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DEPARTMENT OF

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GOVERNMENT OF GUAM

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FOR IMMEDIATE RELEASE

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The Department of Revenue and Taxation

Issues FAQ for Second Economic Impact Payment (EIP 2) for Guam Residents

BARRIGADA, GUAM – The Guam Department of Revenue and Taxation (DRT) today released the FAQ for Guam residents for the Second Economic Impact Payment (EIP 2) which was authorized by the *COVID-related Tax Relief Act of 2020* (CRTRA).

Who is eligible for the second Economic Impact Payment (EIP 2)?

Generally, if you're a U.S. citizen or U.S. resident alien, you may be eligible for \$600 (\$1,200 for a joint return), plus \$600 for each qualifying child, if you (and your spouse if filing a joint return) aren't a dependent of another taxpayer on a 2019 tax return, have a social security number (SSN) valid for employment and your adjusted gross income (AGI) does not exceed:

- \$150,000 if married and filing a joint return or if filing as a qualifying widow or widower;
- \$112,500 if filing as head of household; or
- \$75,000 for eligible individuals using any other filing status

Your payment will be reduced by 5% of the amount by which your AGI exceeds the applicable threshold above. Dependents 17 and older are not eligible qualifying children for purposes of EIP and EIP2.

Eligible individuals who did not receive an Economic Impact Payment – either the first or second payment – may claim the Recovery Rebate Credit when they file their 2020 tax return in 2021. DRT urges taxpayers to review the eligibility criteria when they file their 2020 tax return. You must account for all EIP payments to compute the RRC on Form 1040 or Form 1040-SR since EIPs are an advance payment of the RRC.

Payments are automatic for eligible taxpayers

Payments are automatic for eligible taxpayers who filed a 2019 tax return, those who receive Social Security retirement, survivor or disability benefits (SSDI), Railroad Retirement benefits as well as Supplemental Social Security Income (SSI) and Veterans Affairs beneficiaries who didn't file a tax return. Payments are also automatic for anyone who was eligible and successfully filed a Guam Form EIP-NF by November 21, 2020 that has been validly processed by DRT.

How do I find out if DRT is sending me a payment?

You can check the status of both their first and second payment by using the Check My EIP payment tool. The tool is being updated with new information and DRT anticipates the tool will be available within the next few weeks for taxpayers.

Will you receive a paper check?

Yes. Payments for EIP 2 will be made by paper check and will be sent to the address on file with DRT.

Are more people eligible now for a payment than before?

Under the earlier CARES Act, joint returns of couples where only one member of the couple had a Social Security number were generally ineligible for a payment – unless they were a member of the military. But the CRTRA changes and expands that provision, and more people are now eligible. In this situation, these families will now be able to

receive payments for the taxpayers and qualifying children of the family who have work-eligible SSNs. People in this group who don't receive an EIP can claim this when they file their 2020 taxes under the RRC.

Is an incarcerated individual eligible for the payment?

Yes, individuals will not be denied EIPs solely because they are incarcerated. An incarcerated individual may be issued a payment if all eligibility requirements are met and the individual filed a 2019 tax return or Form EIP-NF by November 21, 2020 with DRT. Eligible incarcerated individuals may claim a 2020 RRC on line 30 of their 2020 tax return. Please refer to the instructions for the 2020 Form 1040 for more information.

Is any action needed by Social Security beneficiaries, railroad retirees and those receiving veterans' benefits who are not typically required to file a tax return?

Most Social Security retirement and disability beneficiaries, railroad retirees and those receiving veterans' benefits do not need take any action to receive a payment. DRT worked directly with IRS and other relevant federal agencies to obtain the information needed to send out the new payments for this group. For eligible people in this group who didn't receive a payment for any reason, they can file a 2020 tax return.

Will a deceased individual receive the payment?

A payment won't be issued to someone who has died before January 1, 2020. If you filed a joint return in 2019 and your spouse died before January 1, 2020, you won't receive a \$600 payment for your deceased spouse, but you'll still be issued up to \$600 for you and \$600 for any qualifying children, if all other eligibility criteria are met.

Regarding eligible individuals who died in 2020, the Recovery Rebate Credit may be claimed on line 30 of their 2020 tax return. Please refer to the instructions for the 2020 Form 1040 for more information.

I didn't file a 2019 tax return or a Guam Form EIP-NF. Am I eligible for a payment?

No. However, if you meet the eligibility requirement, you can still claim the RRC when you file your 2020 income tax return.

Will I receive anything for my tax records showing I received a second EIP?

Yes. You will receive a DRT notice, or letter about this payment. Please keep this notice to calculate your 2020 RRC.

Will DRT continue issuing the second EIP based on 2019 tax returns filed?

DRT will continue to issue payments for validly processed 2019 tax returns up to March 19, 2021. If your return is not validly processed in time to issue your payment, you may be eligible to claim the Recovery Rebate Credit when you file your 2020 tax return.

Where can I get more information?

For more information about EIPs and the 2020 RRC for Guam residents please contact guameip@revtax.guam.gov.

END OF RELEASE