

Help Homeless and Foster Youth Get a \$1,502 Tax Refund In 2022



This tax season, there are special rules for homeless and foster youth that were achieved through the American Rescue Plan Act, and the tremendous leadership of U.S. Congressman Danny K. Davis (D-IL).

Qualifying youth experiencing homelessness and youth from foster care are eligible for a \$1,502 tax refund through the Earned Income Tax Credit (EITC). At the present time, these provisions are only for tax year 2021.

Who Qualifies?

- The EITC is for low-income individuals who worked full-time, part-time, as an employee, as a contractor, or on a cash basis who have made even \$1 in wages.
- Youth must be independent (i.e. provide for themselves and live apart from a parent for more than half the year) in order to claim the EITC on their own behalf.
- Qualified homeless and foster youth are individuals who are at least 18 years old, without qualifying children, who are otherwise eligible for EITC.
 - *Qualified homeless youth* are individuals who certify that they are an unaccompanied youth who is homeless, or who is at risk of homelessness, and who is self-supporting.
 - *Qualified former foster youth* are individuals who, between the ages of 14 and 17, were in foster care and who provide consent for the entity or entities who administered the foster care program to disclose information related to their status as a former foster youth.
- Qualified homeless and foster youth can receive the EITC, even if they are full-time students. This is a departure from previous tax years, and of special importance to vulnerable youth who are still in high school or pursuing higher education.

How Do Youth Claim This Credit?

- Youth simply need to attest that they qualify by checking the box on line 27 on the form 1040 when they file their tax returns. ***No documents are needed now, so youth should not delay filing their tax return!***
- If the IRS needs more information, McKinney-Vento liaisons, homeless service providers, and financial aid administrators can provide documentation. These professionals should inform youth of the EITC benefit, and be prepared to offer documentation for youth who are asked for information by the IRS.

What if a Parent or Other Person Fraudulently Claims a Youth as a Dependent?

- The IRS will not accept a tax return from a youth who has already been claimed as a dependent on another tax return. Youth whose returns are declined because they have been claimed as a dependent will need to file taxes by mail. The IRS will send a letter to both parties asking for more information. One party will need to amend their tax return.
- The potential being fraudulently claimed is another reason that it is so important for youth to check the box on line 27 of the 1040. Checking this box gives the IRS context on any competing claims, and will help the IRS resolve the duplicate claims so that homeless and foster youth can get their credit.
- Youth may apply for an Identity Protection Personal Identification Number (IP PIN) to protect their ability to file on their own behalf. If a youth files an IP PIN, the youth must use that PIN to file taxes electronically. If the PIN is lost, the youth would need to file by paper, which will take many months to process. The IP PIN application is available at www.irs.gov/getanippin. Youth can access the application to enroll into the IP PIN Program, or if they are already enrolled, they can retrieve/view their IP PIN. This is the quickest method to get an IP PIN.

What about tax credits for homeless or former foster youth who have children of their own?

- Youth experiencing homelessness or from foster care with children of their own may claim a child as part of their EITC if:
 - The child is their son, daughter, grandchild, stepchild or adopted child; younger sibling, step-sibling, half-sibling, or their descendent; or a foster child placed with you by a government agency.

- The child must be under 19, under 24 if a full-time student, or any age if totally and permanently disabled.
- The child must live with the youth in the U.S. for more than half the year. Time living together doesn't have to be consecutive.
- The credit amount depends on income, marital status, and family size. In 2021, the maximum credit is worth up to \$6,728.
- The Child Tax Credit is another important resource for young families. More information can be found [here](#).

Are there state earned income tax credits?

- Yes! Beyond the federal EITC, 29 states and D.C. have adopted state EITCs. See this [state EITC map](#) to see if your state offers a tax credit.

Is Free Help Available?

- Yes! There are many free options to file: [Free File](#), [Volunteer Tax Assistance sites](#), and [Low Income Tax Credit sites](#).

How Can I Get More Information?

- Check out resources from our partners, John Burton Advocates for Youth, including a webinar on Tuesday, February 1st at 1pm Eastern/10am Pacific. [Tax Filing 101: Expanded Federal and State Tax Credits Put Money in the Pockets of Transition Age Youth \(2022\)](#)
- Friday, January 28th, 2022, is EITC Awareness Day! [Learn more](#) on how to participate.