



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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The Honorable Danny K. Davis  
U.S. House of Representatives  
Washington, DC 20515

Attention:

Dear Representative Davis:

I am responding to your inquiry dated May 12, 2020, addressed to IRS Commissioner Rettig and Treasury Secretary Mnuchin, on behalf of several youth organizations. You expressed your concerns about Economic Impact Payments (EIPs) for homeless and other vulnerable young adults who were claimed as dependents on tax returns in prior years, but who will not be dependents in 2020. You asked the IRS to adopt expedited procedures so these individuals, who did not receive an EIP because of dependent status, can now receive a payment.

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) allows a refundable credit for 2020 for eligible individuals to help with financial difficulties the COVID-19 pandemic caused. To provide immediate assistance, the CARES Act authorizes the IRS to issue EIPs to eligible individuals as an advance of the refundable credit. However, under the law, an individual who can be claimed as a dependent by another taxpayer is not eligible for this refundable credit or an EIP.

Generally, an individual's eligibility for an EIP depends on the information reported on the individual's 2019 tax return, or the 2018 return if he or she did not file a 2019 return. Therefore, if a taxpayer claimed an individual as a dependent for 2019, the individual dependent will not qualify for an EIP. If that individual no longer qualifies as another

taxpayer's dependent for the 2020 tax year, the individual must file a return for 2020 and claim the credit, if otherwise eligible.

While the Department of the Treasury and the IRS are actively working to issue EIPs to all eligible individuals, we would need additional legislation to allow us to issue a payment to an individual claimed as a dependent on a 2019 return, even if that individual will not be a dependent in 2020. In addition, we generally will not know whether an individual will be claimed as a dependent for 2020 until 2021, when we receive tax returns for 2020.

For more information, visit the [Economic Impact Payment Information Center](#) on our website at [www.irs.gov](http://www.irs.gov). It includes questions and answers about eligibility, payment amounts, what to expect, and when to expect it.

I hope this information is helpful. If you have additional questions, please feel free to contact me or \_\_\_\_\_ at \_\_\_\_\_.

Sincerely,

Angella L. Warren  
Chief, Branch 4  
Office of Associate Chief Counsel  
(Income Tax and Accounting)