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The IRS is trying to show they "CARES"

March 27, 2020 – In a time where it seems only bad news is coming from coronavirus, there seems to be a silver lining coming out of the recent CARES act. The silver lining is taking the form of individual tax credits called recovery rebates. These seem to be aimed at helping any individual who is financially hurt from the virus, whether that be from being laid off, hours cut, etc.

For individual who qualify, these rebates will allow a maximum credit equal to $1,200 ($2,400 for married filers). To help further, people who qualify could also receive a $500 additional credit per child who would normally qualify for the child tax credit. There are two ways for a person to qualify for this credit:

1. Have income that is either earned income, income received as social security benefits, or disability compensation that is $2,500 or more, OR
2. Owe any amount of money for taxes in 2020 and have total gross income that is greater than the standard deduction.

This credit seems to be pretty easy to qualify for on the surface, however this credit, like other similar credits, is subject to phase out as an individual's income gets higher. It will begin to phase out at a rate of 5% of an individual's adjusted gross income (AGI) that is above $75,000 for single filers, $112,500 for those filing as head of household, and $150,000 for married individuals filing jointly. Any individual who qualifies for the credit must have filed a tax return for 2019, or 2018 if there was not a 2019 return filed.

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