



# How to move Emergency Money to the People as quickly as possible

March 20, 2020

The Economic Security Project has consulted with experts from the Urban Institute, Center on Budget and Policy Priorities, Center for American Progress, Institute on Taxation and Economic Policy, National Women's Law Center, Georgetown Center on Poverty and Inequality, and National Academy of Social Insurance.

## Facts:

- There is testimony to the congressional [Joint Committee on Taxation](#) that says the fastest way to move money out to everyone is IRS using existing tax data, and that in 2008-9 IRS could do 9 million paper checks per week.
  - Just because the JCT testimony is 10 yrs old doesn't mean it's no longer true--IRS experts repeatedly tell us the computers are Apollo-era and so are the Fortran programmers who run them.
  - At the same time the [WSJ now reports](#) that, "The government has since largely dismantled its capacity for mass check-printing."
- Nearly half of filers have already filed 2019 returns ([76 million returns](#)).
- The fastest way to move money given the limits on paper checks is direct deposit, which [80%](#) of taxpayers use (as well as Social Security/SSI/VA beneficiaries).
  - In 2008, people also had to file taxes to access the stimulus checks.
  - "File your tax return so you get your money" is a powerful behavioral incentive, and a simplified form for people without dependents will also make it easier for people to file, described below.
- Social Security distributes about [60 million payments each month](#). These are largely to disabled individuals and the elderly. SSA can make payments (actually a Treasury agency makes them for SSA) to existing beneficiaries, in their usual amounts or in new flat amounts, but SSA can't easily or effectively target by income because of limits in their data. SSA can share info with the IRS but not the other way around.
- Money could be loaded quickly on SNAP/TANF debit cards, but that's different from a boost in SNAP benefits--SNAP can only be spent on certain things (though CBPP/NWLC/Georgetown propose unconditional cash loaded on those cards as a way to move money quickly to very low-income people).
- CBPP says that IRS targeting by income is unlikely to slow things down--that the very act of targeting would not be expected to delay payments.

## Recommendations:

- **The IRS has the capability to implement universal cash payments or a more targeted plan.** IRS experts say that targeting payments to needier Americans based on their reported income is not significantly more difficult than sending universal payments. If Congress elects to pursue a targeted plan, it can use information reported on 2019 returns for those who have already filed, and fill in the gaps with information from 2018. Alternatively, IRS can send out universal payments now, and recover those payments in tax payments next year from those above a specified income threshold.
- **The IRS can be the hub of the payment plan, but inter-agency cooperation is essential.** Most Americans can be reached by the IRS, using 2019 tax data and reverting to 2018 returns where necessary, with most payments by direct deposit. The Social Security Administration and Department of Veterans Affairs have the ability to reach many people through their direct deposit payments to current recipients. Many who receive benefits from SSA and the VA do not file income taxes, so collaboration across agencies will be key to ensure that everyone is reached. CBPP is working with experts to propose exactly how this should be done, but the principle should be to push payments out as quickly as possible to as many recipients as possible.
- **It is possible to distribute additional unconditional cash on SNAP and TANF EBT cards as a bridge until direct cash relief is sent by IRS.** This capability already exists, and the states would simply need the relevant authorization and appropriations.
- **The IRS can reach non-filers.** The IRS should first send payments to those who have already filed 2019 taxes, including many low-income EITC recipients, and create a simple postcard 2019 form for people without dependents. In the next wave, the IRS can automatically send payments to non-filers for whom IRS has received W-2 or 1099 income data from employers or for whom IRS has a 2018 tax return. Appropriate reconciliation, if necessary, could be performed in 2021.