

Advance Child Tax Credit Payments

The American Rescue Plan Act of 2021 was signed into law on 3/11/2021. The act authorizes Advance Child Tax Credit payments, which are early payments from the IRS of 50% of the estimated amount of the Child Tax Credit that filers may properly claim on their tax return during the 2022 tax filing season. The act **DID** exempt the advance payments from federal offset and **DID NOT** exempt any remaining Child Tax Credit amounts included in a refund from a 2021 tax return.

Economic Impact Payments

ROUND 1: CARES ACT (03/27/2020)

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which, among other things, authorizes economic impact payments (also referred to as “stimulus payments” or “recovery rebate payments”) to eligible individuals. In the federal stimulus bill, the CARES Act, Congress **DID NOT** exempt the stimulus rebate payments from federal offset for past due child support.

ROUND 2: CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT OF 2021 (12/27/2020)

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021, which was signed into law on December 27, 2020, authorizes an additional round of Economic Impact Payments to eligible individuals. In the federal stimulus bill, Congress **DID** exempt the stimulus rebate payments from federal offset for past due child support.

ROUND 3: AMERICAN RESCUE PLAN ACT OF 2021 (03/11/2021)

The American Rescue Plan Act of 2021, which was signed into law on March 11, 2021, authorizes an additional round of Economic Impact Payments to eligible individuals. In the federal stimulus bill, Congress **DID** exempt the stimulus rebate payments from federal offset for past due child support.

RECOVERY REBATE CREDIT

The Recovery Rebate Credit is authorized by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act and the COVID-related Tax Relief Act. The Recovery Rebate Credit was eligible to be paid in two rounds of advance payments during 2020 and 2021. These advanced payments of the Recovery Rebate Credit are referred to as Economic Impact Payments.

FREQUENTLY ASKED QUESTIONS

Up-to-date FAQs can be found on the IRS site at: <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>, www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know, [Recovery Rebate Credit Frequently Asked Questions | Internal Revenue Service \(irs.gov\)](#), the treasury site at: <https://fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html>.

Listed below, are questions commonly asked regarding Economic Impact Payments and the child support program. Certain answers are split based on the bill, as the answers may vary.

More information about the IRS Offset program for the collection of past due child support can be found after the FAQs.

	Question	Round 1: (CARES Act 03/27/2020)	Round 2 and 3: (Coronavirus Response and Relief Supplemental Appropriations Act 2021 & American Rescue Plan Act 2021)
1.	Will my Economic Impact Payment be intercepted to pay past due child support?	Yes. Federal law requires child support agencies to have procedures to collect past due child support from federal tax refunds. In the federal stimulus bill, the CARES Act, Congress did not exempt the stimulus rebate payments from federal offset for past due child support.	No. The second and third round of Economic Impact Payments are not subject to offset for past due child support.
2.	How much of my Economic Impact Payment can be offset to satisfy my delinquent child support debt?	Your entire economic impact payment can be offset, up to the amount of your child support debt.	N/A
3.	If I owe child support, will I be notified that my Economic Impact Payment is going to be applied to my child support arrearage balance?	Yes. You were sent a notice when your case was initially submitted for federal tax refund offset. The federal government should send an offset notice to you when your economic impact payment has been intercepted. The notice will tell you that your stimulus rebate payment has been applied to your child support debt.	N/A
4.	How long will it take for the offset to apply to my child support debt?	If the last return was not joint, the refunds may take up to six weeks from the date of the offset notice to the date the collection is posted to the child support case. If an offset involves a joint federal return, all or part of the refund can be automatically held for six months or more to allow time for the current spouse to file an injured spouse claim or for the IRS to automatically reverse the spouse's portion that was sent to child support.	N/A
5.	How do I know if my Economic Impact Stimulus payment has been posted to my child support case?	Customers can view all payments received on their case in Ohio's Child Support Customer Service Web Portal. For more information on the web portal, and how to register, please visit: http://jfs.ohio.gov/Ocs/CustServWebPortalWelcome2.stm	

<p>6. How do I know how much past due child support I owe?</p>	<p>Customers can view past due child support information in Ohio’s Child Support Customer Service Web Portal. For more information on the web portal, and how to register, please visit: http://jfs.ohio.gov/Ocs/CustServWebPortalWelcome2.stm</p>
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Question	Round 1: (CARES Act 03/27/2020)	Round 2 and 3: (Coronavirus Response and Relief Supplemental Appropriations Act 2021 & American Rescue Plan Act 2021)
	<p>Customers can also contact their local county child support agency. A directory of all Ohio County Child Support Agencies can be found at: http://jfs.ohio.gov/County/County_Directory.pdf</p>	
<p>7. I don’t believe I have a delinquent child support debt. Who can I call to check?</p>	<p>If you have questions regarding whether you owe a child support debt that has been referred to TOP, you can call the TOP Interactive Voice Response (IVR) system at 800-304-3107. If you believe your payment was intercepted in error or have questions on the past due child support you owe, please contact your county child support agency. A directory of all Ohio County Child Support Agencies can be found at: http://jfs.ohio.gov/County/County_Directory.pdf</p>	
<p>8. Government Debts: Will the Recovery Rebate Credit offset debts I owe to other government agencies (including child support)?</p>	<p>The IRS Recovery Rebate Credit Frequently Asked Questions Page states that these credits can be offset for government debts to the extent that you have an overpayment of your 2020 income tax liability. The Recovery Rebate Credit can be reduced to pay debts owed to Federal or state agencies.</p>	

<p>9. What if my spouse is the person responsible for paying child support but my Economic Impact Payment is being intercepted?</p>	<p>Half of the total economic impact payment should be sent to each spouse; however, the spouse who owes child support debt would have their economic impact payment offset for past-due child support.</p> <p>For example, if the couple were eligible for \$2,400 and the injured spouse had filed a claim against the 2019 tax return, the injured spouse should receive \$1,200 and the noncustodial parent offset for \$1,200. Another example is if an economic impact payment includes a child credit, which is also eligible for offset. If the couple were eligible for \$2,900 (joint amount at \$2400 + 1 child at \$500), the injured spouse should receive \$1,450 with the remaining \$1,450 offset. Please see: https://www.irs.gov/coronavirus/economic-impactpayment-information-center</p> <p>For spouses who did not file an injured spouse claim, the IRS has reported that the non-obligated spouse will receive their portion of the stimulus payment automatically. No injured spouse claim will need to be filed at this time. Additional information can be found at: https://www.irs.gov/newsroom/economic-impact-paymentinformation-center-receiving-my-payment</p>	<p>N/A</p>
<p>10. What if my spouse filed an injured spouse claim with</p>	<p>The IRS is aware that in some instances a portion of the payment due to a spouse who filed an injured spouse claim with his or her 2019 tax</p>	<p>N/A</p>
<p>Question</p>	<p>Round 1: (CARES Act 03/27/2020)</p>	<p>Round 2 and 3: (Coronavirus Response and Relief Supplemental Appropriations Act 2021 & American Rescue Plan Act 2021)</p>

<p>our 2018 or 2019 federal tax returns but his/her portion of the Economic Impact Payment was still offset?</p>	<p>return (or 2018 tax return if no 2019 tax return has been filed) has been offset by the non-injured spouse’s past-due child support. The IRS is working with the Bureau of Fiscal Service and the U.S. Department of Health and Human Services, Office of Child Support Enforcement, to resolve this issue as quickly as possible. If you filed an injured spouse claim with your return and are impacted by this issue, you do not need to take any action. The injured spouse will receive their unpaid half of the total payment when the issue is resolved.</p> <p>The IRS published IR-2020-192, “IRS: 50,000 Spouses to Get Catchup Economic Impact Payments” on August 25, 2020, providing additional detail directed to unobligated spouses affected by the injured spouse issue.</p>	
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IRS Offset for the Collection of Past Due Child Support

Enacted by Congress, the Federal Income Tax Refund Offset Program intercepts federal tax refunds of noncustodial parents who owe past-due support. When Treasury processes tax refunds, it identifies those who owe past-due support and intercepts all or part of the tax refund. Treasury forwards the intercepted or offset funds to the state child support agencies to pay the past-due support.

At the time of the Federal Tax Refund Offset, Treasury’s Bureau of the Fiscal Service mails a Notice of Offset to the noncustodial parent stating that all or part of their federal tax refund has been intercepted because of the support debt. The notice explains to contact the local child support agency for further information. The state that submitted the case typically receives money from a tax refund offset within two to three weeks. If the tax refund offset is from a jointly filed tax return, the state may hold the money for up to six months before disbursing.

Eligibility

A noncustodial parent’s return is subject to offset:

- If TANF has been received for your child and the total amount of past due support on all your child support cases must be at least \$150
- If TANF has not been received for your child, the total amount of past due support on all your child support cases must be at least \$500

Authority

26 U.S. Code § 6402 provides the authority to make credits or refunds under General Rule, subsection C:

(a) GENERAL RULE

In the case of any overpayment, the Secretary, within the applicable period of limitations, may credit the amount of such overpayment, including any interest allowed thereon, against any liability in respect of an internal revenue tax on the part of the person who made the overpayment and shall, subject to subsections (c), (d), (e), and (f)¹, refund any balance to such person.

(c) OFFSET OF PAST-DUE SUPPORT AGAINST OVERPAYMENTS

The amount of any overpayment to be refunded to the person making the overpayment shall be reduced by the amount of any past-due support (as defined in section 464(c) of the Social Security Act) owed by that person of which the Secretary has been notified by a State in accordance with section 464 of such Act. The Secretary shall remit the amount by which the overpayment is so reduced to the State collecting such support and notify the person making the overpayment that so much of the overpayment as was necessary to satisfy his obligation for past-due support has been paid to the State. The Secretary shall apply a reduction under this subsection first to an amount certified by the State as past due support under section 464 of the Social Security Act before any other reductions allowed by law. This subsection shall be applied to an overpayment prior to its being credited to a person's future liability for an internal revenue tax.

Frequently Asked Questions

Answers to commonly asked questions can be found at: <http://ifs.ohio.gov/Ocs/OCSFAQs.stm#19>

¹ Additional offsets include: (d) COLLECTION OF DEBTS OWED TO FEDERAL AGENCIES, (e) COLLECTION OF PAST-DUE, LEGALLY ENFORCEABLE STATE INCOME TAX OBLIGATIONS, (f) COLLECTION OF UNEMPLOYMENT COMPENSATION DEBTS