

7.0 SOCIAL SECURITY, BANKING & FINANCIAL ISSUES

SOCIAL SECURITY

7.1 Social Security Office Closures

The Social Security Administration (SSA) closed local, hearing, and regional offices to in-person visitors on March 17, 2020, due to the COVID-19 public health emergency. Due to these closures all in-person business such as interviews, appointments, and hearings have either been postponed or will be conducted over the telephone. Additionally, the processing times for almost all SSA business have been increased and delays should be expected.

7.2 FAQs - Social Security

Q. 7-1 ***Will I continue to get my SSA benefits?***

Yes. SSA will continue to make regularly scheduled Retirement, Survivors, Disability Insurance, and Supplemental Security Income benefits payments.

Q. 7-2 ***How can I conduct business with SSA, such as file a new application for benefits or report changes?***

Most SSA business can be conducted online or over the telephone. This includes filing new applications for some types of benefits, appealing SSA determinations, and updating personal information. To see a complete list of what business can be conducted online please visit www.ssa.gov. If you are unable to perform a desired task online you can still conduct most business with SSA over the telephone. Sometimes this will require SSA to mail you paperwork that you complete and mail back. Any documents that you mail to SSA should be mailed certified mail with return receipt requested to ensure and document that they are received on time. To contact SSA over the phone please call (877) 772-1213.

Q. 7-3 ***Can I still apply for benefits?***

Yes. SSA is still accepting new applications for benefits and we encourage anyone who may be eligible to apply as soon as possible. If you need to apply for benefits you can either complete an application online or contact SSA over the telephone and ask to file an application. Do not wait to start your application until SSA offices reopen. This could result in losing benefits to which you are entitled.

Q. 7-4 ***What if I already have an appointment or hearing scheduled with SSA?***

If you already have an in-person appointment or hearing scheduled with SSA you should immediately contact SSA to determine how to proceed. Most people who have in-person appointments or hearings already scheduled are being given the option of either conducting the

appointment or hearing over the telephone or rescheduling to a later date when offices reopen. If possible, we recommend appointments or hearings be rescheduled until they can be conducted in-person. However, this could result in a delay of several months. If you choose to proceed with a telephone appointment you need to make sure SSA has your current telephone number so that they can reach you at the scheduled time.

Q. 7-5 *I received a notice or letter from SSA asking me to provide information or appeal a decision if I disagree. Do I need to respond by the stated deadline?*

Yes. While SSA has said that it will extend deadlines for good cause if missed due to COVID-19, you should still file all responses within the stated deadlines. This is the only way to ensure that your filing is accepted. Most appeals can be filed [online](#).

BANKING & FINANCIAL ISSUES

7.3 Extension on 2019 Income Tax Filing Deadline

The Internal Revenue Service (“IRS”) has automatically extended the filing deadline to July 15, 2020. The IRS has also extended the deadline to pay any tax due until July 15, 2020. The IRS encourages taxpayers to file their 2019 tax return electronically if they are expecting a refund. Filing electronically and electing to receive a refund by direct deposit is the quickest way to receive payment. Taxpayers who need more time to file beyond the extended deadline must [request an automatic extension](#) by submitting Form 4868 by July 15, 2020.

7.4 Economic Impact Payment under CARES Act for Individuals

The Economic Impact Payment (“EIP”) was a result of the CARES Act, passed in March 2020, designed to provide taxpayers economic relief in light of the COVID-19 pandemic. Under the law, the EIP is technically an advance payment of a refundable credit to be claimed on the 2020 tax return (to be filed in early 2021). The amount of the refundable credit is dependent upon a taxpayer’s filing status, adjusted gross income (“AGI”), and number of dependents under 17 years old at the end of 2019. This means that the payment will eventually be based on the taxpayer’s data for the 2020 tax year. Because the IRS doesn’t know what taxpayers are earning during the 2020 tax year yet (since no one has filed their tax returns for 2020), the IRS will base payment on the information that is available now. If there is a 2019 federal income tax return on file, this information will be used. If there is no 2019 tax return filed at the time of determination, payment will be based on the 2018 tax return.

If a taxpayer does not receive the EIP now, they may be eligible to claim it on their 2020 tax return. If a taxpayer is not eligible for the EIP now based on their 2019 tax status, they may be eligible to receive the EIP when they reconcile the credit on their 2020 tax return.

If the taxpayer did not receive the full amount of the EIP and their 2020 tax return shows that they are eligible for a greater EIP, then they will receive the additional payment. This can generate a larger refund when filing the 2020 tax return or a reduction of tax due.

If the taxpayer's 2020 tax return shows that they were not eligible to receive the amount that they received in 2020, they will not be required to return any excess EIP. There is no provision in the CARES Act to claw back an overpayment of the EIP.

Recipients who were eligible to receive additional funds for qualifying dependent children, but did not receive the funds, will be able to claim the additional amount on their 2020 tax return. People who do not usually file taxes will need to file a simple tax return for tax year 2020 to receive any EIP that they did not receive this year.

7.5 Eligibility for, and Delivery of, the EIP or "Stimulus Check"

The EIP is not considered taxable income and taxpayers will not be taxed on the receipt of the EIP. The [Social Security Administration has advised](#) that the EIP will not be treated as income for Supplemental Security Income ("SSI") recipients and it will similarly be excluded from resources for twelve (12) months. According to the IRS, the following individuals are eligible for the EIP: U.S. citizens, permanent residents, and qualifying resident aliens (defined by IRS, not immigration, rules and regulations) if they (1) have a valid Social Security Number ("SSN") for work purposes; (2) could not be claimed as a dependent of another taxpayer; and (3) have an AGI under certain limits.

Most eligible taxpayers will not have to take any action to receive the EIP. However, under certain circumstances, a taxpayer may have to take steps to receive the EIP or to receive the correct amount of EIP. Recipients of federal benefits will not have to take any action to receive their individual EIP. Low-income taxpayers who have not filed a tax return for 2019 or 2018 because they did not have any income or because their income was below the filing threshold (\$12,000 for single filers and \$24,000 for spouses filing joint returns) will need to take action to receive the EIP. It is important to note that eligible taxpayers with a [filing requirement](#) who have not filed a tax return for 2018 or 2019 *must* file their 2019 return to receive an EIP. The IRS advises these taxpayers to file electronically and include direct deposit information to get their EIP. Common questions, available resources and recommended action are discussed below.

EIP Amounts for Individuals and Families:

The EIP is based on a taxpayer's filing status, number of eligible dependents and their AGI.

Individuals with the filing statuses of single, head of household or married filing separately are eligible for an EIP of up to \$1,200. Married taxpayers who file a joint tax return are eligible for an EIP of up to \$2,400. Taxpayers will receive the full amount of the EIP if their AGI does not exceed the following:

- \$75,000 for individuals filing as single or married filing separately
- \$112,500 for individuals filing as head of household
- \$150,000 for married couples filing joint returns

Taxpayers will receive a reduced payment if their AGI is between:

- \$75,000 and \$99,000 for individuals filing as single or married filing separately
- \$112,500 and \$136,500 for individuals filing as head of household
- \$150,000 and \$198,000 for married couples filing joint returns.

Additional \$500 Payment for Qualifying Children:

Eligible individuals and families may receive an additional \$500 payment for each qualifying child who is claimed as a dependent on either the 2018 or 2019 federal income tax return used by the IRS to calculate the payment. The claimed dependent(s) must meet each of the following tests:

- Relationship - the child is a son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of any of them (for example, a grandchild, niece, or nephew);
- Claimed as a Dependent - the child was claimed as a dependent on the 2018 or 2019 tax return, if filed;
- Age - the child was under age 17 at the end of the taxable year;
- Citizenship - the child was a U.S. citizen, U.S. national, or U.S. resident alien;
- Residency - the child and eligible recipient must have lived together for more than half the tax year;
- Support - the child must not have provided over half of their own support for the tax year; and
- Identification Number - the child has a valid SSN or an Adoption Taxpayer Identification Number ("ATIN").

Eligibility for Federal Benefits Recipients

People who receive the federal benefits listed below (and do not normally file a tax return) will receive their EIP automatically, and it will be delivered in the same manner as they receive their monthly benefits:

- Social Security retirement or survivor benefits
- Railroad Retirement
- Social Security Disability Insurance (“SSDI”)
- Supplemental Security Income
- VA Compensation & Pension

For federal benefit recipients with dependent children under 17 years old:

The deadline to claim and receive the additional \$500 for eligible dependents *this year* for these federal beneficiaries has passed. However, by law, if these taxpayers are eligible to claim the additional \$500 for dependent children, then they will be able to do so by filing a 2020 tax return, according to the [latest guidance](#) from the IRS. Lawmakers are attempting to address this issue so that low-income taxpayers may be able to receive the additional payments prior to filing a 2020 tax return. For updates, please check the [IRS website](#) for the latest news.

Eligibility for Non-Filers (Low-Income Individuals and Families)

The EIP is available to qualifying individuals who are not required to, and do not usually, file a tax return, for the following reasons:

- individuals whose income is less than \$12,000
- joint tax filers whose income is less than \$24,000
- individuals with no income;

The IRS has set up an online tool called *Non-Filers: Enter Payment Info Here* ([“Non-Filers tool”](#)) as a way for people to get the EIP if they did not file a tax return in either 2018 or 2019 because their income was below the threshold amounts listed above. Low-income taxpayers who qualify for the Earned Income Tax Credit or other refundable credits *should not use this tool*, but should instead file their 2019 tax return. The *Non-Filer* tool directs individuals or spouses to create an account so that they can submit a simple tax return for 2019. The tool uses the information provided and generates a 2019 tax return that shows \$1.00 in taxable interest. Importantly, the EIP is not tied to any work or employment requirement. People with no income are eligible, including homeless individuals and families.

For low-income individuals and families with dependents who were under the age of 17 at the end of 2019:

Individuals or married couples who have a qualifying dependent must claim the dependent when using the *Non-Filers* tool to receive the additional EIP this year.

How Non-Filers Can Receive The Payment:

To receive payment, those who are eligible must provide the IRS with personal information, along with a valid email address. The IRS advises that non-filers provide their information as soon as possible to receive the payment. The [Non-Filers tool](#) is available in both [English](#) and

[Spanish](#). Non-filers will need the following information to complete the form (entries on the form are not saved, so it must be completed once started):

- Full name and current mailing address
- Date of birth and valid SSN
- Bank account number, bank account type (checking or savings), and the routing number, if the non-filer has one
- Identity Protection Personal Identification Number (“IP PIN”) received from the IRS earlier this year, if the non-filer has one (if the taxpayer has lost this information, then they may visit the IRS website to [retrieve their IP PIN](#))
- Driver’s license or state-issued ID, if the non-filer has one
- For each qualifying child during 2019: name, SSN or Adoption Taxpayer Identification Number and their relationship to the non-filer or spouse

What Happens After Non-Filer Form Submission:

After the non-filer form is submitted, the non-filer will receive a confirmation email, which has important information regarding the status of a submitted form: whether the form has been successfully completed, or if there is a [problem](#) and how to correct it. The form will then be transmitted to the IRS for processing and distribution of the EIP.

What if I don’t have a bank account or a driver’s license (or a state-issued ID)?

Non-filers without a bank account or those who do not want to provide this information to the IRS may leave that space on the form blank. The IRS will send a paper check to the mailing address provided by the non-filer. Non-filers without a driver’s license or a state-issued ID should also leave that space on the form blank. The IRS issued guidance on May 15, 2020, offering non-filers without bank accounts the ability to create an online bank account and elect to receive their EIP by direct deposit. The IRS and Federal Deposit Insurance Corporation (“FDIC”) worked together to create the new program. Non-filers can visit the [FDIC’s website](#) for more information and options on setting up an online bank account.

7.6 FAQs - Banking & Financial Issues

Q. 7-6 Will I receive the EIP if I owe the IRS or another government agency debt?

Yes, taxpayers who owe the IRS will receive the EIP. Taxpayers who owe another government debt (for example, student loans, and overpayments for unemployment or food stamps) will also receive the EIP. The only exception is for taxpayers who owe child-support arrears. The EIP will be intercepted and offset to the back-due child support. Additionally, once the EIP is deposited into a bank account, creditors would be able to garnish those funds under federal law.

Q. 7-7 *Where will my EIP be sent?*

For taxpayers who received a refund in either 2018 or 2019 and opted for direct deposit, the EIP will be automatically deposited into the bank account on file with the IRS.

For taxpayers who received a refund in either 2018 or 2019 and opted to receive their refund by a paper check, the IRS will send a paper check to the address listed on the most recent tax return.

For taxpayers who did not receive a refund in 2018 or 2019 and owed taxes, even if the taxpayer paid the IRS from a bank account, the IRS will not automatically deposit the Economic Impact Payment but will instead send a paper check to the address reported on the last tax return.

As of May 18, 2020, the U.S. Department of the Treasury announced that some EIPs will be mailed to taxpayers in the form of a [prepaid debit card](#) in lieu of a paper check.

For security reasons, the IRS will send IRS Notice 1444, Your Economic Impact Payment, to the taxpayer's last known address within 15 days after payment. The notice will provide the amount of the payment, the manner in which it was paid, and a telephone number to call if the taxpayer did not receive the payment. Taxpayers should keep this notice for their records and be prepared to reference it when filing their 2020 tax return. If a taxpayer is unsure whether they are receiving a legitimate letter, the IRS urges taxpayers to visit [IRS.gov](#) first to protect against scam artists.

Q. 7-8 *When will my EIP paper check arrive?*

Eligible recipients who are waiting to receive a paper check can determine delivery dates in two ways.

First, they can log into the [Get My Payment](#) portal to see if the IRS has sent a check to the address associated with the taxpayer, or when the IRS plans to send the check. Eligible recipients will need the following information to verify identity (and to avoid being locked out of the system—the portal allows three attempts before locking the account for 24 hours):

- SSN,
- Date of birth,
- The address listed on last filed tax return, and
- 2019 tax return, if filed, and 2018 tax return.

In some cases, the date is not available on the portal. The deadline to change the method of payment from paper check to direct deposit passed on May 13, 2020. In light of this, the IRS stated it is planning to increase the number of checks sent to taxpayers each week over the course of May and June, anticipating that all payments would be distributed by the end of June. Previously, the IRS had cautioned that payment distribution may take as long as several months. There have been anecdotal reports of some recipients not seeing a date listed in the portal, but then receiving payment on the same day, or soon after.

Second, taxpayers may be able to track their payment through [“Informed Delivery,” the United States Postal Service’s mail-tracking app and service](#). Some limitations apply. To see whether Informed Delivery can be used for a particular mailing address, check the USPS website.

Q. 7-9 *Can I choose to receive the EIP by direct deposit instead of a paper check?*

For taxpayers who have already filed a 2019 tax return and are expecting their refund to be issued by paper check, the deadline to provide direct deposit information passed on May 13, 2020. As of May 15, 2020, the IRS has not provided more guidance on this.

Taxpayers who have a filing requirement for 2019, but have not yet filed their tax return, or for those who do not have a filing requirement for 2019 or 2018 and have not yet used the *Non-Filer* tool, can still receive the EIP through direct deposit. For those who are required to file a tax return, they must file their 2019 tax return before the extended tax filing deadline, July 15, 2020, or request a filing extension by the same date. For non-filers who are not required to file a tax return, the IRS has not provided any deadline to receive the payment. A non-filer will also be able to claim the EIP by filing a 2020 tax return.

Q. 7-10 *I filed taxes in 2018/2019 with my spouse, filing jointly. I have a Social Security Number but my spouse does not. I have not received the EIP even though I am eligible, why?*

Unfortunately, taxpayers who filed jointly with a spouse who does not have a SSN are disqualified from receiving the EIP. Both individuals on the jointly filed tax return must have valid SSNs to be eligible to receive the payment. Individual Tax Identification Numbers (“ITIN”), which are generally issued to non-American citizens for tax filing purposes, do not satisfy the requirement. This also disqualifies the taxpayer from receiving additional payments for qualifying dependents.

There is one exception to the rule: if either spouse was a member of the U.S. military during the 2019 taxable year, only one spouse needs to have a valid SSN to qualify for the EIP.

There is ongoing legal action regarding this issue but as of June 2020, the rule stands.

Q. 7-11 *The IRS tool “Get My Payment” does not recognize me, even though I filed in 2018/2019 and have the same information.*

To use *Get My Payment*, eligible recipients must first verify their identity by answering security questions. First, the IRS requests a SSN, birthday, and mailing address reported on the eligible recipient’s last return (either 2019 or 2018). If the information entered does not match IRS records multiple times, the system will lock entry for 24 hours for security reasons. Recipients who are unable to verify identity will not be able to use *Get My Payment*. For eligible taxpayers who successfully verify those first security questions, the IRS will continue to a second identity verification page. The second page requests information related to their tax return: the AGI and refund amount, as listed on the latest tax return. Again, if the information entered does not match IRS records, the system will lock entry.

Eligible recipients may want to check their most recent tax return or consider if there is a different way to enter their street address. The IRS suggests eligible recipients verify how their address is formatted with the United States Postal Service (“USPS”). Taxpayers can use the [USPS Zip Code Lookup tool](#) to verify the format as it appears with the USPS and use that format when logging onto the *Get My Payment* portal.

Eligible recipients who cannot log into the portal after entering their AGI, refund amount, or amount owed will need to ensure that the amounts are exactly as they appear on the Form 1040 or [tax return transcript](#). According to the IRS, if amounts reported on a 2019 tax return are not accepted, try the amounts reported on the 2018 tax return instead.

Anecdotally, some taxpayers have successfully verified their identity when they input the exact refund amount they received from the IRS. Another method of locating the exact refund amount is to review the direct deposit information on their bank account history. Sometimes, there are minor differences or errors in the refund amounts as stated on one’s Form 1040 and the refund amount actually received, particularly when the difference is a matter of cents. For example, if a refund amount listed on the Form 1040 is \$100.00, but the amount actually received in one’s bank account or refund check is \$100.10, try using both numbers.

Even after submitting this information and verifying identity, eligible recipients still may see “Payment Status Not Available.” This means the IRS cannot determine eligibility for a payment at this time.

Q. 7-12 *Why am I seeing that the IRS tool “Get My Payment” cannot determine the status of my return right now?*

This can happen for several reasons, including:

- There is a tax filing requirement, but
 - a 2019 tax return has not been filed yet;
 - the IRS has not finishing processing the filed 2019 tax return; or
 - the portal does not have the eligible recipient’s data yet.
- There is no tax filing requirement, but the information entered using the *Non-Filer* tool has not been processed yet.
- The person is not eligible to receive the EIP.

Taxpayers who provided their information by either filing a recent tax return or using the *Non-Filers* tool will be able to use the *Get My Payment* portal to track their payment, including the method of delivery and the expected payment date. The IRS is working on updates to allow more people to use this feature. The IRS updates *Get My Payment* data once per day, overnight, so there is no need to check more often; doing so may cause a security lock-out.

Q. 7-13 My address has changed since I filed my last return.

For eligible recipients who have not filed their 2019 tax return: enter the new address on the 2019 tax return. The IRS updates records when the return is processed. Tax returns should be filed electronically, whenever possible, for faster processing.

For eligible recipients who have filed their 2019 tax return but did not receive a refund by direct deposit, payment will be mailed to the last known address on file with the IRS. This is generally the address on the most recent return or as [updated through USPS](#).

Q. 7-14 My bank account information has changed since I filed my last return.

If the IRS does not have the correct bank account information, or the financial institution rejected the direct deposit, the payment will be returned to the IRS and a paper check will be mailed to the taxpayer’s last known address on file with the IRS.

If the payment has been processed, the *Get My Payment* portal cannot be used to change bank account information.

Q. 7-15 I’m the victim of tax preparer fraud or the victim of tax-related identity theft and the direct deposit information listed on Get My Payment doesn’t belong to me.

If an eligible recipient’s EIP has been deposited or mailed to someone other than the taxpayer, the person may be the victim of tax return preparer fraud or tax-related identity theft. The taxpayer should contact the Identity Protection Specialized Unit at (800) 908-4490. The individual can report the theft to the IRS and the Federal Trade Commission (“FTC”) by visiting

the [FTC website](#), which will direct them to visit [IdentityTheft.gov](#). Here, the taxpayer can complete both the FTC Identity Theft Report and [IRS Form 14039 Identity Theft Affidavit](#) online. After submitting these forms, the taxpayer will be given the opportunity to prepare a recovery plan.

Q. 7-16 Do college students claimed as dependents qualify?

Generally, no. Many college students are claimed as dependents on tax returns. If a student was claimed as a dependent on someone else's tax return for 2019, they are disqualified from receiving the EIP. Similarly, the taxpayer who claimed a college student as a dependent will not be eligible to receive the additional \$500 payment if the college student was 17 and older at the end of the 2019 tax year. If the student was claimed as a dependent on someone else's 2018 tax return, but can file their own tax return for 2019, then that student should file their 2019 tax return electronically and input direct deposit information. If the student cannot be claimed as a dependent by anyone in 2020, then they may be eligible to claim the credit by filing a 2020 tax return.

7.7 Caution: Be Aware of EIP Scams

There have been reports of scammers attempting to steal EIPs. People should only use the official, secure IRS website (which ends in .gov) when sharing personal information to request the EIP. Individuals should not provide their personal information to any other source claiming to be able to help obtain the EIP.

The IRS will never call, text, or email regarding the EIP, or for any other matter. Callers claim to be IRS employees but they are not. They pretend to be IRS employees by using fake names and fake IRS identification badge numbers, and they may know some personal information about the people they are calling in order to convey they are a government authority. They sometimes even alter the caller ID to make it look like the IRS is calling. They might threaten people with arrest, deportation, or suspension of a business or driver's license. Or, victims may be told they have a refund due and proceed to obtain personal and banking information from the taxpayer—this is how the callers try to trick victims into sharing private personal information. The IRS will never issue a refund or accept payment through any type of gift card.

More information on the variety of scam methods and how to report scam attempts is available [here](#) and [here](#).

7.8 Guides for Partner Organizations

The IRS released guides for partner organizations on May 15, 2020 to assist in outreach efforts. The IRS has focused on partnering with organizations that serve veterans, homeless populations,

low-income taxpayers, as well as non-English speaking communities. The resources are available at [EIPs: Partner and Promotional Materials](#).

The IRS has also released a “special partner toolkit” available in both [English](#) and [Spanish](#). These toolkits are intended to explain various items related to EIPs that partner groups can share.

Following reports of issues related to limited language options in COVID-19 tax relief materials, the IRS is now also working closely with partners in the tax community to translate key information in over two dozen languages. Check the IRS press release website for up to date information.

Additionally, the IRS is increasing its social media presence to promote new information on Twitter, Facebook, Instagram, and YouTube. On YouTube, the IRS offers video tax tips in [English](#), [Spanish](#), and [American Sign Language](#).

The IRS has also broadened its capacity by working with other federal agencies to share information, including the Treasury Department, the Bureau of Fiscal Service to the Social Security Administration, and the Department of Veterans Affairs. In addition, the following federal agencies have supplemental information of interest to taxpayers:

FDIC: To help people without bank accounts obtain an EIP, the FDIC website has created a [new page to provide options for eligible recipients](#). It includes options for finding a bank and opening an online account.

Consumer Financial Protection Bureau (“CFPB”): CFPB has opened up a [website](#), which includes several videos related to EIPs and other COVID-19 related information.

7.9 Other Tax Relief (Common After Disasters)

Victims of Tropical Storm Imelda, which took place from September 17 to 23, 2019 in Texas, may qualify for tax relief. More information is available [here](#). Individuals who reside or have a business in Chambers, Harris, Jefferson, Liberty, Montgomery, Orange and San Jacinto counties are eligible to receive relief.

Victims of the severe storms and flooding that took place on June 24-25, 2019 in Texas may qualify for tax relief. More information is available [here](#). Individuals who reside or have a business in Cameron, Hidalgo and Willacy counties are eligible to receive relief.

The IRS website has a section on [disaster-related tax issues](#) where it posts all of the latest information related to tax relief available to disaster survivors. The page provides a comprehensive set of FAQs for disaster survivors. The IRS also maintains a [“Disaster Relief](#)

[Resource Center for Tax Professionals](#)” on its website to provide resources for advocates assisting disaster survivors with tax issues. Advocates and survivors should use the IRS webpage as a starting point for their research. In recent disasters, the American Bar Association has shared with pro bono tax advocates the disaster tax chapter of its treatise, “Effectively Representing Your Client Before the IRS.”

Shortly after a disaster declaration, the IRS posts notices and news releases on its website describing filing and payment deadline extensions and other tax relief for affected taxpayers. All applicable IRS notices and news releases should be read carefully to determine which deadlines are extended, for how long, and for which taxpayers.

The IRS also staffs a Disaster Assistance Hotline (866) 562-5227 for general customer service inquiries relating to disaster relief. Calls are only answered on weekdays from 7:00 a.m. to 7:00 p.m., local time. Callers may need to provide their own interpreter. IRS computer systems automatically identify taxpayers located in covered disaster areas and apply automatic filing and payment relief. Taxpayers who reside or have a business outside the covered area, or who moved to the covered area after their last contact with the IRS must call the Disaster Assistance Hotline to request tax relief.

During the disaster relief period, the IRS suspends mailing of notices to taxpayers; suspends collection activities (including liens, levies, and seizures); examination activities; and applies special penalty and interest computations. In past years, Congress has provided for special treatment of retirement plan distributions for taxpayers in disaster areas, i.e., waiving the 10% early distribution penalty. However, caution should be taken to ensure this applies to future disasters because this is an act of Congress, not the IRS.

For all federally declared disasters, installment agreement payments that come due during the disaster are automatically suspended and the taxpayer must resume payments the month after the disaster relief period ends. However, taxpayers enrolled in automatic direct debit installment agreements must take action to prevent automatic drafts during the disaster relief period. During the COVID-19 pandemic, the [IRS has advised](#) taxpayers to contact their banking institutions to stop future payments during the disaster period.

Disaster survivors will need quick access to prior year tax returns to file amendments to claim disaster losses in a prior year as allowed under 26 U.S.C. § 165(i), to prove business income for business interruption insurance claims or for any number of other disaster-related exigencies. The IRS will waive the usual fees and expedite requests for copies of previously filed tax returns and tax return transcripts. Disaster survivors should write the assigned disaster designation (e.g., “Texas, Hurricane Harvey”) in red ink at the top of Form 4506 (Request for Copy of Tax Return) or Form 4506-T (Request for Transcript of Tax Return), as appropriate, to avoid fees and expedite processing. Taxpayers or their authorized representative may call IRS Disaster Assistance Hotline to request a Tax Return Transcript. Account transcripts and wage and income transcripts can be requested free of charge by calling (800) 908-9946 or [online](#). Account transcripts will show whether a tax return has been filed and wage and income transcripts will provide income information reported to the IRS by third parties, which will assist in preparing missing tax returns. The tax return transcript will show the information that the taxpayer included on their original return, which will assist in filing an amended tax return (Form 1040X).

Taxpayers claiming disaster losses on amended tax returns to access cash refunds should write the disaster designation in red across the top of Form 1040X to ensure the IRS applies expedited processing procedures. The average expedited processing time is sixty days; however, during the COVID-19 pandemic, the IRS stopped opening mail so the processing time will be much longer. Taxpayers experiencing economic hardship should apply for a manual refund through the IRS Taxpayer Advocate Service. A manual refund can generally be processed within one to two weeks. Apply by faxing a completed IRS Form 911 to your local Taxpayer Advocate Office. In such a case, do not file the amended tax return by mail. Instead, attach it to the Form 911 so it can be manually input by the taxpayer advocate assigned to assist with the manual refund request. Visit www.irs.gov/taxpayer-advocate for more information.

Qualified disaster relief payments under 26 U.S.C. § 139 are not taxable income to disaster survivors if the reimbursed expense is not also reimbursed by insurance or otherwise and has not been deducted on a prior year tax return. Qualified disaster relief payments include payments to reimburse reasonable and necessary personal, family, living, or funeral expenses incurred as a result of the disaster, reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence (even if rented), and expenses incurred to repair or replace contents of a personal residence. Disaster relief payments may also qualify under the “general welfare exclusion” in § 139(b)(4).

Many disaster survivors have lost some or all of their records in the disaster. In such situations, taxpayers will need to reconstruct business records or collect other documents adequate to prove eligibility for tax deductions and credits, apply for federal disaster assistance, and substantiate insurance reimbursement claims. IRS Publication 2194 Disaster Losses Kit for Individuals provides more information on how to reconstruct records after a disaster. The publication and additional information can be found [here](#).