



THE UNITED STATES
CONFERENCE OF MAYORS



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MAYORS FOR ECONOMIC MOBILITY

COVID-19 Economic Impact Payments: What Mayors and Their Residents Need to Know

On March 27 the third federal stimulus bill, the Coronavirus Aid Relief and Economic Security (CARES) Act ([HR 748](#)), became law. The bill gives millions of Americans the opportunity to receive one-time economic impact payments to assist them during the COVID-19 pandemic. [On March 30, the IRS and Treasury Department announced](#) that payments would be distributed directly and automatically into tax filers' bank accounts, "in the next three weeks," with no action required by most recipients. However, the announcement mentions that some recipients will need to file new tax returns or provide direct deposit information to the IRS in order to receive payments. Details on how to do so will soon be released at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

In light of the potentially short timeframe for payment distribution, The U.S. Conference of Mayors encourages mayors to inform their residents now about these payments and caution them against using payday lenders, or other predatory lending services, that may charge unreasonably high fees for advances on these payments. Residents who encounter predatory financial services related to their economic impact payments can file a complaint with the [Consumer Financial Protection Bureau via the link here](#).

The Conference encourages mayors to direct their residents to [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) to stay updated on the economic impact payment process. The Conference also encourages mayors to leverage [211, a service supported by United Way](#), to help residents learn about local resources available to them during this time. 211 is a free and confidential live service that connects callers nationwide to specialists who can direct them to local medical services, food banks, free tax assistance, and more. 211 specialists are currently helping to direct callers to [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) to learn more about the economic impact payments.

Economic Impact Payments – What Recipients Will Receive

- A one-time payment of \$1,200 for individuals earning up to \$75,000, and heads of household earning up to \$112,500.
- A one-time payment of \$2,400 for joint filers making up to \$150,000.
- An additional \$500 to all eligible recipients for each child under age 17.
- Reduced payments for tax filers earning over the amounts listed above (payment amount is reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds).
- Single filers with income exceeding \$99,000 and \$198,000 for joint filers with no children are not eligible.

How it Works

- If a recipient has filed taxes for 2019 or 2018, the IRS will calculate payment amounts automatically. Payments will be based on tax filers' 2019 adjusted gross income (AGI). If recipients have not filed for the 2019 tax year, the IRS will use their 2018 AGI.
- The IRS will distribute stimulus payments directly and automatically into tax filer bank accounts, using direct deposit information from previous tax returns.
- The vast majority of tax filers will not need to do anything to receive their payments. However, some tax filers may need to complete a tax return to receive payments.
- Economic impact payments will be available to all who qualify through 2020.

If the IRS Does Not Have Your Direct Deposit Information...

In the coming weeks, Treasury plans to develop a web-based portal for individuals to provide their banking information to the IRS online, so that individuals can receive payments immediately as opposed to checks in the mail.

If You Typically Do Not File a Tax Return...

Those who typically do not file a tax return are still eligible to receive an economic impact payment, but may need to file a tax return to receive it. The IRS will soon provide specific information on how to do so at [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

Please Note...

The IRS process for distributing economic impact payments may change. Mayors and payment recipients should continually check the IRS website - [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) - for the most up-to-date information.

Mayors and staff can also contact USCM Staff James Kirby at jkirby@usmayors.org for more information.