



**Barrier 1: Unaccompanied homeless youth will not receive stimulus payments because their parents claimed them as dependent on their tax returns.**

The CARES Act said "any individual with respect to whom a deduction under section 151 is allowable to another taxpayer" is not eligible for the Recovery Rebate. Unaccompanied homeless youth are not allowable as a deduction to their parents under the tax code, since their parents are not providing for their care. Nonetheless, there are at least 3 scenarios under which parents claimed unaccompanied homeless youth as dependents, when those youth now are unaccompanied homeless youth who are not residing with their parents and who are providing for their own support.

- a. Parents claimed the youth as dependents on their 2018 tax returns because at that time, the youth was living with them. However, since that time, the youth has become a homeless unaccompanied youth.
- b. Parents claimed the youth as dependents on their 2019 tax returns because for more than half of the year, the youth was living with them. After mid-year, the youth became a homeless unaccompanied youth.
- c. (Probably most common) Parents claimed the youth in 2018 or 2019 despite the youth not residing with them, and despite them not providing for the youth's support, either fraudulently or erroneously.

As a result of these situations, parents received a Recovery Rebate that should have been paid to the unaccompanied homeless youth.

In addition, many unaccompanied homeless youth are college students, who also are considered dependent on their parents until age 24. Unaccompanied homeless youth are automatically considered independent under the Higher Education Act, but that does not extend to IRS.

**Proposed solution:**

Statutory language or guidance from Treasury clarifying that unaccompanied homeless youth are eligible to receive stimulus payments regardless of whether their parents claimed them as dependent in 2018 or 2019. Unaccompanied homeless youth means any student at an institution of higher education who meets the definition of "independent" under 20 U.S.C. §1087vv(d)(1), and any unaccompanied homeless youth as defined in 42 U.S.C. §11434a(6).

Furthermore, requiring unaccompanied homeless youth to file a paper tax return to dispute the fraudulent or erroneous dependency claim on a parents' return, then wait for the IRS to investigate the discrepancy and make a determination, is a time-consuming and burdensome process. The IRS should provide an e-filing option (such as on its website) that allows

unaccompanied homeless youth to notify the IRS that the youth was improperly claimed as a dependent on someone else's return and expedite the process.

**Barrier 2: Unaccompanied homeless youth will not receive stimulus payments because they have not filed tax returns for 2018 or 2019 and are unknown to the IRS.**

**Proposed solutions:**

1. Identify options for inter-agency information-sharing to provide IRS with names, SS numbers and addresses of unaccompanied homeless youth. Options may include:
  - a. ED providing FAFSA information to IRS on students who identified as unaccompanied homeless youth for independent status per FAFSA
    - i. IRS already exchanges information with ED to process the FAFSA and expanding the items of information shared should be straightforward and easy to administer.
  - b. State child welfare and juvenile justice departments providing information to IRS about known unaccompanied homeless youth.
2. Provide a streamlined, free way for unaccompanied homeless youth to file 2019 tax returns on-line, quickly.
3. Provide an on-line registration site where unaccompanied homeless youth can provide their name, SS number, address/direct deposit information, and check a box as to their unaccompanied youth status, similar to FAFSA questions 55, 56, and 57 ([2020-2021 FAFSA](#)).<sup>1</sup>

**Barrier 3: Unaccompanied homeless youth will not receive stimulus payments because they do not have a stable address to receive checks.**

Unaccompanied homeless youth move frequently and rarely have a stable address to receive mail.

**Proposed solution:**

Provide alternative payment methods through direct deposit and other electronic means. In addition, provide unaccompanied homeless youth a convenient portal to designate a mailing address that can receive and hold mail until the youth can pick it up, such as a school or homeless service provider.

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<sup>1</sup> Note, we may actually want to look at checkboxes for all of the questions in “Step Three” of the FAFSA, which identify independent students for financial aid. I’d argue all of those youth should get their own stimulus checks, and the addition of populations like veterans, married youth, former foster youth, and youth with their own dependents makes a lot of sense. The link to the FAFSA is: <https://studentaid.gov/sites/default/files/2020-21-fafsa.pdf>.

**Barrier 4: Unaccompanied homeless youth have difficulty identifying and accessing the appropriate IRS resources to assist them in solving problems in receiving their stimulus payments.**

Many unaccompanied homeless youth do not interact with the IRS (for example, they do not meet the threshold for filing a tax return) and likely are unaware of the various resources that the IRS provides to taxpayers. The IRS website, while comprehensive, can be overwhelming for youth who often are managing their financial and legal affairs for the first time.

**Proposed solution:**

The IRS should create a dedicated webpage for unaccompanied homeless youth, just like it does for taxpayers that want to file innocent spouse claims, claim disaster relief, or speak languages other than English. A link to this page, with resources specifically for unaccompanied homeless youth, should be included on the landing page that taxpayers view when they click the "Help" button on the IRS website.