



Rhode Island Department of Revenue

Division of Taxation

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TAX ADMINISTRATION

ADVISORY FOR TAX PROFESSIONALS
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Division warns about scams involving federal payments for individuals *Criminals target taxpayers, tax preparers, to steal their information*

PROVIDENCE, R.I. – The Rhode Island Division of Taxation urges taxpayers to beware of scams involving the new federal “economic impact payments” (sometimes called “stimulus payments”, “COVID-19 payments”, or “recovery rebates”).

The Internal Revenue Service reports seeing a significant increase in scams involving criminals trying to gather information needed for the payments.

The IRS, which is one of the Rhode Island Division of Taxation’s partners in the Security Summit, is seeing phone calls, text messages, and e-mails that criminals are using to phish for information from individual taxpayers as well as tax preparers.

The criminals are sending messages such as the following: “In order to receive your stimulus payment via direct deposit, we need you to confirm the banking information.”

In some cases, the criminals are gathering the information via telephone, text message, or social media. In certain cases, the criminals are directing victims to click on a link that takes them to a website where they enter their banking information.

The criminals use the information they gather to raid people’s bank accounts or for other illegal purposes, such as identity theft or filing fraudulent tax returns.

About this Advisory

The Rhode Island Division of Taxation does not have a role in issuing the new federal economic impact payments (sometimes referred to as “stimulus payments”). The Division is providing the information in this Advisory, including FAQs, as a public service for taxpayers and tax preparers on behalf of the Division’s Security Summit partner, the Internal Revenue Service.

SAFEGUARDING INFORMATION

“Taxpayers and tax preparers may be especially vulnerable to scams amid the coronavirus pandemic and may let their guard down,” said Rhode Island Tax Administrator Neena Savage, who heads the Division of Taxation. “Nevertheless, taxpayers and tax preparers must remain vigilant in safeguarding their personal information and their clients’ information,” she said.

It is important to remember that government agencies, including the IRS and the Rhode Island Division of Taxation, will not call, text, or email you requesting information about the federal payments.

TIPS TO AVOID SCAMS

Recently enacted federal legislation authorizes federal economic impact payments to those who qualify.¹ If you receive a suspicious email or text requesting information about your payment, report it: <https://www.irs.gov/privacy-disclosure/report-phishing>. Do not click on links or open any attachments.

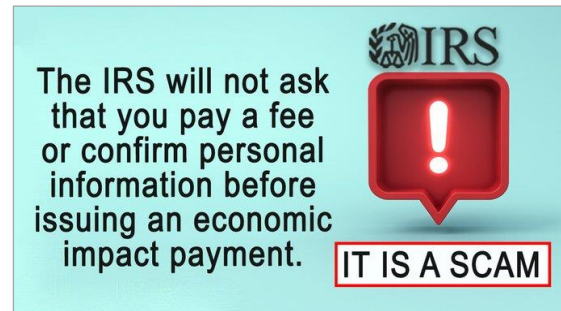
Tax preparers, in particular, are urged to beware of phishing calls, emails, or texts that include language such as the following: “In order to receive your client’s stimulus payment by direct deposit, you must confirm their bank information.”

If clients need to file a federal income tax return to receive a federal economic impact payment, there may be more fraudulent zero-balance or small-balance returns filed.

Due to the extended July 15 tax deadline, criminals may try to obtain clients’ personal information, then file federal income tax returns before clients do.

The following information is provided for taxpayers and tax preparers:

- The IRS on April 2 issued a warning about coronavirus-related scams: <https://www.irs.gov/newsroom/irs-issues-warning-about-coronavirus-related-scams-watch-out-for-schemes-tied-to-economic-impact-payments>.
- The Rhode Island Attorney General’s office has information about scams and other topics amid the coronavirus: <https://myemail.constantcontact.com/RIAG-resource-page.html?soid=1106889079591&aid=I9K3foLUoy8>
- For details on the federal economic impact payments, see the IRS’s coronavirus tax relief webpage: <https://www.irs.gov/coronavirus>.
- For information related to Rhode Island state taxes, see the Division’s coronavirus webpage: <http://www.tax.ri.gov/COVID/>.



FAQS ABOUT ECONOMIC IMPACT PAYMENTS

The United States Treasury Department and the IRS announced that distribution of economic impact payments (recovery rebates) will begin in the next three weeks and, in most cases, will be distributed automatically, with no action required for most people.

¹ The “Coronavirus Aid, Relief, and Economic Security Act”, also known as the CARES Act, approved by Congress and signed into law by President Donald J. Trump on March 27, 2020. (See [H.R. 748 -- U.S. Public Law PL 116-136](#)). The new law refers to the payments not as “economic impact payments” or “stimulus payments” but instead as “recovery rebates”.

As a public service, the Rhode Island Division of Taxation provides the following modified version of the IRS's questions and answers about the payments.²

Q: Who is eligible for the economic impact payment?

Federal income tax filers with federal adjusted gross income up to \$75,000 for individuals and up to \$150,000 for married couples filing joint returns will receive the full payment. For federal tax filers with income above those amounts, the payment amount is reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds. Single filers with income exceeding \$99,000 and \$198,000 for joint filers with no children are not eligible.

Eligible taxpayers who filed tax returns for either the 2019 or 2018 tax years will automatically receive an economic impact payment of up to \$1,200 for individuals or \$2,400 for married couples. Parents also receive \$500 for each qualifying child.

Q: How will the IRS know where to send my payment?

The vast majority of people do not need to take any action. The IRS will calculate and automatically send the economic impact payment to those eligible.

For people who have already filed their 2019 federal income tax returns, the IRS will use this information to calculate the payment amount.

For those who have not yet filed their federal income tax return for 2019, the IRS will use information from their 2018 federal income tax filing to calculate the payment.

The economic impact payment will be deposited directly into the same bank or credit union account reflected on the federal income tax return filed.

Q: The IRS does not have my direct deposit information. What can I do?

In the coming weeks, the United States Treasury plans to develop a web-based portal for individuals to provide their banking information to the IRS online, so that individuals can receive payments immediately instead of waiting to receive a check in the mail.

Q: What about people who receive Social Security benefits but who do not ordinarily file a federal income tax return?

They need not take any action. The economic stimulus payment will be automatically sent to them. They will receive the economic stimulus payment by the same method they receive their Social Security benefits. (For example, Social Security beneficiaries who receive their benefits by direct deposit, into their bank or credit union account, will receive their federal economic stimulus payment the same way.)

About the Security Summit

The Security Summit consists of the IRS, state tax agencies, and the tax community -- including tax preparation firms, software developers, processors of payroll and tax financial products, tax professional organizations, and financial institutions.

Partners in the Security Summit work together to combat identity theft and fight other scams to protect the nation's taxpayers.

² [IR-2020-61](#), March 30, 2020.

Social Security recipients who are not typically required to file a federal income tax return will not need to file a federal income tax return in order to receive an economic impact payment, the [United States Treasury and IRS announced on April 1](#).

The federal government will use information it already has on file to generate the economic stimulus payments automatically for this group of people; no action is needed on their part.



Q: I'm not a Social Security recipient. I am not typically required to file a federal income tax return. Can I still receive my payment?

Yes. People (other than Social Security recipients) who typically do not file a federal income tax return will need to file a simple federal income tax return to receive an economic impact payment. For example, low-income taxpayers, some veterans, and certain others (who are not Social Security recipients) will need to file a simple federal income tax return to receive an economic impact payment.³

Remember: Social Security recipients who are not typically required to file a federal income tax return do not need to file a federal return and do not need to take any other action; they will receive their payment automatically, in the same way they normally receive their Social Security benefits.

Q: If I do not typically have to file a federal income tax return, but I have to file one to receive my economic impact payment, how will I do it?

[IRS.gov/coronavirus](https://www.irs.gov/coronavirus) will soon provide information instructing people in such circumstances on how to file a 2019 federal income tax return with simple, but necessary, information -- including their filing status, number of dependents, and direct deposit bank account information.

Remember: Social Security recipients who are not typically required to file a federal income tax return do not need to file a federal return and do not need to take any other action; they will receive their payment automatically, in the same way they normally receive their Social Security benefits.

Q: What about people who receive Railroad Retirement Benefits and who typically are not required to file a federal income tax return each year?

People who receive a Form RRB-1099 and who are not required to file a federal income tax return will receive their economic impact payments automatically, in the same way that they receive their Railroad Retirement Benefits (such as by direct deposit into their bank or credit union account). The IRS will use the information on such a person's Form RRB-1099 to automatically generate the economic impact payment for that person.

³ The economic impact payments are federal payments. Information about the payments is available from the Internal Revenue Service, which will administer the payments. They are not Rhode Island payments; the Rhode Island Division of Taxation has nothing to do with the administration of the economic impact payment program. The Rhode Island Division of Taxation provides this Advisory solely as a public service. In general, information used by the IRS to distribute the payments will be based on federal income tax returns, not on Rhode Island personal income tax returns.

Q: I have to file a federal income tax return each year, but I have not filed my federal income tax return for 2018 or 2019. Can I still receive an economic impact payment?

Yes. The IRS urges those with a tax filing obligation who have not yet filed a federal income tax return for 2018 or 2019 to file a federal income tax return as soon as they can to receive an economic impact payment. Taxpayers should include direct deposit banking information on the federal income tax return.

Q: I need to file a federal income tax return. How long will the economic impact payments be available?

For those concerned about visiting a tax professional or local community organization in person to get help with a tax return, the economic impact payments will be available throughout the rest of 2020.

Q: Where can I get more information?

The IRS will post all key information about the payments on [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) as soon as it becomes available.

The IRS reports that it has a reduced staff in many of its offices but remains committed to helping eligible individuals receive their payments expeditiously. The IRS asks that you check for updated information on [IRS.gov/coronavirus](https://www.irs.gov/coronavirus) rather than calling IRS assistors who are helping process 2019 returns.

Q: Should I contact the Rhode Island Division of Taxation about the economic impact payments?

No. The economic impact payments, also called “stimulus payments” or “recovery rebates”, are part of a federal program. The Rhode Island Division of Taxation has nothing to do with the administration of the federal program or the distribution of the federal payments. For information about the federal payments, please see the IRS’s website: [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

Q: Should I file a Rhode Island personal income tax return to qualify for an economic impact payment?

The IRS will compute the amount of your payment based on information contained in your federal income tax return, not on your Rhode Island personal income tax return. The filing of a Rhode Island personal income tax return has nothing to do with the federal stimulus payments. For information about the federal payments, please see the IRS’s website: [IRS.gov/coronavirus](https://www.irs.gov/coronavirus).

Note to taxpayers, preparers

The information in this Advisory is summarized from IRS notices and releases and is not a complete representation of all notices and releases provided by the IRS. Furthermore, the U.S. Treasury and the IRS have been frequently revising and updating their information about the economic impact payments amid quickly changing events. For the most complete and up-to-date information, taxpayers and tax preparers are encouraged to check this IRS website: www.irs.gov/coronavirus.

The Rhode Island Division of Taxation, part of the Rhode Island Department of Revenue, has normal operating hours from 8:30 a.m. to 3:30 p.m. business days. For more information, contact the Division of Taxation at (401) 574-8829 or see <http://www.tax.ri.gov/contact>
