

# NTA Blog: During this National Emergency the IRS Is Called Upon to Issue Economic Impact Payments to All Eligible Americans: What Taxpayers Can Do to Speed Up Payment

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The last few weeks have been extraordinarily challenging for most Americans, as many of us have been cloistered in our homes, told to shelter in place, and been urged to refrain from gathering with family or friends. Two weeks ago, in the midst of this period of social distancing, I had the honor and privilege of being sworn in as the third National Taxpayer Advocate. This was not the way I envisioned my transition when I accepted the position. But circumstances quickly changed. I, like many others, am working remotely, and my communications with the Commissioner, other IRS leaders, and TAS employees have been conducted by phone and email.

If there is a silver lining, it is this: As I have participated in conference calls with TAS leadership, our employees, and the IRS COVID-19 response team, I could not be more impressed with their commitment and focus on the health and safety of all employees, while still doing as much as possible to serve taxpayers. Most TAS employees have laptops and access to IRS networks and the internet, allowing them to telework. Unfortunately, they do not have access to paper files, nor can they pick up mail at their IRS offices or send letters to taxpayers. Despite those limitations, I am proud to say that the spirit of TAS employees is strong. They are making the best of the situation and continuing to work their pending cases as best they can. To add additional complexities, IRS personnel are in similar situations and sheltering at home, including virtually all IRS telephone assistants and many IRS campus employees. Because of these staffing challenges in the IRS, some TAS cases cannot be resolved until campus employees can return to their offices, and other cases are taking longer than usual to resolve. We ask for your patience and understanding as we all work through these unprecedented circumstances.

I also want to acknowledge the tremendous job the IRS has been doing under existing constraints. In the span of two weeks, it has extended over 300 filing, payment, and other time-sensitive deadlines while assigning all hands on deck to disburse the Economic Impact Payments authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES) enacted on March 27, 2020. The IRS recently provided taxpayers with broad relief from compliance actions under its "People First Initiative." This relief, which currently extends

through July 15, 2020, provides some peace of mind to taxpayers during this national crisis by postponing certain payments related to installment agreements and offers in compromise and by limiting certain enforcement actions. It is clear from my conference calls and the guidance being released that the IRS is putting taxpayers first and is making meaningful efforts to provide taxpayers with relief to the extent possible.

This isn't the IRS's first experience issuing millions of relief checks to taxpayers. In 2001, the Economic Growth and Tax Relief Reconciliation Act authorized an estimated 95 million economic stimulus payments. And in 2008, Congress passed the Economic Stimulus Act, which authorized payments to over 124 million households. But this time, the IRS is facing more significant challenges in implementing the recently enacted law. Unlike in 2001 and 2008, most IRS employees are working remotely without the ability to access many necessary IRS systems or their case files. Despite the obvious challenges this presents, I have witnessed IRS senior leadership stepping up and dealing with these challenges with concern for taxpayers and IRS employees. As with most of America, the IRS and TAS are facing situations never experienced or anticipated.

### **What are Economic Impact Payments?**

The CARES Act provides up to \$1,200 per qualifying individual, or up to \$2,400 for married couples filing jointly, and up to an additional \$500 per dependent, with no limitation on the number of dependents if the dependent is 16 or younger on December 31, 2020, and possesses a Social Security number or an Adoption Taxpayer Identification Number. For single filers whose adjusted gross incomes (AGIs) exceed \$75,000, married couples filing jointly whose AGIs exceed \$150,000, and heads of households whose AGIs exceed \$112,500, the total credit amount, including the \$500 payment for each eligible dependent, will be reduced by \$5 for every \$100 above their AGI cap.

While I expect the IRS will successfully deliver the Economic Impact Payments to most eligible taxpayers, many taxpayers will likely experience difficulties in obtaining their payments. The biggest obstacle is that while direct deposit is the simplest and fastest way to deliver Economic Impact Payments, the IRS does not possess bank or financial account information for all taxpayers. In 2019, only 59 percent of taxpayers received refunds and elected to provide their financial account information to receive their refunds by direct deposit. That means that 41 percent of taxpayers (or 64 million taxpayers) did not provide bank or financial account information to the IRS.

### **How Can I Speed Up Delivery of My Economic Impact Payment?**

Where the IRS does not possess an eligible individual's bank or financial account information, in many cases it will mail the Economic Impact Payment using the individual's last known mailing address. Processing and mailing payments are scheduled to begin in the next few weeks, but it should be noted that mailed payments will take longer than direct

deposits. To help millions of Americans receive their payments more quickly, the IRS will be launching its new "[Get My Payment](#)" application this week. The application will allow all eligible individuals to check on the status of their payments, including the date their payment is scheduled to be deposited into their bank or financial account. A key benefit of this application is that it will allow taxpayers to provide their bank or financial account information to the IRS if they filed their tax return in 2018 or 2019 without direct deposit information (either because they didn't receive a refund or because they opted to receive their refund by paper check). **NOTE:** This feature will not be available after the payment has been scheduled for delivery. *So taxpayers need to move quickly.*

There will be additional challenges for taxpayers who previously provided bank or financial account information to the IRS but have since changed or closed their account. We anticipate the payment will be rejected by the bank or financial institution and the IRS will mail the payment instead.

### **How Do I Update My Address for Purposes of Receiving My Economic Impact Payment?**

If your address has changed and you will be receiving an Economic Impact Payment by mail, you may need to take steps to update your address. Generally, the IRS will mail payments to the address shown on a taxpayer's most recently filed tax return or as updated through the U.S. Postal Service. Therefore, if you have already filed your 2019 tax return and your address has changed, please be sure to notify the U.S. Postal Service of your address change.

### **What If I Don't Have a Tax Filing Requirement?**

Unless you fall within one of the exceptions described below, you must have a 2018 or 2019 federal income tax return on file with the IRS. And for those with dependents, the IRS must have a filed return to provide the additional amount for dependents. For those who do not have a filing obligation and have not filed a tax return, the process is simple and only takes a few minutes to complete. First, visit [IRS.gov](https://www.irs.gov), and look for "[Non-Filers: Enter Payment Info Here.](#)" By providing the basic information requested, including Social Security number, name, address, and dependents, the IRS will confirm your eligibility and calculate and send an Economic Impact Payment. Entering bank or financial account information will allow the IRS to deposit your payment directly into your account.

### **Exceptions for Social Security Retirement and SSDI Beneficiaries**

As provided in the CARES Act, taxpayers who receive payments subject to Form SSA-1099 or RRB-1099 reporting will receive Economic Impact Payments of \$1,200 *even if they did not file a tax return*. That includes recipients of both Social Security retirement benefits and Social Security disability benefits (SSDI). The IRS will send the payments via direct deposit or by

mail — whichever way the recipients currently receive their benefits. **NOTE:** Forms 1099 do not include information about marital status or dependents, so unless a tax return is filed, the IRS has no way to know whether recipients of Social Security or railroad retirement benefits are supporting any dependents. There is a narrow window of time for recipients of Forms SSA-1099 and RRB-1099 to file a simple return providing information as to their filing status and dependents in order to receive the larger amounts of up to \$2,400 for a married couple and up to \$500 per dependent. However, these taxpayers must file their return **BEFORE** the IRS processes their direct deposit or mailed payment to receive it now. We suggest these individuals utilize the IRS's "[\*Non-Filers: Enter Payment Info Here\*](#)" tool to speed up payment.

### **Veterans Beneficiaries and Supplemental Security Income (SSI) Recipients**

Recipients of veterans benefits and Supplemental Security Income (SSI) are generally eligible to receive Economic Impact Payments. However, the IRS does not receive Forms 1099 reporting the payment of veterans benefits or SSI, so it has no way of knowing on its own who the recipients are. The IRS is continuing to explore ways to see if payments can be made automatically to SSI recipients and those who receive veteran's disability compensation, pension, or survivor benefits from the Department of Veterans Affairs and have not filed a 2018 or 2019 tax return. More information will be available soon.

### **"Non-Filers: Enter Payment Info Here" Tool Speeds up Payment**

As noted above, the IRS has just launched a new web portal — "[\*Non-Filers: Enter Payment Info Here\*](#)" — for individuals who did not file a tax return in 2018 or 2019 and do not have to file. These individuals can submit basic information in order to receive their Economic Impact Payment. Individuals need to enter their name; Social Security numbers for themselves, their spouse and dependents; their mailing address; and their bank account information. The IRS will then confirm their eligibility and send their Economic Impact Payment directly to their bank account. The tool is available for single filers who made under \$12,000 and married couples who made less than \$24,000 in 2019 (in addition to others without a filing requirement).

### **How Will I Receive My Economic Impact Payment If I Purchased a Refund Anticipation Loan (RAL) or Refund Anticipation Check (RAC) When I Filed My Most Recent Return?**

When a taxpayer purchases a RAL or RAC, a virtual bank account is established solely for purposes of receiving the refund and facilitating the transaction. The account does not continue to exist and therefore Economic Impact Payments delivered to virtual accounts by direct deposit would not reach the intended recipient.

Tax returns involving a RAL or a RAC carry an electronic indicator. Therefore, the IRS can identify these taxpayers and ensure Economic Impact Payments are not delivered to the virtual accounts that were used in return filing. In many cases, these returns also transmit the underlying bank account information of the taxpayer, and the IRS may issue the Economic Impact Payment by direct deposit where possible. Where the taxpayer's underlying bank account information is not provided, the IRS will issue the Economic Impact Payment by mail.

### **Non-Eligible: Students and Others**

If someone else claimed you on their tax return, you will not be eligible for the Economic Impact Payment or to use the Non-Filer tool.

### **How Can I Speed Up My 2019 Income Tax Return Refund?**

Due to COVID-19, the IRS has shut down all major facilities to protect employees, their families, and their communities. As a result, the IRS is not currently processing paper returns. If you are due a refund, the IRS strongly recommends you file your tax return electronically and choose direct deposit. Electronic filing will speed the processing of tax returns, refunds, and Economic Impact Payments.

The IRS is requesting that taxpayers **do not** file a second return or write to the agency to inquire about the status of their Economic Impact Payment or their return if they have already filed on paper and are still waiting for the return to be processed. Paper returns will be processed once processing centers can reopen.

### **Word of Caution for Taxpayers: Don't Fall Prey to Scams**

I want to reiterate a recent warning the IRS issued to the public: The IRS will never call or email you about these payments and will never call to ask you for personally identifiable information, including bank account information. Taxpayers should be very leery of any emails or other online communications promising faster refunds or Economic Impact Payments, as these are likely scams.

### **The Importance of Outreach**

I hope this blog is informative, but I am aware it will reach only a limited audience. Because millions of taxpayers are eligible for these payments who have not interacted with the IRS in years, or maybe ever, the IRS should continue, and enhance, its outreach strategy. More than ever, it is important that such a strategy be multifaceted so it reaches our country's most vulnerable populations, including low-income taxpayers, the elderly, the disabled, those with limited English proficiency, veterans, and domestic abuse survivors. Members of these vulnerable groups may not have available or reliable internet access, or they may not use the internet due to a physical impairment.

Together as a tax community, we need to be creative to reach these taxpayers, such as by sending information to local schools to be handed out with meals for students and by providing information to homeless shelters, food banks, and domestic violence shelters. The IRS continues to use its Stakeholder Partnerships, Education and Communication (SPEC) function to maintain a local footprint and strong community presence. Organizations like Low Income Taxpayer Clinics (LITCs), the Volunteer Income Tax Assistance (VITA) program, the American Association of Retired Persons (AARP), and the Department of Veterans Affairs continue to be strong partners in increasing community contact. Even mailings inserted in utility bills could reach isolated taxpayers. As a tax community, we need to think outside the box.

I commend the IRS for its enhanced outreach strategy to reach these vulnerable groups and look forward to seeing what new and innovative outreach methods the IRS employs going forward. We need the IRS, the tax community, non-profit organizations, and other state and local agencies to help get the word out. Americans need to help each other.

You have my commitment that I will bring taxpayer challenges to the attention of IRS leadership and to advocate for solutions that make the tax administration process workable and as painless as possible for U.S. taxpayers. But the most important thing for all of us to focus on today is being safe and developing creative solutions to benefit all Americans in the face of this pandemic. We will get through this trying time together.

The IRS is continuing to develop and refine its procedures for issuing Economic Impact Payments. For the most current information, visit [IRS.gov](https://www.irs.gov).

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