

## Coronavirus Tax Relief & The 2020 CARES Act Highlights for College Students

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On March 19, 2020 the “[Coronavirus Aid, Relief, and Economic Security Act](#)” or the “CARES Act” was introduced as an emergency response to the coronavirus outbreak. The bill contains multiple sections of provisions available for individuals, families, and businesses. This article focuses on student issues including the new tax-filing deadline, stimulus payments, and student loan repayment.

### Tax-Filing Deadline Extension

Due to the pandemic, The Treasury Department and Internal Revenue Service have created [Coronavirus Tax Relief](#) which provides tax assistance for individuals, businesses, and families. It extends the Federal income tax filing deadline to Wednesday, July 15, 2020. This relief has been applied automatically and does not require any application form or additional qualifications. Note that this extended deadline only applies to federal income returns and not state tax or other types of federal taxes. Visit the [Federation of Tax Administrators](#) to find your state tax agency’s website for more information.

CASH Campaign of Maryland provides remote tax preparation. Review their [Free Tax Preparation/Resources](#) information for documentation required and eligibility criteria.

### Stimulus Payments

Filing 2018 and 2019 federal income taxes are important for the possible receipt of an Economic Impact Payment, commonly referred to as a stimulus check or payment. Let’s review some quick facts and eligibility requirements for Economic Impact Payments:

- U.S. citizens, permanent residents, or [qualifying resident aliens](#) must have a Social Security number valid for employment and adjusted gross income (AGI: total income before deductions) to be eligible.
- Single taxpayers who have an AGI below \$75,000 may receive the full amount of \$1,200.
- The Economic Impact Payment is automatic and does not require additional action if 2018 and 2019 federal income taxes have been filed.
- Anyone claimed as a dependent on a 2019 tax return will not receive payment. If someone cannot be claimed as a dependent for a 2020 tax return, they may be eligible to claim a \$1,200 credit if they file next year. Individuals will receive an additional \$500 payment for each qualifying child claimed on their tax return as long as certain conditions are met.

- The direct deposit information provided on your 2019 tax return (2018 if taxes have not been filed for 2019) will be used to deposit your payment. If your account information is closed or inactive, the deposit will be rejected and a paper check will be mailed to the address listed on your most recent tax return.
- Visit [Economic Impact Payment Information Center](#) to review comprehensive information and commonly asked questions.

## **Student Loan Repayment**

Lastly, the CARES Act provides some federal student loan borrowers with temporary relief. As of March 13, 2020, [garnishments](#), loan, and [interest](#) payments are deferred through Wednesday, September 30th at midnight. The amount you owe will remain the same during this time with 0% interest. Suspended payments for [Income-Driven Repayment](#) plan borrowers and individuals enrolled in [Public Student Loan Forgiveness](#) (PSLF) will count towards student loan forgiveness.

Loan payments and interest accumulation are scheduled to resume in October 2020 unless Congress passes another act. [Federal Direct Loans](#), are eligible for relief under this program. Please contact all other loan servicers directly to learn if they have programs for borrowers during the pandemic. If you are unsure of your loan servicer's name(s), go to [annualcreditreport.com](#) to access your credit report. Accessing your credit report through this service will not negatively impact your credit. Credit reports are now available weekly (as opposed to annually) until April 2021.

Auto-debit payments will stop during this time, but whether your payments were automatically deducted or deducted through standard bill pay, you have the option to make payments during this time. Contact your loan servicer directly if you would like your automatic payments to resume. Ensure that all agreements made via telephone are sent to you in a written statement for your protection and record. You also have the option to pay your loan servicer any amount during this time. No amount is too large or too small as long as you have the money to afford it. This is a great opportunity to reduce the [principal](#) of your loans!

If you have [defaulted](#) on a student loan and your federal tax refund has been withheld, you may be able to have it returned. Contact the Department of Education's (ED) Default Resolution Group at 1-800-621-3115. (TTY for individuals living with hearing impairment 1-877-825-9923) Calls from private collection agencies are suspended during this time. If you would like to continue with payment arrangements contact the number previously listed for ED's Default Resolution Group.

If you are on an Income Based Repayment plan and your income has drastically changed, update your information and you may be able to receive a new payment amount once payments resume in October. Click "Apply Now" at the [Income-Driven Repayment plan](#) page and select the button next to "Recalculate my monthly payment" to start this process.

Review [Federal Student Aid's Coronavirus and Forbearance Info for Students, Borrowers, and Parents](#) for more information.