

IRS reminds time is running out to claim \$1 billion in refunds for tax year 2020 and claim Recovery Rebate Credit

IRS urges to file tax returns by May 17, 2024, to claim unclaimed 2020 refunds and Recovery Rebate Credit. Over \$1 billion in refunds awaits; act fast to.

SHERIDAN, WYOMING, UNITED STATES, March 27, 2024 /EINPresswire.com/ -- IRS issued a [reminder](#) again that time is running out to claim \$1 billion in refunds for tax year 2020. This amount doesn't include potential Recovery Rebate Credit and Earned Income Credit.



All non-filers who may qualify for the Recovery Rebate Credit and EIC from the IRS must file their tax return and secure the refund and the credits. The Internal Revenue Service announced today that almost 940,000 people nationwide have unclaimed refunds for the tax year 2020. However, they face a May 17 deadline to submit their tax returns. The IRS estimates more than \$1 billion in refunds remain unclaimed because people haven't filed their 2020 tax returns yet.

Amid the pandemic, many eligible individuals have already received their Economic Impact Payments or claimed them through the Recovery Rebate Credit. Yet, the clock is ticking for those who didn't file their taxes; the following are the deadlines to file the tax returns:

- May 17, 2024, for the 2020 credit
- April 15, 2025, for the 2021 credit

The Recovery Rebate Credit is like a financial lifeline for those who missed the Economic Impact Payments, commonly known as stimulus checks, distributed in 2020 and 2021. The IRS believes there are still pockets of people and families who need to claim their slice of this pie.

What is Recovery Rebate Credit?

The Recovery Rebate Credit is a tax credit provided by the U.S. Internal Revenue Service (IRS) for individuals who did not receive their total Economic Impact Payments (EIP), commonly known as stimulus checks, during the Coronavirus pandemic. The purpose of this credit was to assist eligible individuals who did not receive payments or received less than they were entitled to.

Here are some key points about the Recovery Rebate Credit:

1. **Eligibility Criteria:** To be eligible for the Recovery Rebate Credit, individuals must have been U.S. citizens or resident aliens for the year they claim the credit. They should not have been claimed as dependents on someone else's tax return. They must possess a Social Security number valid for employment in the U.S.
2. **Claiming the Credit:** Individuals can claim the Recovery Rebate Credit on their annual tax return. This credit applies to tax years 2020 and 2021 when Economic Impact Payments were issued. Tax filers can claim the difference through this credit if they have not received the complete stimulus checks in these years.
3. **Filing Deadlines:** The deadlines for filing a tax return and claiming the Recovery Rebate Credit are specific to each tax year. For example, the deadlines for the 2020 and 2021 credits were May 17, 2024, and April 15, 2025, respectively.
4. **Impact on Tax Refund or Liability:** The Recovery Rebate Credit can either increase the tax refund or decrease the tax owed. It is a refundable credit, meaning the tax filer can receive a refund even if they don't owe taxes.
5. **Special Cases:** The credit can also be claimed on behalf of individuals who passed away if they were eligible in the year of their death.

Eligible individuals must file their tax returns on time to claim this credit, especially if they missed the full amount of Economic Impact Payments during the pandemic.

Who's in the running for this?

For the 2020 Recovery Rebate Credit to be payable, the tax filer should have been a U.S. citizen or resident alien in 2020, not listed as someone else's dependent, and own a Social Security number valid for U.S. employment issued before the tax return due date.

The rules for 2021 are similar but with a twist: the tax filer can claim for a dependent with a Social Security number or an Adoption Taxpayer Identification Number.

One can claim the 2020 Recovery Rebate Credit for someone who passed away in 2020. If someone departed in 2021 or later, their descendants or estate can claim the 2020 and 2021 credits on their behalf.

Claim the 2020 and 2021 Recovery Rebate Credits—file back tax returns for the years 2020 and 2021 by May 17, 2024, and April 15, 2025, respectively.

If you [need help](#) filing your Individual tax return, NexGen Taxes' team of fully vetted accounting and tax professionals can help you file your personal tax returns for the years 2020 and 2021 and claim the Recovery Rebate Credit you are entitled to. We are here for you 24/7; reach out to us today.

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