

# What's New

## Introduction

For information about any additional changes to the 2020 tax law or any other developments affecting Form 1040 or 1040-SR or the instructions, go to [IRS.gov/Form1040](https://www.irs.gov/Form1040).

**Economic impact payments—EIP 1 and EIP 2.** Any economic impact payments you received are not taxable for federal income tax purposes, but they reduce your recovery rebate credit.

**Recovery rebate credit.** This credit is figured like last year's economic impact payment, except eligibility and the amount of the credit are based on your tax year 2020 information. See the instructions for line 30 and the Recovery Rebate Credit Worksheet to figure your credit amount.

**Other taxpayer relief.** Recent legislation provided certain tax-related benefits, including the following.

- Election to use your 2019 earned income to figure your 2020 earned income credit. See the instructions for line 27 for more information on this election.
- Election to use your 2019 earned income to figure your 2020 additional child tax credit. See the instructions for line 28 and the Instructions for Schedule 8812 for more information on this election.
- Educator expenses include amounts paid or incurred after March 12, 2020, for personal protective equipment, disinfectant, and other supplies used for the prevention of the spread of coronavirus. See the instructions for Schedule 1, line 10, later.
- If you were impacted by certain federally declared disasters, special rules may apply to distributions from your IRA, profit-sharing plan, or retirement plan. See Pubs. 590-B and 575 for details.

**Form 1040-NR revision.** Form 1040-NR has been revised to more closely follow the format of Forms 1040 and 1040-SR. Beginning in 2020, Form 1040-NR will use Schedules 1, 2, and 3.

**Estimated tax payments now reported on line 26.** In 2019, estimated tax payments and any amount applied from your previous year's return were reported on Schedule 3, line 8. In 2020, these payments will be reported on Form 1040 or 1040-SR, line 26.

**Charitable contributions.** If you don't itemize your deductions on Schedule A (Form 1040), you may qualify to take a deduction for charitable contributions on line 10b. See the instructions for line 10b for more information and to find out how much of a deduction you can take.

**Standard deduction amount increased.** For 2020, the standard deduction amount has been increased for all filers. The amounts are:

- Single or Married filing separately—\$12,400.
- Married filing jointly or Qualifying widow(er)—\$24,800.
- Head of household—\$18,650.

**Virtual currency.** If, in 2020, you engaged in a transaction involving virtual currency, you will need to answer the question on page 1 of Form 1040 or 1040-SR. See *Virtual Currency*, later. In 2019, this question was on Schedule 1.

**Deductible IRA contributions.** You no longer need to be younger than age 70½ to take a deduction for your contributions to an IRA. See the instructions for Schedule 1, line 19.

**Coronavirus tax relief for certain individuals.** The Coronavirus Aid, Relief, and Economic Security (CARES) Act permits certain individuals who file Schedule SE or Schedule H to defer the payment of 50% of the social security tax imposed for the period beginning on March 27, 2020, and ending December 31, 2020. For more information, see the instructions for Schedule SE or Schedule H. For information on reporting the deferral, see the instructions for Schedule 3, line 12e.

**Credits for sick and family leave for certain self-employed individuals.** The Families First Coronavirus Relief Act (FFCRA) helps self-employed individuals affected by coronavirus by providing paid sick leave and paid family leave credits equivalent to those that employers are required to provide their employees for qualified sick leave wages and qualified family leave wages paid during the period beginning April 1, 2020, and ending December 31, 2020. For more information, see the instructions for Form 7202 and Schedule 3, line 12b.

**Form 1040-X, Amended U.S. Individual Income Tax Return.** The IRS has started to accept electronically filed Forms 1040-X. Currently, only tax year 2019 Forms 1040 and 1040-SR can be amended electronically. Additional improvements are planned for the future. You can still file a paper Form 1040-X and should follow the instructions for preparing and submitting the paper form. For more information, see [IRS.gov/Form1040X](https://www.irs.gov/Form1040X).

**Schedule LEP (Form 1040), Request for Change in Language Preference.** Schedule LEP is a new form that allows taxpayers to state a preference to receive written communications from the IRS in a language other than English. For more information, including what languages are available and how to file, see Schedule LEP.

**Schedule D Tax Worksheet.** If you are filing Form 4952 and you have an amount on line 4e or 4g, you must use the Schedule D Tax Worksheet in the Instructions for Schedule D to figure your tax, even if you don't need to file Schedule D. See the instructions for line 16 later and the Instructions for Schedule D.