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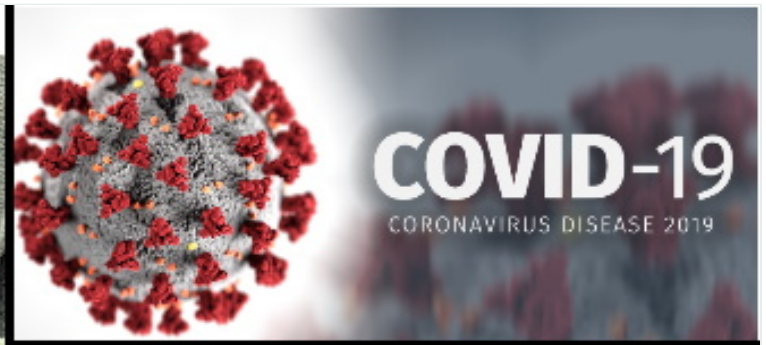
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COVID-19

Some Stimulus Payments Sent to Wrong Accounts

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tax refund loan services.

According to various media sources, payments for an unspecified number of taxpayers who used tax preparation services and also used a refund loan, such as TurboTax and H&R Block, were sent to a bank account that was related to the bank behind that loan. So these individuals won't have access to those funds until the IRS cleans up the mess.

Congress approved the second round of economic stimulus payments late in December. The maximum payment is \$600 per individual plus \$600 for each qualified child under the age of 17. But payments begin to phase out at an adjusted gross income (AGI) of \$75,000 for single filers and \$150,000 of AGI for joint filers.

The IRS started sending payments via direct deposit on December 29. It says it began mailing paper checks on December 30. Others may receive a debit card issued by MetaBank. The cards are being sent in white envelopes with the U.S. Department of the Treasury seal. It shows the Visa name on the front of the card and MetaBank on the back.

Certain taxpayers are receiving debit cards even if they received payment through direct deposit the first time.

You can check your payment status on the IRS' "Get My Payment" tool at <https://www.irs.gov/coronavirus/get-my-payment>. But that's where some people ran into trouble. They discovered that their payment was sent to a bank account that wasn't theirs. In fact, the account was linked to TurboTax, H&R Block or some other tax return preparation service. The IRS has not yet indicated the scope of the problem.

TurboTax has claimed the IRS alone has the ability to determine eligibility and distribute stimulus payments. It has indicated that, by law, that it must return payments to the IRS. H&R Block has said that it is rerouting payments and customer service representatives are standing by to help taxpayers in this predicament by phone or online.

Of course, this is little consolation to taxpayers who are relying on an immediate cash transfusion to help them get through difficult times. At least you can claim a tax credit for a payment you have not yet received on your 2020 tax return.

The IRS says for all other taxpayers who may have closed their previous bank accounts and no longer have access to them, those stimulus payments will be

returned by those banks to the IRS.

The IRS is not offering a way to change bank account information. Those who did not receive either or both of the two stimulus payments, but who should have received them (including payments for dependents) will be able to claim a Recovery Rebate Credit on their April tax return, which will result in the same value on their taxes, and can be refunded to them.

Learn more on the IRS website:

<https://www.irs.gov/newsroom/treasury-and-irs-begin-delivering-second-round-of-economic-impact-payments-to-millions-of-americans>

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