

## Legal Aid of Oklahoma Clarification on Stimulus Package Questions

Information provided by Bobbie Nichols from Legal Aid Services of Oklahoma, Inc | 3.30.20

This information is imperative to people going through divorces, bankruptcy, evictions or potential evictions and foreclosure. As of right now, it does not appear that these funds would be subject to offset which is good for our clients so if they had a student loan or a VA loan, those agencies would not be entitled to it and instead it would pass on to individuals and families.

The President signed into law the Coronavirus Aid Relief and Economic Security Act (CARES) last Friday afternoon. I wanted to give everyone an update as to how the stimulus funds will be distributed. Big take away is that it is very important to have accurate address information on file with the IRS and if you haven't filed 2019 do so quickly utilizing some form of efile especially if you have had a change in address, banks, or marital status since the end of 2018. The IRS did extend the filing deadline to July 15 but it is in our client's best interest to file ASAP.

1. Each individual taxpayer will receive \$1,200. Married taxpayers will receive \$2,400 and there will be \$500/qualifying child
  - a. A qualifying child is defined by the IRS in 24 U.S.C 24c as having being under 17 years old
2. There are income limits but not income minimums.
  - a. Individuals making >\$75,000; Head of Household >\$112,500 and MFJ >\$150,000 will have their payment subject to phase out
    - i. The phase out will be \$5 for every \$100 greater than the above limits
    - b. The original version had reductions for incomes that did not meet certain minimums, but that did not make it into the final bill.
3. What income information is this based on?
  - a. Based on the 2019 tax return and if not filed 2018 (This is a change from the original bill)
  - b. If an individual hasn't filed either return but receives 1099-SSA or veteran's retirement/disability the IRS will use that information
  - c. Other than Social Security and Veterans Benefits an individual must have filed a tax return to receive the stimulus.
4. How will people get their money?
  - a. The IRS is distributing the money and will primarily utilize direct deposit information from the return
  - b. If no return is filed they may also retrieve information from Social Security to determine where to deposit the funds
  - c. Last resort will be to send checks.
  - d. All individuals will receive a letter indicating how the funds were sent and what to do if they did not receive funds.

There is a short video on the stimulus packet on the Legal Aid Services of Oklahoma Facebook page, dated 3/27/20 provided by Legal Aid of Oklahoma's statewide tax attorney to address questions about the stimulus check.

<https://www.facebook.com/197053674889/videos/520897782198659/>