

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.317.4000

www.IRS.gov/newsroom

Public Contact: 800.829.1040

Wrongful-Incarceration Exclusion Reminder: Dec. 19 is Deadline for Many Older Refund Claims; Use Special Address for All Back-Year Claims

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WASHINGTON -- The Internal Revenue Service today reminded wrongfully-incarcerated taxpayers, wishing to take advantage of the special retroactive tax exclusion now available to them, that in many cases, they must file their refund claims by Dec. 19.

This income tax exclusion applies to any civil damages, restitution or other monetary award received in connection with a taxpayer's incarceration. The wrongful-incarceration exclusion was included in the Protecting Americans from Tax Hikes (PATH) Act enacted last December.

This legislation provides a special one-year window during which an eligible wrongfully-incarcerated individual can file a refund claim based on any civil damages, restitution or other monetary award received and reported in a prior tax year, even if the normal statute of limitations had already expired for that year. Without this special provision, refund claims for tax-years 2012 and earlier would be barred in most cases. The deadline for mailing a claim under this special rule is Dec. 19, 2016.

Taxpayers who in the past received payments related to their wrongful incarceration and included those payments in taxable income can file a refund claim for any income tax paid. To do this, eligible taxpayers must file [Form 1040X](#) for each year these payments were reported and write "Incarceration Exclusion PATH Act" at the top of each Form 1040X they submit.

To ensure efficient, consistent processing, the IRS has established a special filing address for amended returns claiming the wrongful-incarceration exclusion. Send these Forms 1040X, along with any supplemental documentation, to:

Internal Revenue Service
333 W. Pershing,
Stop 6503 5th Floor,
Kansas City, MO 64108.

Allow up to 16 weeks for processing. In most cases, taxpayers can then use the [Where's My Amended Return?](#) application on IRS.gov to track the status of their refund claims.

Under the new law, there are no reporting requirements for receipt of an award qualifying for the wrongful-incarceration exclusion. This means for the year an award is received, recipients need not report the award on their return ([Form 1040](#)) or submit any documentation to the IRS.

A set of [frequently-asked questions](#), available on IRS.gov, provides further details on who qualifies for the exclusion, payments that qualify and the documentation and recordkeeping requirements that apply.