



IRS Provides American Rescue Plan Guidance

Do not file amended returns

The IRS has informed NATP that it's reviewing implementation plans for the newly enacted American Rescue Plan Act of 2021. Additional information about a new round of economic impact payments, the expanded child tax credit, including advance payments, and other tax provisions will be made available as soon as possible.

The IRS strongly urges taxpayers not to file amended returns related to the new legislative provisions or take other unnecessary steps at this time.

The IRS will provide taxpayers with additional guidance on those provisions that could affect their 2020 tax return, including the retroactive provision that makes the first \$10,200 of 2020 unemployment benefits nontaxable. For those who haven't filed yet, the IRS will provide a worksheet for paper filers and work with software industry to update current tax software so that taxpayers can determine how to report their unemployment income on their 2020 tax return. For those who received unemployment benefits last year and have already filed their 2020 tax return, the IRS emphasizes they should not file an amended return at this time, until the IRS issues additional guidance.

Also, the IRS has released IR-2021-54, which notes that the third economic impact payment will begin to be deposited over the next week. The third round of stimulus payments, those authorized by the 2021 American Rescue Plan Act, differs from the earlier payments in several respects:

- The third stimulus payment will be larger for most people. Most families will get \$1,400 per person, including all dependents claimed on their tax return. Typically, this means a single person with no dependents will get \$1,400, while a family of four (married couple with two dependents) will get \$5,600.
- Unlike the first two payments, the third stimulus payment is not restricted to children under 17. Eligible families will get a payment based on all of their qualifying dependents claimed on their return, including older relatives like college students, adults with disabilities, parents and grandparents.

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