



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

April 16, 2021

The Honorable Margaret Wood Hassan  
United States Senate  
Washington, DC 20510

Dear Senator Hassan:

I write in reply to your letter dated April 1, 2021, requesting clarification that states have the authority to seize amounts paid in the third round of Economic Impact Payments (EIPs) to criminals in order to provide restitution to crime victims' families.

Treasury appreciates your interest in this issue. After a payment in the third round of EIPs is deposited into an individual's bank account, federal law does not protect that amount from state offsets or from garnishment by creditors. Therefore, to the extent permitted by applicable state and local law, amounts paid in the third round of EIPs may be subject to garnishment by state governments, local governments, or private creditors, as well as pursuant to a court order (which may include fines related to a crime, administrative court fees, restitution, and other court-ordered debts). We intend to communicate this clarification in the IRS's Frequently Asked Questions relating to the third round of EIPs.

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

Sincerely,

Aruna Kalyanam

Deputy Assistant Secretary for Tax and Budget  
Office of Legislative Affairs

Identical letter sent to:

cc: The Honorable Joe Manchin III