

## **AARP Foundation Tax-Aide CyberTax**

**March 12, 2021**

**To:** All AARP Foundation Tax-Aide Volunteers (with a valid email address in the Volunteer Portal)

**From:** Lynnette Lee-Villanueva, VP and National Director, AARP Foundation Tax-Aide

**Subject:** CyberTax TY2020-06: American Rescue Plan Act

### **American Rescue Plan Act**

The American Rescue Plan Act passed by Congress includes a tax waiver on the first \$10,200 of unemployment compensation for taxpayers with incomes of \$150,000 or less for the 2020 tax year and a waiver of repaying any excess Advance Premium Tax Credit (APTC) for those who purchased health insurance through the ACA marketplace. Since these waivers will likely lead to a smaller balance due/larger refund once implemented, holding the return pending IRS directions and TaxSlayer implementation is a discussion to have with the taxpayer – s/he may have some reason to file now anyway, e.g., get a smaller refund now and the balance later. The challenge for our already-fully-booked sites is how to find time to serve those taxpayers later.

There are several open questions about these changes including:

- Will the IRS be able to programmatically adjust returns or will amendments be required (may differ for the two provisions)
- How will TaxSlayer implement these changes once it receives directions from the IRS
- How will these changes impact state returns - particularly for the unemployment compensation waiver
- When will all this be sorted out (TaxSlayer's current estimate for the federal provisions is April 1).

Please monitor the TaxSlayer blog site for updates.

There are additional changes in the Act that impact 2021 tax returns. These will be included in the training for the next tax season.

*As part of the Tax-Aide program, information including the latest updates and program guidance is regularly sent via email to all volunteers. Please click [here](#) if you are not a volunteer in the Tax-Aide program and therefore should be deleted from receiving further emails. If you are a Tax-Aide volunteer with a question, please first contact your volunteer*

*supervisor or members of your volunteer leadership team. Replying to this email puts your response directly into Tax-Aide's National Office ticketing system.*