



IRS Updates

February 26, 2021

Lisa Novack

**Senior Stakeholder
Liaison**



Steps to Take Now to Get a Jump on Your Taxes

Steps you can take now to make tax filing easier in 2021

- + View your account information online
- + Gather your tax records
- + Check your Individual Tax Identification Number (ITIN)
- + Make sure you've withheld enough tax

What's new and what to consider when you file in 2021


- + Rebate Credit
- + Refund interest payments
- + Refund timing

www.irs.gov/getready





Coronavirus Tax Relief

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Coronavirus Tax Relief

Information for...

Individuals and Families

Changes to filing and payment deadlines and economic impact payments are part of your COVID-19 relief.

- [Economic Impact Payments](#)
- [People First Initiative](#)
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[More for individuals](#)

Businesses and Tax-Exempt Entities

Your small or large business or tax-exempt organization may be eligible for COVID-19 relief.

- [Employer Tax Credits](#)
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If you're a health plan administrator, COVID-19 relief also affects you.

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[More for health plans](#)

<https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments>





Economic Impact Payments

and

The Recovery Rebate Credit



Today's topics:

- **First Economic Impact Payment**
- **Second Economic Impact Payment**
- **Notice 1444 and Notice 1444-B**
- **Recovery Rebate Credit**
- **Look up payment amounts**
- **Get My Payment tool**





Amount of the Payment

First Economic Impact Payments are in the following amounts:

- **Each eligible individual received up to \$1,200**
- **Married couples filing a joint return received up to \$2,400.**
- **People with qualifying children under age 17 at the end of the taxable year (2018 or 2019) received up to an additional \$500 for each qualifying child.**





Amount of the Payment

Second Economic Payments are in the following amounts:

- **Each eligible individual received up to \$600**
- **Married couples filing a joint return received up to \$1,200.**
- **People with qualifying children under age 17 at the end of 2019 received up to an additional \$600 for each qualifying child.**





Income Limits

Both payments were reduced if AGI is above:

- **\$150,000 if married and filing a joint return**
- **\$112,500 if filing as head of household or**
- **\$75,000 for eligible individuals filing as single or as married filing separately**

Payments were reduced by 5% of the amount by which your AGI exceeded the applicable threshold above.





Economic Impact Payment Eligibility

Individuals likely received the first and second rounds of Economic Impact Payments if they:

- **Were a U.S. citizen or resident alien,**
- **Had a work-eligible Social Security number that was valid for employment and was issued before the due date of the return used for the determination (return for 2019 or 2018), and**
- **Could not be claimed as a dependent on someone else's tax return.**





Who is not eligible?

Not eligible for the first or second round of Economic Impact Payments:

- **Non-resident aliens**
- **Estates and trusts**
- **Individuals who could be claimed as a dependent on someone else's tax return**

Eligibility was considered based on the return used for the determination (return for 2019 or 2018)





How were Economic Impact Payments issued?

- **Taxpayers with direct deposit information on file received the payment that way.**
- **For those without current direct deposit information on file, they generally received the payment as a check or debit card in the mail.**
- **For those eligible but who don't receive the payment for any reason, it can be claimed as a Recovery Rebate Credit by filing a 2020 tax return in 2021.**





Notices

- **First Payment: Notice 1444 was mailed about two weeks after the first Economic Impact Payment was issued.**
- **Second Payment: The IRS will mail Notice 1444-B to each recipient.**
- **Individuals should save these notices with their tax records. The IRS cannot reissue them.**





Other Topics

- **Economic Impact Payments are not includible in gross income.**
- **Payments also will not affect an individual's income for purposes of determining eligibility for federal government assistance or benefit programs.**
- **Payments do not need to be paid back if, based on the information reported on a 2020 tax return, an individual doesn't qualify for the amount that they already received.**





Recovery Rebate Credit

Recovery Rebate Credit





Recovery Rebate Credit

- **Anyone who received the full amount for both Economic Impact Payments does not need to include any information about the advance payments when they file their tax return.**
- **They already received the full amount of the Recovery Rebate Credit as Economic Impact Payments.**





Recovery Rebate Credit

Who can claim the Recovery Rebate Credit?

- **Eligible individuals who did not receive the full amounts of both Economic Impact Payments.**

E-file is strongly encouraged





Recovery Rebate Credit

Child born, adopted, or placed into foster care in 2020

College students who were claimed as dependents on their parent's return in 2018 or 2019





Recovery Rebate Credit

Recovery Rebate Credit Worksheet

Use the worksheet if you are filing a paper return or if you're filing electronically use tax software.





View Your Tax Account

Online account allows individual taxpayers to access information about their IRS account through a secure login on IRS.gov

On IRS.gov homepage, click on “View Your Account”

User friendly URL www.IRS.gov/account





View Your Tax Account

Taxpayers need to register for an online account using Secure Access

To register for the first time:

- **Social Security number and date of birth**
- **Filing status and mailing address from latest tax return**
- **Specific financial information, such as a credit card number or loan numbers**
- **Email address**
- **Text-enabled mobile phone in the user's name**





View Your Tax Account

Prior to starting registration, see “Secure Access: How to Register for Certain Online Self-Help Tools” on IRS.gov. User-friendly URL www.IRS.gov/secureaccess

As part of the security process to authenticate taxpayers, the IRS will send verification, activation or security codes via email and text

Note: The IRS advises taxpayers that it will not initiate contact via text or email asking for login information or personal data.





View Your Tax Account

Individual taxpayers can view:

- Information about the first and second Economic Impact Payments they were issued.
- Key information from their most recent tax return
- Their tax payment history and any scheduled or pending tax payments
- Their balance details by year
- **NEW!** Digital copies of select notices from the IRS



Get My Payment

English | [Español](#) | [中文\(简体\)](#) | [中文\(繁體\)](#) | [한국어](#) | [Русский](#) | [Tiếng Việt](#) | [Kreyòl ayisyen](#)

Topics in the News

Coronavirus Tax Relief

Economic Impact Payments

News Releases

Multimedia Center

Tax Relief in Disaster Situations

Tax Reform

Taxpayer First Act

Tax Scams/Consumer Alerts

The Tax Gap

Fact Sheets

IRS Tax Tips

e-News Subscriptions

IRS Guidance

If you didn't get the full Economic Impact Payment, you may be eligible to claim the Recovery Rebate Credit



The IRS and Treasury have issued all first and second Economic Impact Payments.

If you didn't get any Economic Impact Payments or got less than the full amounts, you may qualify for the Recovery Rebate Credit and must file a 2020 tax return to claim the credit even if you don't normally file. See [Recovery Rebate Credit](#) for more information.

You can find how and when we issued your first and second Economic Impact Payments using Get My Payment.

As of January 29, 2021, Get My Payment will no longer be updated for the first and second Economic Impact Payments.

If Get My Payment does not provide a payment date, a payment will not be issued and you may claim the Recovery Rebate Credit, if you're eligible. You must file a 2020 tax return to claim the credit even if you usually don't file.

[Get My Payment](#)

For help with Get My Payment, see [Frequently Asked Questions](#).

Get more information

- [Recovery Rebate Credit Questions and Answers](#)
- [Questions and Answers About the Second Economic Impact Payment](#)
- [Questions and Answers About the First Economic Payment](#)



Watch out for scams

Watch out for scams related to Economic Impact Payments

- **IRS will not send emails or text messages asking people to open attachments, visit a website or share personal or financial information**
 - **Some scammers use email, phone calls or texts**
 - **Report scams to phishing@irs.gov**
 - **IRS.gov has official information**
-



IRS.gov homepage

An official website of the United States Government



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Economic Impact Payments: Partner and Promotional Materials

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IRS Statements and
Announcements



Get the latest outreach materials on Economic Impact Payments and the Recovery Rebate Credit.

This page features materials for outreach partners related to the Recovery Rebate Credit and Economic Impact Payments.

For a complete list of all CARES Act materials, see [Coronavirus and Economic Impact Payments: Resources and Guidance](#).

Many of these materials are also available in Spanish. You can access those versions below or click [Español](#) at the top of this page.

+ Ready-to-Use Articles

- E-Posters

- Publication 5412, Warning: Coronavirus – Related Scams [English](#) [PDF](#) | [Spanish](#) [PDF](#)
- Publication 5412-L, IRS social media and e-news – e Poster [English](#) [PDF](#) | [Spanish](#) [PDF](#)
- Publication 5475, What you need to know about the second Economic Impact Payments, provides information about eligibility and checking the status of your payments [English](#) [PDF](#) | [Spanish](#) [PDF](#)

+ Tax Tips

+ News Releases

+ Videos

+ Social Media

+ Additional Resources



Unemployment Compensation is Taxable

How to Pay Taxes for Unemployment Compensation

If you received unemployment compensation, you:

- May be required to make quarterly [estimated tax payments](#), or
- Can choose to have federal income tax withheld from your unemployment compensation. Refer to [Form W-4V, Voluntary Withholding Request](#) and [Tax Withholding](#).

Reporting Unemployment Compensation

- You should receive a [Form 1099-G, Certain Government Payments](#) showing the amount of unemployment compensation paid to you during the year in Box 1, and any federal income tax withheld in Box 4.
- Report the amount shown in Box 1 on line 7 of [Schedule 1, \(Form 1040\), Additional Income and Adjustments to Income](#) and attach this to the [Form 1040](#) or [Form 1040-SR](#).
- Include the withholding shown in Box 4 on line 25b of Form 1040 or Form 1040-SR. For more information on unemployment, see *Unemployment Benefits* in [Publication 525](#).





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New Employer Tax Credits

Sick and Family Leave

- Credit for Sick and Family Leave
- Caring for someone with Coronavirus
- Care for children due to daycare or school closure

Credit for eligible employers

- Credit in the full amount of the required sick leave and family leave, for the period of April 1, 2020, through ~~December 31, 2020~~ **March 31, 2021**.
- Applied against certain employment taxes on wages paid to all employees.
- Reduce federal employment tax deposits in anticipation of the credit.
- Advance of the paid sick and family leave credits for any amounts not covered by the reduction in deposits.





Employee Retention Credit

Equal to 50 percent of up to \$10,000 in qualified wages paid after March 12, 2020 and before January 1, 2021.

Eligible employers - businesses with operations that have been partially or fully suspended due to governmental orders due to COVID-19, or businesses that have a significant decline in gross receipts compared to 2019.

Credit is capped at \$5,000 per employee and applies against certain employment taxes on wages paid to all employees.

- Reduce federal employment tax deposits in anticipation of the credit.**
- Request an advance of the employee retention credit for any amounts not covered by the reduction in deposits**





Form 1099-NEC

7171

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116		2021	Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation		Copy A For Internal Revenue Service Center File with Form 1096. <small>For Privacy Act and Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns.</small>	
		\$			
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>			
Street address (including apt. no.)		3			
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld			
		\$			
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	5 State tax withheld	6 State/Payer's state no.	7 State income	
		\$		\$	
		\$		\$	

Form **1099-NEC**

Cat. No. 72590N

www.irs.gov/Form1099NEC

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page – Do Not Cut or Separate Forms on This Page



Tax Relief Tool

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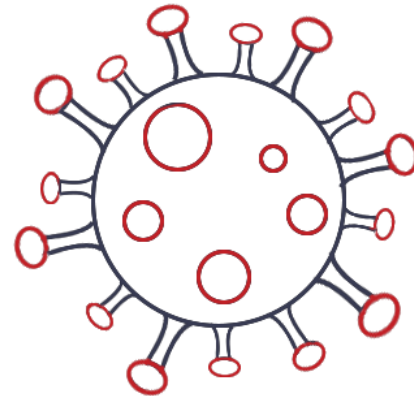
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[Tax News & Information](#) ▾

[Our Reports to Congress](#) ▾

[Contact Us](#) ▾

COVID-19 Business Tax Relief Tool



Let us help you determine if you or your business is likely to qualify for one or more of the tax relief options currently available.

In 2020, the Federal government enacted several new laws that provide tax relief and assistance to businesses impacted by the Coronavirus (COVID-19). Some allow for an immediate dollar-for-dollar tax offset against payroll taxes to help pay for employee sick leave and some are designed to help keep employees on your payroll.





Get An Identity Protection PIN (IP PIN)

- If you are a confirmed victim of identity theft and we have resolved your tax account issues, we'll mail you a [CP01A Notice](#) with your IP PIN each year.
- Starting in 2021, you may voluntarily opt into the IP PIN program as a proactive way to protect yourself from tax-related identity theft.
 - If you're volunteering for the IP PIN Opt-In Program you should use the online Get an IP PIN tool
 - Planned Outage until mid-January 2021





Tax Withholding Estimator – Paycheck Checkup



Why check withholding each year?

- Protect against having too little tax withheld and facing an unexpected tax bill or penalty at tax time next year.
- Avoid too much withholding; you can receive more in your paychecks.
- Some law changes in the Tax Cuts and Jobs Act may affect your withholding.



Resources

- www.irs.gov/withholding
- Form W-4, Employee's Withholding Allowance Certificate
- Form 1040-ES, Estimated Tax for Individuals
- Publication 505, Tax Withholding and Estimated Tax



Need someone to prepare your tax return?

- Be sure to check our [tips for choosing a tax preparer](#) and how to [avoid unethical "ghost" return preparers](#)

What kind of tax preparer do I need?

- Learn about tax preparer [credentials and qualifications](#). Watch [Choose a Tax Preparer Wisely](#). Get information on the [Volunteer Income Tax Assistance \(VITA\)](#) program

How can I check a tax preparer's credentials?

- [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#)
- You can also check the [professional organizations](#) many tax preparers belong to

What if I have a complaint about a tax preparer?

- [tips on avoiding unscrupulous tax preparers](#)
- [Make a complaint](#)



Other Information

- [Earned Income Tax Credit](#)
- [Free File](#)
- [Identity Theft/Data Security](#)



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- **Instagram – @IRSnews**
- **Twitter:**
 - @IRSnews
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YouTube: IRS Videos in English, Spanish and American Sign Language

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Thank You!

Lisa.A.Novack@irs.gov