**2020 Rebates: Most Frequently Asked Questions**

**Why is Congress proposing to pay rebates to individuals?**

The public health and economic consequences of COVID-19 are significant. These rebates help Americans afford what they need during this public health crisis, as many are experiencing a significant cash crunch.

**When will the rebates be distributed?**

The Internal Revenue Service (IRS) will work to deliver rebates quickly in the form of advance payments. For people who filed a federal income tax return in 2018 or 2019, or who receive Social Security benefits, payment processing will be based on payment or address information already on file with the IRS or Social Security Administration. Electronic distributions will be automatic to an account the payee authorized January 1, 2018 or later. The IRS will establish an online portal for individuals who did not provide direct deposit information on their 2018 or 2019 return to provide such information in order to accelerate their payment.

**How large are the rebates?**

The amount of the rebate depends on family size. The payment is $1,200 for each adult individual ($2,400 for joint filers), and $500 per qualifying child under age 17. (Rebates are not available with respect to dependents age 17 or older, including adult dependents.) The advance payment of rebates is reduced by $5 for every $100 of income to the extent a taxpayer’s income exceeds $150,000 for a joint filer, $112,500 for a head of household filer, and $75,000 for anyone else (including single filers).

**Does the phaseout apply to rebate amounts related to qualifying children?**

Yes. The phaseout ($5 for every $100 of income in excess of the relevant threshold) applies to the entire rebate amount, which includes rebate amounts related to qualifying children.

**Is there a limit on the number of qualifying children taken into account?**

No. There is no statutory limit on the number of qualifying children taken into account for purposes of the rebates.

**Do rebates need to be repaid?**

No, rebates do not need to be repaid. If an individual experienced an income loss in 2020 or if they have an increase in family size, they may be able to claim an additional credit of the difference when they file their 2020 tax federal income tax return in 2021.
Are rebates subject to federal income tax?
No. The rebates are federal income tax refunds and are not subject to federal income tax.

How will rebates be delivered?
It depends. Rebates will be delivered automatically—by the IRS—to most Americans who file individual federal income tax returns. When available, electronic direct deposit will be used in place of mailing a physical check.

Many individuals don't need to file a tax return. Are non-filers eligible for rebates?
Yes. There is no earned income requirement to be eligible for a rebate. Non-filers who are Social Security beneficiaries will be paid automatically by IRS. (This is a change from IRS’ previously announced position.) However, many other non-filers – potentially including those who receive Supplemental Security Income – may need to take additional steps to receive their rebates. This process is still evolving, and IRS is posting specific guidance at www.irs.gov/coronavirus. The IRS will conduct a public awareness campaign to reach non-filers and provide them with information on how they can access rebates.

How will a person who has recently moved access rebates?
The IRS will determine payment delivery systems for everyone entitled to rebates. If the person has direct deposit, the IRS will be providing a portal where they can provide such information.

Will the rebates affect my eligibility for federal income-targeted programs?
No, the rebate is considered a tax refund and is not counted towards eligibility for federal programs.

What identification requirements apply to receive rebates?
Taxpayers must have Social Security Numbers for themselves and their qualifying children in order to receive rebates.

Are families eligible for rebates when some (but not all) members have SSNs?
In the case of mixed-status families where the filer has an SSN and the child does not, the filer should be able to claim the credit for the $1,200 ($2,400 if married) for themselves, not but the $500 per child without an SSN. In the case of mixed-status families where the filer does not have an SSN and the child does, we hope that IRS guidance will provide further clarity on how it will implement the credit for this situation.