

## Information about EIPs and Recovery Rebate Credit offsets

Was the **first Economic Impact Payment** offset to pay past-due child support and other federal or state debts?

It was only offset to pay child support. (However, tax refunds paid under the Internal Revenue Code, including the first Economic Impact Payment, are not protected from federal or state offsets or from garnishment by creditors once the proceeds are deposited into an individual's bank account.)

Was the **second Economic Impact Payment** offset to pay past-due child support and other federal or state debts?

No.

If an individual did not receive the full amount for the first and second Economic Impact Payments, will the **Recovery Rebate Credit** claimed on the 2020 tax return be offset to pay past-due child support or other federal or state debts?

*The answer to this question has changed.*

**Initial answer:** Unlike the advance payments issued, the credit claimed on a 2020 tax return *will* be reduced to pay certain outstanding debts, including child support and other federal and state obligations.

**Answer reflected on [Taxpayer Advocate blog](#) on 3/15/21:** The IRS has agreed to use its discretion to refrain from offsetting the Recovery Rebate Credit to satisfy federal tax debts. It has committed to doing so as quickly as practical. However, that is not a complete solution for two reasons. First, federal tax offsets will have already been made for taxpayers who file their returns before the IRS can implement this programming fix. Second, this change will not affect most categories of mandatory offset. Under IRC § 6402, the IRS only has discretion to refrain from offsetting overpayments to satisfy federal tax debts. It is *required* to offset refunds to satisfy numerous other categories of debt, including state tax debts, overpayments of unemployment insurance benefits, and overpayments of certain federal benefits.

Will the **third Economic Impact Payment** be offset to pay past-due child support, federal tax liability, federal or state debts, or if the taxpayer has a payment agreement with the IRS?

No.