

About Refund Offsets

The Department of Treasury's Financial Management Service (FMS), which issues IRS tax refunds, has been authorized by Congress to conduct the Treasury Offset Program. Through this program, a taxpayer's refund or overpayment may be reduced or "offset" to pay other types of debt in addition to past-due federal taxes. These include:

- Past-due child support
- Federal agency non-tax debts
- State income tax obligations
- Certain unemployment compensation debts owed to a state

If a client does not receive their expected refund, they may make a refund offset inquiry by calling the IRS Financial Management System at (800) 304-3107.

Can a taxpayer receive a tax refund if they are currently making payments under an installment agreement or payment plan for another federal tax period?

No, one of the conditions of the installment agreement is that the IRS will automatically apply any refund due to the taxpayer against the balance they owe. Because the refund isn't applied toward a taxpayer's regular monthly payment, they should continue making installment agreement payments as scheduled.

If the refund exceeds the total balance due on all outstanding liabilities including accruals, and if the taxpayer doesn't owe certain past-due amounts (such as federal tax, state tax, a student loan, or child support), they will receive a refund of the balance remaining once all debts have been paid.

For more information on these non-IRS refund offsets, you can call the Bureau of the Fiscal Service (BFS) at 800-304-3107 (toll-free).

For more information about offsets of Economic Impact Payments (EIPs), see [When is EIP/RRC Offset for Child Support/Debts?](#)