CPA

Practice **Advisor**

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Apr. 15, 2021



The Internal Revenue Service, the U.S. Department of the Treasury and the Bureau of the Fiscal Service have disbursing nearly 159 million Coronavirus stimulus payments, more formally known as the Economic Impact Payments from the American Rescue Plan. This includes 2 million new payments sent in the fifth batch the week of April 16, 2021.

The total value of the stimulus payments is more than \$376 billion since these payments began rolling out to Americans in batches as announced on March 12.

The fifth batch of payments began processing on Friday, April 9, with an official

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tool last year.

- Nearly 850,000 payments, with a total value of nearly \$1.6 billion, went to eligible individuals for whom the IRS previously did not have information to issue an Economic Impact Payment but who recently filed a tax return.
- This batch also includes additional ongoing supplemental payments for people who earlier this year received payments based on their 2019 tax returns but are eligible for a new or larger payment based on their recently processed 2020 tax returns. This batch included more than 700,000 million of these "plus-up" payments, with a total value of more than \$1.2 billion.
- Another 72,000 payments went to Social Security beneficiaries who didn't file a 2020 or 2019 tax return and didn't use the Non-Filers tool last year.
- Overall, this fifth batch of payments contains nearly 1.2 million direct deposit payments (with a total value of just under \$2 billion) and nearly 800,000 paper check payments (with a total value of over \$1.4 billion).

Additional information is available on the first four batches of Economic Impact Payments from the American Rescue Plan, which began processing on April 2, March 26, March 19 and March 12.

A larger percentage of payments was made electronically during this round of payments than during previous rounds. This accelerated the delivery of payments to millions of American families whose payments would otherwise have been sent by mail. Over 95% of all Social Security beneficiaries have been paid electronically during this round of payments, compared to 70% in the first round and 72% in the second round.

The IRS will continue to make Economic Impact Payments on a weekly basis. Ongoing payments will be sent to eligible individuals for whom the IRS previously did not have information to issue a payment but who recently filed a tax return, as

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the IRS in determining whether someone is eligible for an advance payment of the 2021 Child Tax Credit, which will begin to be disbursed this summer.

For example, some federal benefits recipients may need to file a 2020 tax return – even if they don't usually file – to provide information the IRS needs to send payments for a qualifying dependent. Eligible individuals in this group should file a 2020 tax return as quickly as possible to be considered for an additional payment for their qualifying dependents.

People who don't normally file a tax return and don't receive federal benefits may qualify for these Economic Impact Payments. This includes those experiencing homelessness, the rural poor, and others. Individuals who didn't get a first or second round Economic Impact Payment or got less than the full amounts may be eligible for the 2020 Recovery Rebate Credit, but they'll need to file a 2020 tax return. See the special section on IRS.gov: Claiming the 2020 Recovery Rebate Credit if you aren't required to file a tax return.

Free tax return preparation is available for qualifying people.

The IRS reminds taxpayers that the income levels in this new round of Economic Impact Payments have changed. This means that some people won't be eligible for the third payment even if they received a first or second Economic Impact Payment or claimed a 2020 Recovery Rebate Credit. Payments will begin to be reduced for individuals making \$75,000 or above in Adjusted Gross Income (\$150,000 for married filing jointly). The payments end at \$80,000 for individuals (\$160,000 for married filing jointly); people with Adjusted Gross Incomes above these levels are ineligible for a payment.

Individuals can check the Get My Payment tool on IRS.gov to see the payment status of these payments. Additional information on Economic Impact Payments is

available on IRS.gov.

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