

Information on the Cares Act of 2020

Congress passes the Cares Act on March 27, 2020, below is some of the information as we know it today. Information is still coming out as IRS decides how to handle this law but here is what we know as of today.

Stimulus checks

They should be coming "soon" (The bill says as rapidly as possible, but this is government)

--They should be coming by direct deposit using the same bank information that was used on your 2018 or 2019 tax returns

--In general this check is an Advance Rebate which means this will be a additional credit on the 2020 tax return (that you receive now) which will be balanced on the 2020 tax return with the amount you receive now, so please record the amount that you receive. In the past rebates were not required to be paid back if the amounts that were higher than they should be however, if you didn't receive the amount that you should have you should get it at tax time.

--Most clients will receive \$1200 per adult (as long as they are not a dependent of someone else) and \$500 for each qualifying child, it appears that the definition of qualifying child under age 17. 'The advanced rebate will be reduced 5% of the taxpayers excess AGI over the threshold

- Single \$75,000 --\$99,000 (taxpayers over \$99,000 will get no rebate)
- Head of Household --\$112,500 - \$136,500 (over \$136,500 no rebate)
- Married Filing Joint - \$150,000 - \$198,000(over 198,000 no rebate)

---The rebate will be calculated on your 2019 AGI income unless you have not filed a 2019 return yet then they will use your 2018 .

--If you have not filed either year but receive SS or RR benefits in 2019, they will use that information to figure the rebate

Other Provisions in Act

- Unemployment benefits extensions open to certain self-employed people and business owners not previously allowed etc. Sorry there are many details on this I would recommend you check with the unemployment office. If I get any additional information, I'll post it here
- There is a new charitable contribution of up to \$300 as a deduction even if you don't itemize
- There is no required minimum distribution required from your IRA

This is not all the information in the act I just tried to cover some of the details. We will try to keep posting information.