

When President Biden signed the American Rescue Plan (Stimulus bill) into law last week it allowed the IRS to send the \$1,400 stimulus payment that we have all heard about.

You can track your payment on the IRS "Get My Payment" tool.

<https://www.irs.gov/coronavirus/get-my-payment>. The IRS has not provided any guidance on whether if they are going to open the section that allows you to change your information or to file an "EIP" return to be eligible for the stimulus payment.

This bill also made some significant changes to the 2020 tax filing year. Hawkins Accounting has over 100 collective years preparing income taxes and none of us have ever seen a tax law change so far into a filing year.

1) Now up to \$10,200 dollars of unemployment are non-taxable.

Hawkins Accounting realizes this change will have a substantial impact for many of our clients. We are working with our tax software company to know how to make this change for our clients who have not filed this year. If you have brought in your information already but your return is not finished, you may want us to hold your return until our software is ready. Call the office to let us know if you want us to hold off on efile your return.

If you have already filed for the 2020 tax year, we are waiting for the IRS to provide guidance. The IRS is advising taxpayer's not to amend their return until they can make the changes needed to be able to process this information.

2) Changes to the Premium Tax Credit

The second change is to the Market Place insurance. If you received too much of a Premium Tax Credit you are not required to pay it back for the 2020 tax year. The IRS's priority is distributing the stimulus payments, so the needed changes to our tax software will be coming but it will be after the stimulus payment and the unemployment correction are made.