



15655 W. Roosevelt St. Suite 101
Goodyear, AZ 85338
623.935.7483

Phone: 623-935-7483 Fax: 623-935-2109 www.DesertEdgeTax.Com

EIP Stimulus Payment Reconciliation

The government issued two separate stimulus payments, one in 2020 and one in early 2021. To be eligible for part or all of each stimulus payment, the taxpayer had to meet requirements based on their 2020 taxes. Since the IRS did not yet have 2020 data for taxpayers when the payments were made, the eligibility was based on prior years tax return data. However, doing things this way meant that some taxpayers who would be eligible for the stimulus based on their 2020 data did not receive a payment as they were not eligible based on their prior years' data. The IRS recognized this potential issue and created a process for taxpayers that did not originally receive the stimulus payment(s) to claim a special credit on their 2020 tax return if they qualify.

To properly prepare your 2020 tax return, it is imperative that information about the funds that you did or did not receive from the two stimulus payments be accurately reported on your tax return. If amounts received are overreported on the tax return, the correct reconciled payment may not be paid. If the amount received is underreported, you may incorrectly receive an additional amount for which you are not eligible, and the overpayment may have to be paid back with penalties and interest.

The taxpayer is responsible for ensuring the correct amounts are reported on the 2020 tax return. Desert Edge Tax and Accounting is not responsible for any consequences for incorrect reporting of the stimulus payments on the 2020 tax return. Not reporting correctly may cause taxpayers to owe penalties and interest in addition to any amount overpaid by the IRS. We want our clients to be aware of the future consequence of not reporting correctly and allow the client to obtain the information we need to report the correct information.

If you are not 100% certain about the amounts that you received from the 2 stimulus payments, we recommend utilizing one of the options below to verify the amounts.

1. Review and provide the letters from the government showing the amount received (Form 1444).
2. Go to [IRS.gov](https://www.irs.gov) and create an account to retrieve the amount received.
3. Verify the deposit amounts by reviewing your bank statements or contacting your bank. If the amounts received were not direct deposited, this way may not be accurate.
4. Call the IRS to verify the amounts issued to taxpayer (Please get this in writing).
5. If all else fails, we can contact the IRS for you by getting a power of attorney signed by taxpayers. ** The fees for doing so:
 - a. \$50 for power of attorney
 - b. \$75.00 per hour to contact IRS.The minimum amount charged will be \$75.00.

**Due to the time and manpower involved in contacting the IRS during tax season, we prefer not to do this, however we will if requested to do so.

Amount received of the first stimulus payment \$_____

Amount received of the second stimulus payment \$_____

I/We the taxpayer(s) certify the amounts stated above are the actual and true amounts of the stimulus payments received.

Print : _____ Sign: _____ Date: _____

Print : _____ Sign: _____ Date: _____