



COVID-19 and Direct Payments: Comparison of First and Second Round of “Stimulus Checks” to the Third Round in the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2)

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The American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) includes a third round of direct payments (often referred to as “stimulus checks”). A [first round](#) of direct payments was included in the [CARES Act](#) (P.L. 116-136) in March 2020. A [second round](#) of direct payments was included in the [Consolidated Appropriations Act, 2021](#) (P.L. 116-260) in December 2020.

This Insight compares some of the major aspects of the third round of direct payments to the first and second rounds. A summary of the third round of direct payments can be found [here](#).

Table I. Major Provisions of First, Second, and Third Round of Direct Payments

	First Round of Direct Payments (CARES Act P.L. 116-136, as amended)^a	Second Round of Direct Payments (P.L. 116-260)	Third Round of Direct Payments (ARPA; P.L. 117-2)
Payment amount	\$1,200 per eligible individual \$2,400 for married joint filers Additional \$500 for each qualifying child (i.e., dependent child under 17 years old as defined for the child credit).	\$600 per eligible individual \$1,200 for married joint filers Additional \$600 for each qualifying child (i.e., dependent child under 17 years old as defined for the child credit).	\$1,400 per eligible individual \$2,800 for married joint filers Additional \$1,400 for each dependent (including older children and adult dependents).
Phaseout	Total payment amount phased out by 5% of adjusted gross income over thresholds:	Same as first round	Total payment phases out ratably between following income levels:

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	First Round of Direct Payments (CARES Act P.L. 116-136, as amended)^a	Second Round of Direct Payments (P.L. 116-260)	Third Round of Direct Payments (ARPA; P.L. 117-2)
	\$75,000 singles (S) \$112,500 heads of households (HOH) \$150,000 married filing jointly (MFJ)		\$75,000-\$80,000 S \$112,500-\$120,000 HOH \$150,000-\$160,000 MFJ
Eligibility	Everyone except: ^b <ul style="list-style-type: none"> • Nonresident aliens • Dependents of other taxpayers 	Everyone except: ^b <ul style="list-style-type: none"> • Nonresident aliens • Dependents of other taxpayers • Individuals who died before January 1, 2020 	Everyone except: ^b <ul style="list-style-type: none"> • Nonresident aliens • Dependents of other taxpayers • Individuals who died before January 1, 2021
ID requirement	Unmarried individuals: Eligible individuals must have had a Social Security number (SSN). Married individuals: Eligible individuals must have had an SSN. If one otherwise eligible spouse did not have an SSN, maximum amount halved (i.e., \$1,200 for married joint filers). Qualifying children. If an eligible unmarried individual did not have an SSN, or neither spouse of a married joint filer had an SSN, the household could not receive any amount for a qualifying child with an SSN. ^c Type of SSN: For all eligible individuals and qualifying children, SSNs must generally be associated with work authorization.	Same as first round	Unmarried individuals: Same as first and second rounds. Married individuals: Same as first and second rounds. Qualifying dependent: If an eligible individual does not have an SSN or neither spouse of a married joint filer has an SSN, the household <i>could</i> receive any amount for a qualifying child with an SSN. ^c Type of SSN: For all eligible individuals and dependents, SSNs may or may not be associated with work authorization.
Automatic Issuance of Payments to Tax Filers	Payments automatically issued based on information from 2019 tax returns or, if unavailable, 2018 returns.	Payments automatically issued based on information from 2019 tax returns.	Payments automatically issued based on information from 2020 tax returns or, if unavailable, 2019 returns. If 2020 tax return information results in a larger payment, the IRS is directed to top-up payments in 2021 after it processes 2020 returns.
Automatic Issuance of Payments to Certain Households Not Required to File a Tax Return (“Eligible Nonfilers”)	For eligible nonfilers who were recipients of Social Security , Supplemental Security Income (SSI) , or certain Department of Veterans Affairs (VA) benefits , Treasury generally issued payments based on their 2019 annual benefit statements (e.g., SSA-1099 or RRB-1099).	For eligible nonfilers who were recipients of Social Security, SSI, or certain VA benefits, Treasury was directed to issue payments based on information provided by the Social Security Administration (SSA), Railroad Retirement Board, or VA (including but not limited to annual benefit statements). ^d	For eligible nonfilers (individuals who did not file a 2020 or 2019 income tax return), the IRS is given broad authority to make payments based on information available to the Treasury.
Offset and Reduction for Past-	<i>All rounds of payments are structured as an advance of a temporary tax credit. Offset and garnishment/levy provisions tend to differ depending on whether this benefit is received as an “advanced credit” (referred to simply as a “payment” in this Insight) or claimed as a tax credit—the Recovery Rebate Credit—on the applicable tax return.</i>		

	First Round of Direct Payments (CARES Act P.L. 116-136, as amended) ^a	Second Round of Direct Payments (P.L. 116-260)	Third Round of Direct Payments (ARPA; P.L. 117-2)
Due Debts	<p>Offset of Payment: Payments could not be offset—or reduced <i>before</i> issuance—to satisfy certain debts owed to governmental agencies. Such exempt debts included tax debts, debts owed to federal agencies, and unemployment compensation debts, but <i>did not</i> include child support debt.</p> <p>Offset of Credit on Tax Return: Generally, Treasury may offset the amount of the direct payment that the taxpayer claims as a credit on their 2020 income tax returns.^e In mid-March 2021, the IRS agreed not to offset the 2020 Recovery Rebate Credit for federal tax debts.</p> <p>Garnishment: Not addressed.</p>	<p>Offset of Payment: Same as <i>first round</i>, except these payments also <i>could not</i> be offset for child support debt.</p> <p>Offset of Credit on Tax Return: Same as first round.</p> <p>Garnishment: Payments would generally be exempt from debt collection actions, such as garnishment or levy, which occur <i>after</i> the Treasury issues the payments. These protections only apply insofar as the payment is received as an advance credit.</p>	<p>Offset of Payment: Similar to the second round.</p> <p>Offset of Credit on Tax Return: Same as first round (applicable benefit claimed on 2021 return). (Unclear if IRS will forgo offset for federal tax debt for 2021 Recovery Rebate Credit.)</p> <p>Garnishment: Not addressed.</p>
Budgetary Cost	\$292.4 billion FY2020-FY2030	\$164.1 billion FY2021-FY2030 ^f	\$410.6 billion FY2021-FY2031

Source: CRS analysis of P.L. 116-136; P.L. 116-260; P.L. 117-2; and [JCX-11R-20](#), [JCX-24-20](#), [JCX-14-21](#).

Notes: The second (and proposed third) round of payments are (would be) extended to the U.S. territories in a manner similar to the first round of payments.

- a. P.L. 116-260 [amended](#) ID requirements of the first round of payments, clarified issues for representative payees, and modified provisions affecting offset of the payments when claimed as a tax credit on 2020 returns.
- b. Estates and trusts are ineligible to receive the first, second, and proposed third rounds of payments.
- c. Households can also receive additional amounts for qualifying children if those children have adoption taxpayer IDs ([ATINs](#)).
- d. If a direct payment for a recipient of a federal benefit program is deposited into the account of a representative payee or fiduciary, the law explicitly states that it shall be used only for the benefit of the entitled beneficiary.
- e. Change made retroactively by P.L. 116-260, Division N, Title II, Subtitle B §273(b).
- f. Budgetary cost estimates reflect the score for a second round of payments only. P.L. 116-260 includes retroactive modifications to the first round of payments, estimated to [cost an additional \\$1.6 billion between FY2021 and FY2030](#).

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