



ASSISTANT SECRETARY
FOR LEGISLATIVE AFFAIRS

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

May 11, 2022

The Honorable Ted Budd
U.S. House of Representatives
Washington, DC 20515

Dear Representative Budd:

I write in reply to your January 11, 2022 and April 13, 2022 letters requesting that the Department of the Treasury (Treasury Department) provide certain information regarding Economic Impact Payments.

The permanent injunction entered in Scholl v. Mnuchin,¹ prohibited Treasury and the Internal Revenue Service (IRS) from withholding Economic Impact Payments solely on the basis of incarcerated status, and required Treasury and IRS to reconsider payments that had been withheld and claims that had been denied solely on the basis of incarcerated status. This resulted in the disbursement of Economic Impact Payments to incarcerated individuals who satisfied all applicable eligibility requirements. The IRS began to disburse these payments beginning on October 30, 2020.

Pursuant to section 6428(f)(3)(A) of the Internal Revenue Code,² the IRS was required to disburse all first-round Economic Impact Payments by December 31, 2020. If an eligible individual did not receive a first-round Economic Impact Payment by that date, the individual could claim the 2020 Recovery Rebate Credit on their federal income tax return for their 2020 taxable year.

We have provided below responses to each of the questions that you posed in your letter.

1. As of January 1, 2022, how many incarcerated individuals received Economic Impact Payments pursuant to the American Rescue Plan Act of 2021 (American Rescue Plan)?

Response: Third-round Economic Impact Payments were disbursed to the approximately 597,000 individuals who were incarcerated during the 2021 calendar year.

2. As of January 1, 2022, how much money did incarcerated individuals receive in Economic Impact Payments under the American Rescue Plan?

Response: Approximately \$863 million in third-round Economic Impact Payments were disbursed to the incarcerated individuals described in our Question 1 response.

¹ Scholl v. Mnuchin, 494 F.Supp.3d 661 (N.D. Cal. 2020).

² Section 6428 was added to the Internal Revenue Code by section 2201(a) of the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, 134 Stat. 281 (March 27, 2020).

3. Were these funds deposited into inmates' trust accounts or sent to third-parties (including family members)?

Response: The Treasury Department's Bureau of the Fiscal Service (Fiscal Service)—which disburses funds on behalf of the IRS—cannot fully answer this question.

A query for the period beginning on April 2020 and ending on the date of this letter identified approximately 62,000 Economic Impact Payment paper checks valued at \$74.6 million that were deposited in the Department of Justice's Federal Bureau of Prisons prisoner trust fund accounts. Fiscal Service is not aware of inmate trust fund deposit practices at the state level, so it cannot answer the question as far as it relates to state prisoners.

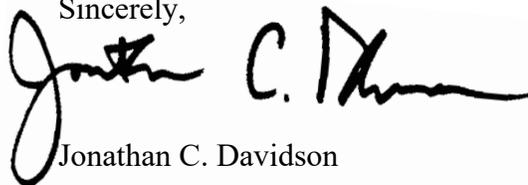
Finally, Fiscal Service disbursed third-round Economic Impact Payments to the payees identified by the IRS and it does not have access to data that would allow it to determine if a third-round Economic Impact Payment was disbursed to third-parties, including family members of an inmate.

4. Is the Treasury Department working with the Department of Justice to identify federal prisoners with outstanding criminal fines and restitution who received stimulus checks? If not, will your department commit to doing so?

Response: The Department of Justice generally refers restitution debts to Fiscal Service for collection by offset of eligible payments through Fiscal Service's Treasury Offset Program (TOP). Although the American Rescue Plan fully exempted third-round Economic Impact Payments from offset, Fiscal Service has reached out to the Department of Justice to determine if there is any assistance that Fiscal Service can provide.

If you have further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan C. Davidson". The signature is written in a cursive style with a large initial "J" and "C".

Jonathan C. Davidson

cc: The Honorable Charles P. Rettig