
What's New

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 payment. Any economic impact payment you received is not taxable for federal income tax purposes but reduces your recovery rebate credit.

Recovery rebate credit. This credit is figured like last year's economic impact payment, except the amounts are based on tax year 2020, instead of tax year 2019 (or tax year 2018 if tax year 2019 information was not available). The maximum credit is \$1,200 (\$2,400 if married filing jointly) plus \$500 for each qualifying child. See the instructions for line 30.

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 of up to \$300. See the instructions for line 10b.

Standard deduction amount increased. For 2020, the standard deduc-

tion 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 indi-

viduals 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. Starting last summer, taxpayers were able to file their Form 1040-X electronically using available tax software products. The electronic Form 1040-X will be implemented in phases. During the first phase, only tax year 2019 Forms 1040 and 1040-SR returns can be amended electronically. Taxpayers will still have the option to submit a paper version of the Form 1040-X and should follow the instructions for preparing and submitting the paper form.

Schedule LEP (Form 1040). 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.