



COVID-19 and Direct Payments: Summary of the CASH Act (H.R. 9051, 116th Congress) Modifications to “Stimulus Checks”

January 22, 2021

At the end of the 116th Congress, [the House passed](#) the Caring for Americans with Supplemental Help (CASH) Act (H.R. 9051). The CASH Act would have expanded the [second round of stimulus checks](#) enacted as part of the Consolidated Appropriations Act, 2021 (P.L. 116-260) and modified the [first round of checks](#) enacted in the CARES Act (P.L. 116-136) for certain households with older children and adult dependents. The Biden Administration has [proposed increasing already enacted stimulus checks](#) in a similar fashion as proposed in the CASH Act. This Insight summarizes how the CASH Act would have expanded and modified already enacted stimulus checks.

Proposed Changes to Stimulus Checks in the CASH Act (H.R. 9051, 116th Congress)

The CASH Act would have made three changes to the direct payments that have already been enacted by the CARES Act (first round of payments) and P.L. 116-260 (second round of payments). Specifically, the CASH Act would have:

1. Increased the maximum amount of the second round of direct payments by \$1,400 (from \$600 to \$2,000 per eligible individual) and by \$2,800 for most married couples (from \$1,200 to \$4,000 if filing jointly).
2. Increased the maximum amount of the second round of direct payments from \$600 per *qualifying child* to \$2,000 per *dependent*. This would represent a \$1,400 increase of the maximum payment amount for qualifying children (from \$600 to \$2,000) and a \$2,000 increase for all other dependents who are not qualifying children (from \$0 to \$2,000). (These dependents are [older children and adult dependents](#) and are currently ineligible for the additional amounts for qualifying children for [both rounds of payments](#).)
3. Changed the first round of direct payments from \$500 per *qualifying child* to \$500 per *dependent*. This change would represent a \$500 increase of the maximum payment amount for all dependents who are not qualifying children (from \$0 to \$500).

Other parameters of the [already enacted stimulus checks](#) (e.g., phaseout level, phaseout rate, ID requirements) would have been unchanged under this proposal.

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IN11580

The CASH Act changes would have retroactively increased the payment amounts for many stimulus check recipients, as illustrated in **Table 1** and the subsequent figure. **Table 1** provides examples of how the *maximum* payment amount would have increased under the CASH Act. These increases would have arisen because of the changes that increase the maximum amount, as well as the changes that expand eligibility to older dependents.

Table 1. Maximum Additional Amounts of Direct Payments Under the CASH Act (H.R. 9051, 116th Congress) for Selected Households

Household	First Round of Direct Payments (P.L. 116-136)	Second Round of Direct Payments (P.L. 116-260)	Proposed Supplement from the CASH Act (H.R. 9051)
Unmarried individual with no dependents and \$50,000 of income	\$1,200 (qualifying individual) = \$1,200	\$600 (qualifying individual) = \$600	+\$1,400 (2 nd round qualifying individual) = \$1,400
Unmarried individual with a qualifying child and \$80,000 of income	\$1,200 (qualifying individual) +\$500 (qualifying child) = \$1,700	\$600 (qualifying individual) +\$600 (qualifying child) = \$1,200	+\$1,400 (2 nd round qualifying individual) +\$1,400 (2 nd round qualifying child) = \$2,800
Unmarried individual with an adult dependent (e.g., 45 years old) and \$80,000 of income	\$1,200 (qualifying individual) +\$0 (adult dependent) = \$1,200	\$600 (qualifying individual) +\$0 (adult dependent) = \$600	+\$1,400 (2 nd round qualifying individual) +\$2,000 (2 nd round adult dependent) +\$500 (1 st round adult dependent) = \$3,900
Married couple with an older child dependent (e.g., 17-18 years old) and \$100,000 of income	\$2,400 (qualifying married couple) +\$0 (dependent in college) = \$2,400	\$1,200 (qualifying married couple) +\$0 (dependent in college) = \$1,200	+\$2,800 (2 nd round qualifying married couple) +\$2,000 (2 nd round dependent in college) +\$500 (1 st round dependent in college) = \$5,300
Married couple with two qualifying children and \$100,000 of income	\$2,400 (qualifying married couple) +\$1,000 (qualifying children) = \$3,400	\$1,200 (qualifying married couple) +\$1,200 (qualifying children) = \$2,400	+\$2,800 (2 nd round qualifying married couple) +\$2,800 (2 nd round qualifying children) = \$5,600

Sources: CRS Analysis of P.L. 116-136, P.L. 116-260, and H.R. 9051.

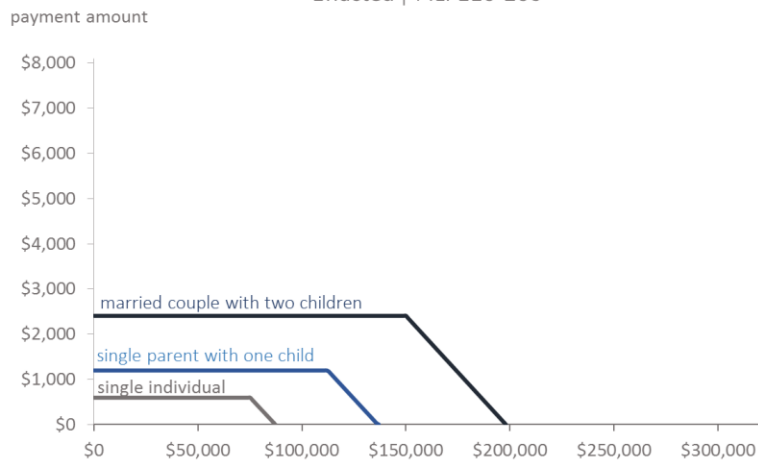
Notes: Unmarried individuals with no dependents are assumed to file their federal income taxes as single filers, unmarried individuals with qualifying children or other dependents are assumed to file as heads of household, and married couples are assumed to file as married joint filers. All of these households have income below the phaseout threshold (\$75,000 for single filers; \$112,500 for head of household filers; \$150,000 for married joint filers) and hence receive the maximum payment amount.

Some higher-income taxpayers subject to the phaseout would have also benefitted. Insofar as the maximum amount of the second payment amount were to be increased, the income level at which the payment would be zero would also increase. For example, under current law, the \$2,400 payment for a married couple with two children would phase out to zero for those with income over \$198,000 (as illustrated below). If the payment were \$8,000, it would phase out to zero when income was \$310,000 or more.

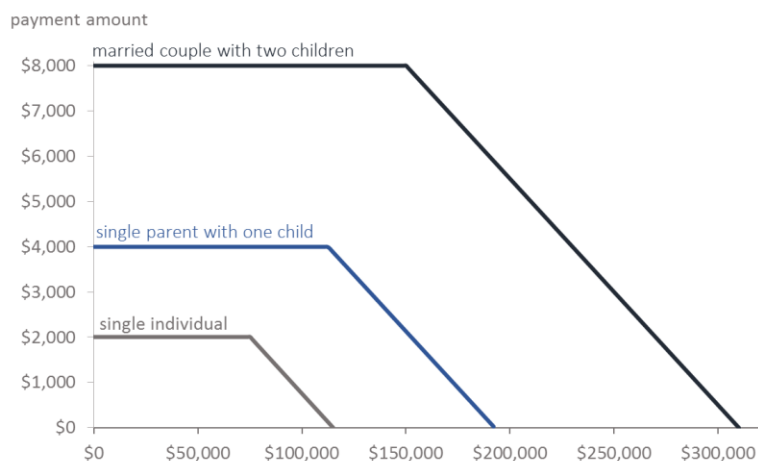
Second Round of Direct Payments

By Income Level

Enacted | P.L. 116-260



Proposed Amendment by the the CASH Act (H.R. 9051, 116th Congress)



Source: CRS analysis of P.L. 116-260 and H.R. 9051.

Note: This is a stylized example. Married taxpayers are assumed to be joint filers, a single parent is assumed to file as a head of household, and a single individual is assumed to file as single. For the purposes of the payment, children used in the calculation of the benefit amount are those eligible to be claimed for the child tax credit.

The second round of payments had to be issued by January 15, 2021 (the first round had to be issued by December 31, 2020). Eligible households who do not receive either payment automatically must file a federal income tax return and claim the payment as the [recovery rebate credit](#).

If a bill similar to the CASH Act were to be considered in the 117th Congress, it is currently unclear whether supplemental payments would automatically be issued, or whether eligible populations would be required to claim the supplemental amount on their 2020 income tax return. It is also unclear whether a similar bill in the 117th Congress would be drafted to create a new, separate third round of payments, or whether the bill would retroactively amend payments made by the first two rounds.

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