
FISCAL UPDATE Article

Fiscal Services Division

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FEDERAL ECONOMIC IMPACT PAYMENTS — COVID-19 IMPACT

Economic Impact Payments. On May 22, 2020, the federal Internal Revenue Service (IRS) [released](#) an updated summary of the number and amount of [Economic Impact Payments](#) (EIP) issued to the residents of each state. The EIP is a payment from the federal treasury to eligible U.S. citizens and U.S. resident aliens and was provided by Congress in the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). The EIP, which is subject to income limits, is equal to \$1,200 per adult and \$500 per qualifying child.

Nationally, 152.2 million payments totaling \$257.955 billion have been issued for an average payment of \$1,695. For Iowa recipients, 1,477,214 payments totaling \$2.660 billion have been issued for an average payment of \$1,801.

The \$2.660 billion Iowa amount equals:

- 1.0% of the U.S. total EIP.
- 23.6% of the amount Iowa residents owed in federal income tax for tax year 2017 (excluding the adjustment for any refundable tax credits).
- 1.6% of total calendar year 2019 Iowa personal income.

Department of Revenue. The Department of Revenue has determined that the structure of the EIP is such that the payment will not be considered taxable income for Iowa income tax purposes.

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