taxpayers who received their payment by check and it was lost, stolen or destroyed should request a payment trace so the IRS can determine if the payment was cashed. Taxpayers who received Notice 1444 or Notice 1444-B in the mail and have not received their payment as mentioned in the notice may also request a payment trace. See [How do I request a Payment Trace to track my Economic Impact Payment?](#)

## What if a Taxpayer Received EIPs for a Child Who is No Longer a Qualifying Child, but Has a New Qualifying Child in 2020?

The EIPs were advance payments of the RRC. To issue the EIPs as quickly as possible, applicable laws allowed the IRS to use 2019 tax information. The IRS used 2018 tax return information for the first Economic Impact Payment if the 2019 tax return was not on file.

Generally, if taxpayers had the same number of qualifying children on their 2019 tax return that they'll have on their 2020 tax return – even if they are not the same children – it's likely the IRS already issued the full amount of the RRC as two EIPs.

If taxpayers were issued the full amounts of EIPs, they won't be eligible to claim the RRC for their child born in 2020 even though that child is a qualifying child for the credit.

## Resources:

- [Coronavirus Tax Relief and Economic Impact Payments](#)
- [Form 1040 and Form 1040-SR instructions](#)

For additional questions, please talk to your site coordinator, partner or IRS SPEC relationship manager.

**Thank you for volunteering and for your dedication to top QUALITY service!**