

IRS Resources for Coronavirus Tax Relief

Current as of 5/15/2020

Prepared for Iowa SBDC

[Coronavirus Tax Relief and Economic Impact Payments](#)

- This is the main page on IRS.gov with information about Coronavirus Tax Relief and Economic Impact Payments.

SCAM ALERT

[IRS issues warning about Coronavirus-related scams; watch out for schemes tied to economic impact payments](#)

Economic Impact Payments

- [Economic Impact Payments](#). This page has links to two online tools:
 1. [Get My Payment](#)
 2. [Non-Filers: Enter Payment Info Here](#)

This page helps you figure out who should (or should not) use these two tools: [How to Use the Tools on IRS.gov to Get Your Economic Impact Payment](#)

This page can help you decide if you need to use the IRS's "Non-Filers: Enter Payment Info Here" tool to get your Economic Impact Payment [Non-Filers: Enter Payment Info Here Tool Scenarios](#)
- [Economic Impact Payment Information Center](#). Also known as the EIP FAQ page.
 - You will find FAQs on:
 - Eligibility
 - Requesting My Economic Impact Payment
 - Calculating My Economic Impact Payment
 - Receiving My Payment
 - More About the Economic Impact Payment
- [Get My Payment Frequently Asked Questions](#)
 - This page also has FAQs. **These FAQs focus the Get My Payment tool.**
 - EIP Eligibility and General Information
 - Accessing Get My Payment
 - Payment Status
 - Payment Status Not Available
 - Bank Account Information
 - Locked/Status Unavailable
 - Error Message
 - Address Changes

IRS Operations And Services

- [IRS Operations During COVID-19: Mission-critical functions continue](#)
 - To protect the public and employees, and in compliance with orders of local health authorities around the country, certain IRS services such as live assistance on telephones, processing paper tax returns and responding to correspondence are extremely limited or suspended until further notice.
 - **Telephone Options:** Automated phone lines: which handle most taxpayer calls - also will remain available during this period. Some tax compliance lines also remain available. IRS phone lines supported by customer service representatives for both taxpayers and tax professionals are not staffed at this time. To check on regular tax refund status via automated phone, call 800-829-1954. (This line has no information on Economic Impact Payments.)
 - **Taxpayer correspondence:** While the IRS is receiving and storing mail, our mail processing functions have been scaled back to comply with social distancing recommendations. Currently, we have reduced responses to paper correspondence.

Taxpayers who mail correspondence to the IRS during this period should expect to wait longer than usual for a response. Once normal operations resume it will take the IRS time to work through any correspondence backlog.

Employee Retention Credit

- [Employee Retention Credit available for many businesses financially impacted by COVID-19](#)

The Treasury Department and the IRS launched the Employee Retention Credit, designed to encourage businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.

- [FAQs: Employee Retention Credit under the CARES Act](#)

The Employee Retention Credit under the CARES Act encourages businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.

Families First Coronavirus Response Act (FFCRA)

- [Read the press release on paid sick leave](#)

Small and midsize employers can begin taking advantage of **two new refundable payroll tax credits** (Paid Sick Leave Credit and Child Care Leave Credit) designed to immediately and fully reimburse them, dollar-for-dollar, for the cost of providing Coronavirus-related leave to their employees. This relief to employees and small and midsize businesses is provided under the Families First Coronavirus Response Act, signed by President Trump on March 18, 2020.

- [Tax Credits for Paid Sick and Paid Family Leave: Overview](#)
- FAQs to help you learn more:
 - From the IRS:
 - [Tax Credits for Required Paid Leave Provided by Small and Midsize Businesses FAQs](#)
 - [Tax Credits: General Information FAQs](#)
 - [Common errors to avoid when filing for advance payment of employer credits \(Form 7200\)](#)
 - From the U.S. Department of Labor:
 - [DOL Families First Coronavirus Response Act: Questions and Answers](#)
 - [COVID-19 and the American Workplace](#)

Questions asked during the SBDC Weekly Webinar Series on May 15, 2020:

1) Where do we find out about why we did not get a payment for our 18 year who is in college – they are a dependent.

Answer: You get the extra \$500 only for a dependent who is under age 17. All of the questions below are on [this page](#).

See question 3.

Q3. How much is it worth?

A3. Eligible individuals with adjusted gross income up to \$75,000 for single filers, \$112,500 for head of household filers and \$150,000 for married filing jointly are eligible for the full \$1,200 for individuals and \$2,400 married filing jointly. **In addition, they are eligible for an additional \$500 per qualifying child.**

Who is a qualifying child? It's a child under age 17. See question 20.

Q20. What is the amount of the Payment I will receive? Who is a qualifying child? (updated May 8, 2020)

A20. Eligible individuals will receive \$1,200. Two eligible individuals filing a joint return will receive \$2,400. Eligible individuals will receive up to an additional \$500 Payment for each qualifying child who meets the conditions outlined on our [Qualifying Child Requirements](#) page.

See question 27 on the same page:

Q27. I claimed my child as a dependent on my 2019 tax return. She is graduating from school in 2020. Will she receive her own Payment?

A27. No, your child will not receive a Payment in 2020 because you claimed her as a dependent on your 2019 tax return. She will not receive a \$1,200 credit in 2021 if you can claim her as a dependent on your 2020 tax return.

However, if your child can't be claimed as a dependent by you or anyone else for 2020, she may be eligible to claim a \$1,200 credit on the 2020 tax return she files next year.

2) Where do we report scams if we suspect someone has found one or been the victim of one?

You can report a scam about the EIP to TIGTA. TIGTA stands for Treasury Inspector General for Tax Administration. You can report an EIP scam to TIGTA at their website: <https://www.treasury.gov/tigta/coronavirus.shtml>

What to do if you get a phishing email that claims to be from the IRS, or a text that claims to be from the IRS, or a phone call from someone pretending to be from the IRS: [Report Phishing and Online Scams](#)

3) What is the penalty for not paying quarterly estimated taxes?

You should pay them on time if you can, but if you can't, remember that you can make [Estimated Tax Payments](#) any time before you file your return. Better late than never, as they say!

If you don't pay Estimated Taxes on time, you will have a larger tax bill when you file your return. Also, you will get an [Estimated Tax Penalty](#).

If you are an employer, it's very important to make Federal Tax Deposits for payroll taxes on time and for the correct amount. See [Employment Taxes](#).

4) Are 940 federal unemployment tax payments deferred?

Answer: No. FUTA payments are due according to the normal rules. See [IRS Publication 15, Employer's Tax Guide](#).

5) I'm assuming paid sick leave or paid family leave received by employees through FFCRA is taxable income, correct?

Yes. Those wages are taxable wages to the employee who gets them, and those wages will be included in the employee's W-2.

6) Is PPP loan forgiveness and/or EIDL loan advance taxable?

If a business gets a PPP loan or an EIDL loan, and they meet the rules of those programs, the loan is forgivable. Under normal tax rules, a forgiven loan is taxable income in the year it's forgiven. However, the CARES Act states that if the PPP or EIDL loan is forgiven, it will not be taxable income in the year it's forgiven.

7) You said that PPP and EIDL is not taxable. Are the expenses that it went against still deductible?

I am not well-versed on this topic. In May, the IRS issued [Notice 2020-32](#). Some people are not happy about Notice 2020-32, and they are asking Congress to reconsider it. This article is not from the IRS, but it may help you understand this issue: [AICPA supports bill that would make PPP-funded expenses deductible](#)