

Re: Economic Impact Payments to Incarcerated Persons

Dear Prison Official:

We are writing to update you about the distribution of Economic Impact Payments (EIPs) to incarcerated persons under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020). A federal trial court in California has held that the Internal Revenue Service cannot deny an EIP to an individual solely because he or she is incarcerated; the U.S. government has filed a notice of appeal of that decision. The court also ordered us to send this letter to you, along with the enclosed legal notice and sample tax returns with instructions.

Incarcerated individuals may now register for the EIP so that they are able to receive a payment if they meet the other eligibility criteria. The enclosed notice contains additional information about that process. At the court's direction, we retract any prior instruction you received from us to intercept and return EIPs sent to incarcerated individuals. Under the court's order, incarcerated persons should be permitted to submit claim forms and receive payments sent by the IRS.

We urge you to prominently post and distribute copies of the enclosed notice, Form 1040, and instructions for those forms to incarcerated persons as expeditiously as possible.

Sincerely,

Internal Revenue Service

Instructions for filing Simplified Form 1040 for purposes of obtaining an Economic Impact Payment

Use these instructions to complete a simplified paper tax return for 2019 for purposes of registering with the IRS for an **economic impact payment (EIP)** under the CARES Act. Pursuant to a court order entered by a court in Scholl v. Mnuchin, No. 20-cv-05309 (N.D. Cal. Oct. 7, 2020), you may register for the EIP by mailing a return that follows these instructions to the IRS no later than **Friday, October 30, 2020**. Alternatively, if you have access to the internet, you may enter your information on the "Non-Filers: Enter Payment Info Here" tool at www.irs.gov/EIP by **Saturday, November 21, 2020**.

You may use this simplified return filing procedure to request an EIP only if all of the following are true:

1. You are a U.S. Citizen or resident alien,
2. You could not be claimed as a dependent on another person's tax return,
3. You have a Social Security Number (SSN) that is valid for employment in the United States and was issued before July 15, 2020, and
4. Your income is less than \$12,200 (\$24,400 if you're married and filing jointly).

Once you complete and sign the return, mail it to the following address: **IRS, Austin, TX 73301-0003**.

Instructions

- (1) Enter only the information described in these instructions on your Form 1040 or Form 1040-SR.
- (2) Write "EIP2020" on the top of your form if it is not already printed there.

Filing Status Section

- (3) Check the filing status that applies to you as of December 31, 2019.
- (4) Enter your name, mailing address, and SSN, and the name and SSN of your spouse if filing a joint return. If you or your spouse was a member of the U.S. Armed Forces at any time during 2019, you may enter an SSN for one spouse and either an SSN or an IRS individual taxpayer identification number (that is, an ITIN) for the other spouse.

Standard Deduction Section

- (5) Check any of the boxes that apply to you (and your spouse if filing a joint return). Remember that if someone else can claim you as a dependent on their taxes, you don't qualify for an EIP.
- (6) If applicable, provide information regarding each of your children who qualify for the EIP. Your child only qualifies for a payment if the child was age 16 or younger on December 31, 2019, and lived with you for more than half of 2019. For each child, provide the name, SSN or Adoption Taxpayer Identification Number (ATIN), and relationship to you. Check the "Child tax credit" box in Column (4) for each child with an SSN. Check the "Credit for other dependents" box for each child with an ATIN.

Income and Tax sections (Lines 1-11)

- (7) Enter \$1 on lines 2b, 7b, and 8b.
- (8) Enter \$0.00 on line 11b.
- (9) Leave every other line in this section blank.

Refund section

- (10) If you want your payment deposited directly into your bank, put your bank account information in lines 21b through 21d. The account must be in the name of the filer who is receiving the EIP.
- (11) If you do not enter bank information, we will mail a check to the address you provided on the form.

Sign Here section

- (12) Sign your name. If you are married and filing jointly, your spouse needs to sign too. By signing, you are saying that everything on the form is true, and you will face a penalty if you have lied.
- (13) If you have an identity protection personal identification number (also called an IP PIN), enter it. If you don't have an IP PIN, you can leave that space blank.
- (14) In addition, you may enter the identifying information of any third-party designee, if applicable.

LEGAL NOTICE

A federal court ordered this notice. It is not an advertisement.

You are receiving this notice because a federal court has ordered that the IRS may not deny CARES Act Economic Impact Payments to anyone solely because they are incarcerated. If you were incarcerated at any point in 2020, the IRS may not have sent you a payment, and you may need to take action by October 30, 2020 to receive a payment if you are eligible.

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act,” “Act”). The Act provides emergency relief to eligible individuals in the form of a tax credit for 2020. The Act instructs the IRS to issue advance refunds of 2020 recovery rebate credits to eligible individuals as rapidly as possible, but no later than December 31, 2020.

The IRS has taken the position that people who are incarcerated are not eligible for advance refunds. On September 24, 2020, a federal court ruled that the IRS’s position was likely unlawful. The case is *Scholl v. Mnuchin*, No. 4:20-cv-5309-PJH (N.D. Cal.), *appeal docketed*, No. 20-16915 (9th Cir.). The court ordered the IRS to stop denying payments to people solely because they are incarcerated and ordered the IRS by October 24, 2020 to reconsider making advance refund payments to people who previously filed a 2018 or 2019 tax return or submitted their information through the non-filers portal but did not receive one because they were incarcerated. On October 7, 2020, the court further ordered the IRS to take other actions, including extending the deadline to register for an advance payment on paper from October 15, 2020, to October 30, 2020.

Who is eligible for an Economic Impact Payment? Under the Order and CARES Act (as interpreted by the Order), you are eligible if all of the following are true: (1) You are a U.S. Citizen or resident alien; (2) You were not claimed as a dependent on another person’s tax return; and, (3) You have a Social Security Number that is valid for employment in the United States. If you are married and file a joint return, you and your spouse must both have a valid Social Security Number. Only one spouse must have a Social Security Number if you or your spouse served in the Armed Forces in 2019.

If I am eligible, how much will my payment be? If you meet the criteria above, your payment will be up to \$1,200 (or \$2,400 if you filed jointly a joint return with your spouse), plus up to \$500 per qualifying child. Your payment will be reduced by 5% of income you received in 2018 or 2019 above: \$150,000 for joint filers, \$112,500 for a head of household, and \$75,000 in all other cases. To issue the advance payment, the IRS will look to information you submitted on a 2019 tax return, a 2018 tax return, certain Federal benefits information (if applicable), or information you submitted on the Non-Filers portal or on a simplified tax return to obtain an advance payment.

What do I need to do to receive a payment?

If you filed a 2018 or 2019 tax return, received Social Security Benefits or Railroad Retirement Benefits in 2019, or previously registered with the IRS through the Non-Filers portal or otherwise to receive a payment, you do not need to take any action and should receive an automatic payment in the mail or by direct deposit, absent legal developments otherwise (such as a potential reversal of the Order on appeal).

If you did not file a 2018 or 2019 tax return and your income was below \$12,200 (or \$24,400 if filing a joint return), but you are an eligible individual as defined above, you must take action quickly to receive an advance payment.

If you have access to the Internet, you can enter information about yourself to register for an advance payment at the following URL by November 21, 2020: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>.

If you do not have access to the Internet, you can register for an advance payment by mailing a Form 1040 to the IRS by October 30, 2020, using abbreviated procedures at the following URL: <https://www.irs.gov/newsroom/file-a-simplified-paper-tax-return>. Mail the Form 1040 submitted under the abbreviated procedures to the following address: **IRS, Austin, TX 73301-0003**.

If you do not meet these deadlines, the IRS may not be able to process your information and issue an advance refund by the end of the year.

If you do not meet these current deadlines, the IRS may not be able to process your claim and issue an advance refund before the end of the year. If you do not file a timely claim, you may not be able to receive a payment unless and until you file a tax return using the Form 1040, *U.S. Individual Income Tax Return* for the 2020 tax year. This form can be filed electronically or by mail when the tax filing season begins in 2021. The IRS has not yet determined whether a simpler process will be available in 2021 for people who are exempt from tax filing requirements. To potentially receive a payment before next year, you should file a claim before the deadlines above.

If you have any question about the payment, call the IRS EIP hotline at (800) 919-9835.

Filing Status

Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)

Check only one box.

If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial	Last name	Your social security number
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign country name	Foreign province/state/county	Foreign postal code
		If more than four dependents, see instructions and ✓ here <input type="checkbox"/>

Standard Deduction

Someone can claim: You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

You: Were born before January 2, 1955 Are blind **Spouse:** Was born before January 2, 1955 Is blind

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see instructions):	
				Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Standard Deduction for—
• Single or Married filing separately, \$12,200
• Married filing jointly or Qualifying widow(er), \$24,400
• Head of household, \$18,350
• If you checked any box under *Standard Deduction*, see instructions.

1	Wages, salaries, tips, etc. Attach Form(s) W-2			1	
2a	Tax-exempt interest	2a		b	Taxable interest. Attach Sch. B if required
3a	Qualified dividends	3a		b	Ordinary dividends. Attach Sch. B if required
4a	IRA distributions	4a		b	Taxable amount
c	Pensions and annuities	4c		d	Taxable amount
5a	Social security benefits	5a		b	Taxable amount
6	Capital gain or (loss). Attach Schedule D if required. If not required, check here			6	<input type="checkbox"/>
7a	Other income from Schedule 1, line 9			7a	
b	Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income			7b	
8a	Adjustments to income from Schedule 1, line 22			8a	
b	Subtract line 8a from line 7b. This is your adjusted gross income			8b	
9	Standard deduction or itemized deductions (from Schedule A)	9			
10	Qualified business income deduction. Attach Form 8995 or Form 8995-A	10			
11a	Add lines 9 and 10			11a	
b	Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-			11b	

12a	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	12a	
b	Add Schedule 2, line 3, and line 12a and enter the total	12b	
13a	Child tax credit or credit for other dependents	13a	
b	Add Schedule 3, line 7, and line 13a and enter the total	13b	
14	Subtract line 13b from line 12b. If zero or less, enter -0-	14	
15	Other taxes, including self-employment tax, from Schedule 2, line 10	15	
16	Add lines 14 and 15. This is your total tax	16	
17	Federal income tax withheld from Forms W-2 and 1099	17	
18	Other payments and refundable credits:		
a	Earned income credit (EIC)	18a	
b	Additional child tax credit. Attach Schedule 8812	18b	
c	American opportunity credit from Form 8863, line 8	18c	
d	Schedule 3, line 14	18d	
e	Add lines 18a through 18d. These are your total other payments and refundable credits	18e	
19	Add lines 17 and 18e. These are your total payments	19	

• If you have a qualifying child, attach Sch. EIC.
 • If you have nontaxable combat pay, see instructions.

Refund

Direct deposit?
See instructions.

20	If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you overpaid	20	
21a	Amount of line 20 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	21a	
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
22	Amount of line 20 you want applied to your 2020 estimated tax	22	

Amount You Owe

23	Amount you owe. Subtract line 19 from line 16. For details on how to pay, see instructions	23	
24	Estimated tax penalty (see instructions)	24	

Third Party Designee

(Other than paid preparer)

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. Yes. Complete below. No

Designee's name	Phone no.	Personal identification number (PIN)
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Sign Here

Joint return?
See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name	Phone no.		Firm's EIN	
Firm's address				

Filing Status Single Married filing jointly Married filing separately (MFS)
 Head of household (HOH) Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial	Last name	Your social security number
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign country name	Foreign province/state/county	Foreign postal code
If more than four dependents, see inst. and ✓ here ▶ <input type="checkbox"/>		

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** Were born before January 2, 1955 Are blind
Spouse: Was born before January 2, 1955 Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Attach Schedule B if required.	1 Wages, salaries, tips, etc. Attach Form(s) W-2	1
	2a Tax-exempt interest	2a
	3a Qualified dividends	3a
	4a IRA distributions	4a
	c Pensions and annuities	4c
5a Social security benefits	5a	
6 Capital gain or (loss). Attach Schedule D if required. If not required, check here . ▶ <input type="checkbox"/>	6	
7a Other income from Schedule 1, line 9	7a	
b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income ▶	7b	
8a Adjustments to income from Schedule 1, line 22	8a	
b Subtract line 8a from line 7b. This is your adjusted gross income ▶	8b	
9 Standard deduction or itemized deductions (from Schedule A)	9	
10 Qualified business income deduction. Attach Form 8995 or Form 8995-A	10	
11a Add lines 9 and 10	11a	
b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0- . . . ▶	11b	

Standard Deduction Chart*

Add the number of boxes checked in the "Age/Blindness" section of <i>Standard Deduction</i> . . . ▶					
IF your filing status is . . .	AND the number of boxes checked is . . .	THEN your standard deduction is . . .	IF your filing status is . . .	AND the number of boxes checked is . . .	THEN your standard deduction is . . .
Single	1	13,850	Head of household	1	20,000
	2	15,500		2	21,650
Married filing jointly or Qualifying widow(er)	1	25,700	Married filing separately	1	13,500
	2	27,000		2	14,800
	3	28,300		3	16,100
	4	29,600		4	17,400

* Don't use this chart if someone can claim you (or your spouse if filing jointly) as a dependent, your spouse itemizes on a separate return, or you were a dual-status alien. Instead, see instructions.

12a Tax (see instructions). Check if any from:

1 Form(s) 8814 2 Form 4972 3 12a

b Add Schedule 2, line 3, and line 12a and enter the total 12b

13a Child tax credit or credit for other dependents 13a

b Add Schedule 3, line 7, and line 13a and enter the total 13b

14 Subtract line 13b from line 12b. If zero or less, enter -0- 14

15 Other taxes, including self-employment tax, from Schedule 2, line 10 15

16 Add lines 14 and 15. This is your total tax 16

17 Federal income tax withheld from Forms W-2 and 1099 17

18 Other payments and refundable credits:

- If you have a qualifying child, attach Sch. EIC.
• If you have nontaxable combat pay, see instructions.

a Earned income credit (EIC) 18a

b Additional child tax credit. Attach Schedule 8812 18b

c American opportunity credit from Form 8863, line 8 18c

d Schedule 3, line 14 18d

e Add lines 18a through 18d. These are your total other payments and refundable credits 18e

19 Add lines 17 and 18e. These are your total payments 19

Refund

20 If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you overpaid 20

21a Amount of line 20 you want refunded to you. If Form 8888 is attached, check here 21a

Direct deposit? See instructions.

b Routing number c Type: Checking Savings

d Account number

22 Amount of line 20 you want applied to your 2020 estimated tax 22

Amount You Owe

23 Amount you owe. Subtract line 19 from line 16. For details on how to pay, see instructions 23

24 Estimated tax penalty (see instructions) 24

Third Party Designee

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. Yes. Complete below. No

Designee's name Phone no. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature Date Your occupation If the IRS sent you an Identity Protection PIN, enter it here
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent your spouse an Identity Protection PIN, enter it here

Phone no. Email address

Paid Preparer Use Only

Preparer's name Preparer's signature Date PTIN Check if: 3rd Party Designee Self-employed
Firm's name Phone no.
Firm's address Firm's EIN