

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 1.6012-1: Individuals required to make returns of income.

Rev. Proc. 2021-24

SECTION 1. PURPOSE

.01 This revenue procedure provides procedures for individuals who are not otherwise required to file Federal income tax returns for taxable year 2020 to receive advance child tax credit payments under § 7527A of the Internal Revenue Code (Code) and third-round economic impact payments under § 6428B of the Code. These procedures also permit individuals to claim the 2020 recovery rebate credit under § 6428 of the Code and the additional 2020 recovery rebate credit under § 6428A of the Code. Section 2 of this revenue procedure describes these credits in further detail.

.02 Section 4 of this revenue procedure provides a simplified Federal income tax return filing procedure for individuals who are not required to file a Federal income tax return for taxable year 2020.

.03 Section 5 of this revenue procedure provides a procedure for individuals who are not required to file a Federal income tax return and have zero adjusted gross income (AGI) to file an electronic Federal income tax return for taxable year 2020. These individuals generally are not able to file Federal income tax returns electronically due to tax return preparation software and return processing parameters that do not accept \$0 AGI entries. Because tax returns filed on paper do not pose this processing issue, the procedure provided by section 5 of this revenue procedure does not apply to a Federal income tax return filed on paper, although the procedure provided by section 4 of this revenue procedure does apply to paper-filed returns of individuals who are not required to file a Federal income tax return for taxable year 2020.

.04 The procedures provided by this revenue procedure do not apply to a resident of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico (Puerto Rico), or the U.S. Virgin Islands (each, a U.S. territory). A resident of a U.S. territory other than Puerto Rico should contact his or her local territory tax agency for additional information about the child tax credit and advance child tax credit payments. A resident of Puerto Rico may be eligible to claim the child tax credit from the Internal Revenue Service (IRS), under procedures to be announced at a later date, but is not eligible to receive advance child tax credit payments. A resident of a U.S. territory should contact his or her local territory tax agency for additional information about third-round economic impact payments, the 2020 recovery rebate credit, and the additional 2020 recovery rebate credit.

.05 An individual who already filed a Federal income tax return for taxable year 2020 does not need to file any additional forms or otherwise contact the IRS to (i) receive

advance child tax credit payments for each eligible qualifying child, as defined in § 24(c) (2020 CTC qualifying child) shown on that return; (ii) receive a third-round economic impact payment for themselves and for each eligible dependent (as defined in § 152) shown on that return; or (iii) claim a previously claimed 2020 recovery rebate credit and additional 2020 recovery rebate credit for themselves and for each eligible 2020 CTC qualifying child.

.06 An individual who filed a Federal income tax return for taxable year 2019, including by entering information into the “Non-Filers: Enter Payment Info Here” tool in 2020, does not need to file any additional forms or otherwise contact the IRS to receive an advance child tax credit payment for the 2020 CTC qualifying children shown on that return or to receive a third-round economic impact payment for themselves and for each dependent shown on that return. Such individual can claim the 2020 recovery rebate credit and additional 2020 recovery rebate credit on a Federal income tax return for taxable year 2020 if the individual did not receive the full amount of these credits as first- and second-round economic impact payments.

SECTION 2. BACKGROUND

.01 Child Tax Credit and Credit for Other Dependents.

(1) Child tax credit. Under § 24(a), a taxpayer may claim a credit against the taxpayer’s Federal income tax liability (as imposed by chapter 1 of subtitle A of the Code) for the taxable year with respect to each of the taxpayer’s qualifying children for whom the taxpayer is allowed a deduction under § 151 of the Code. In the case of a taxable year beginning after December 31, 2017, and before January 1, 2026, no child tax credit is allowed for a qualifying child unless the social security number (SSN) of the

child, which must be valid for employment, is provided on the return. See § 24(h)(7). If the taxpayer's child was a U.S. citizen when the child received the SSN, the SSN is valid for employment.

(2) Credit for other dependents. For the taxable years described in section 2.01(1) of this revenue procedure, a \$500 credit (credit for other dependents) may be available for a dependent of the taxpayer who is not a qualifying child or who is a qualifying child but does not have an SSN valid for employment. See § 24(h)(4). The credit for other dependents is not addressed by this revenue procedure because the credit is nonrefundable, and therefore is not applicable to individuals described in section 4.02 or 5.02 of this revenue procedure.

(3) Nonresident aliens. Only nonresident aliens who are U.S. nationals; residents of Canada, Mexico, or South Korea; or students and business apprentices from India who qualify for benefits under Article 21(2) of the income tax treaty with India may claim the child tax credit or credit for other dependents.

.02 American Rescue Plan Changes to the Child Tax Credit. Section 9611(a) and (b)(1) of the American Rescue Plan Act of 2021 (American Rescue Plan), Public Law 117-2, 135 Stat. 4, 144-148 (March 11, 2021), added §§ 24(i) and 7527A to the Code. The American Rescue Plan amended the provisions under § 24 that address the child tax credit for qualifying children but did not amend the provisions under § 24 that address the credit for other dependents.

(1) Special child tax credit rules under § 24. With regard to any taxable year beginning after December 31, 2020, and before January 1, 2022 (2021 taxable year), § 24(i) amends the child tax credit rules set forth in § 24 to provide the following:

(a) The definition of a qualifying child has been expanded to include a child who has not attained the age of 18 as of the end of the 2021 taxable year (2021 CTC qualifying child). See § 24(i)(2)(A).

(b) The child tax credit for 2021 CTC qualifying children is fully refundable for a taxpayer if the taxpayer (or the spouse of the taxpayer filing a joint return) has a principal place of abode in the United States (determined as provided in § 32 of the Code) for more than one-half of taxable year 2021 (U.S. principal place of abode status). Full refundability means that taxpayers can benefit from the maximum credit even if they do not have earned income or do not owe any Federal income tax. See § 24(i)(1).

(c) Taxpayers claiming the child tax credit for the 2021 taxable year will receive up to \$3,000 for each 2021 CTC qualifying child who is between the ages of 6 and 17 as of the end of the 2021 taxable year, and \$3,600 for each 2021 CTC qualifying child who is under the age of 6 as of the end of the 2021 taxable year. See § 24(i)(2) and (3).

(2) Advance payment of the child tax credit under § 7527A.

(a) Establishment of advance child tax credit payment program. Section 7527A(a) requires the Secretary of the Treasury or her delegate (Secretary) to establish a program for making periodic advance child tax credit payments to taxpayers the total of which, during any calendar year, equals the “annual advance amount” (as defined in § 7527A(b)(1)) determined with respect to that taxpayer for that calendar year. These advance child tax credit payments must be made no earlier than July 1, 2021, and no later than December 31, 2021, and generally must be made in equal amounts. See §§ 7527A(a), (b)(3), and (f).

(b) Definition of annual advance amount. In general, § 7527A(b)(1) defines the term “annual advance amount” to mean, with respect to any taxpayer for any calendar year, the amount (if any) that the Secretary estimates as being equal to 50 percent of the refundable child tax credit amount that would be treated as allowed by reason of § 24(i)(1) for the taxpayer’s taxable year beginning in that calendar year if (i) the U.S. principal place of abode status is determined with respect to the “reference taxable year” (as defined in § 7527A(b)(2)); (ii) the taxpayer’s modified adjusted gross income for that taxable year is equal to the taxpayer’s modified adjusted gross income for the reference taxable year; (iii) the only children of the taxpayer for that taxable year are qualifying children properly claimed on the taxpayer’s return of tax for the reference taxable year; and (iv) the ages of those children (and the status of those children as 2020 CTC qualifying children) are determined for that taxable year by taking into account the passage of time since the reference taxable year.

(c) Reference taxable year. In general, the term “reference taxable year” means, with respect to any taxpayer for any calendar year, the taxpayer’s taxable year beginning in the preceding calendar year (that is, the taxpayer’s 2020 taxable year) or, in the case of taxpayer who did not file a Federal income tax return for that taxable year, the taxpayer’s taxable year beginning in the second preceding calendar year (that is, the taxpayer’s 2019 taxable year).

(d) Authority to issue guidance. Section 7527A(g) provides, in relevant part, that the Secretary shall issue such regulations or other guidance as the Secretary determines to be necessary or appropriate to carry out the purposes of § 7527A.

.03 2020 Recovery Rebate Credit and First-Round Economic Impact Payments.

(1) 2020 recovery rebate credit. Section 2201(a) of the Coronavirus Aid, Relief, and Economic Security Act (or CARES Act), Public Law 116-136, 134 Stat. 281, 335-337 (March 27, 2020) added § 6428 to the Code. Section 6428(a) provides an eligible individual (as defined in § 6428(d)) a refundable tax credit against the eligible individual's Federal income tax liability (as imposed by subtitle A of the Code) for the eligible individual's first taxable year beginning in 2020 (2020 recovery rebate credit).

(a) Definition of eligible individual. Section 6428(d) defines the term "eligible individual" for purposes of § 6428 to mean any individual other than (i) a nonresident alien individual, (ii) an individual who can be claimed as a dependent for a deduction under § 151 for the taxable year, or (iii) an estate or trust. To receive a 2020 recovery rebate credit, § 6428(g) requires that an eligible individual have an SSN valid for employment or file a joint return with an eligible individual who has an SSN valid for employment.

(b) Amount of 2020 recovery rebate credit. Section 6428(a) provides that the amount of the 2020 recovery rebate credit equals the sum of (i) \$1,200 per eligible individual (\$2,400 in the case of two eligible individuals filing a joint return) and (ii) an amount equal to the product of \$500 multiplied by the number of 2020 CTC qualifying children of the eligible individual. Section 6428(g)(1)(C) and (g)(3) does not take into account a 2020 CTC qualifying child who does not have an SSN valid for employment or an adoption taxpayer identification number issued by the IRS (ATIN). Section 6428(g) reduces the \$2,400 amount for joint filers to \$1,200 if one spouse does not have an SSN valid for employment and neither spouse was a member of the Armed Forces of the United States at any time during the taxable year. Section 6428(c)

provides phaseouts of the credit amount based on an eligible individual's AGI. Section 6428(e) further reduces the credit amount by the aggregate refunds allowed to the eligible individual as an advance refund in 2020 (first-round economic impact payments).

(2) First-round economic impact payments. Section 6428(f) addresses the payment of advanced refunds and credits during calendar year 2020. The IRS has disbursed the first-round economic impact payments. See § 6428(f)(3)(A).

.04 Additional 2020 Recovery Rebate Credit and Second-Round Economic Impact Payments.

(1) Additional 2020 recovery rebate credit. Section 272(a) of the COVID-related Tax Relief Act of 2020, enacted in Division N of Title II of the Consolidated Appropriations Act, 2021, Public Law 116-260, 134 Stat. 1182, 1965-1971 (December 27, 2020), added § 6428A to the Code. Section 6428A(a) provides an eligible individual, in addition to the refundable tax credit allowed under § 6428(a), a refundable tax credit against the eligible individual's Federal income tax liability (as imposed by subtitle A of the Code) for the eligible individual's first taxable year beginning in 2020 (additional 2020 recovery rebate credit).

(a) Definition of eligible individual. Section 6428A(d) defines the term "eligible individual" for purposes of § 6428A to mean any individual other than (i) a nonresident alien individual, (ii) an individual who can be claimed as a dependent for a deduction under § 151 for the taxable year, or (iii) an estate or trust. To receive an additional 2020 recovery rebate credit, § 6428A(g) requires that an eligible individual have an SSN valid

for employment or file a joint return with an eligible individual who has an SSN valid for employment.

(b) Amount of additional 2020 recovery rebate credit. Section 6428A(a) provides that the amount of the additional 2020 recovery rebate credit equals the sum of (i) \$600 per eligible individual (\$1,200 in the case of two eligible individuals filing a joint return) and (ii) an amount equal to the product of \$600 multiplied by the number of 2020 CTC qualifying children of the eligible individual. Section 6428A(g)(3) and (4) does not take into account a 2020 CTC qualifying child who does not have an SSN valid for employment or an ATIN. Section 6428A(g) reduces the \$1,200 amount for joint filers to \$600 if one spouse does not have an SSN valid for employment and neither spouse was a member of the Armed Forces of the United States at any time during the taxable year. Section 6428A(c) provides phaseouts of the credit amount based on an eligible individual's AGI. Section 6428A(e) further reduces the credit amount by the aggregate refunds allowed to the eligible individual as an advance refund in December 2020 and January 2021 (second-round economic impact payments).

(2) Second-round economic impact payments. Section 6428A(f) addresses the payment of advanced refunds and credits during calendar year 2020. All second-round economic impact payments have been disbursed. See § 6428A(f)(3)(A).

.05 2021 Recovery Rebate Credit and Third-Round Economic Impact Payments.

(1) 2021 recovery rebate credit. Section 9601(a) of the American Rescue Plan added § 6428B to the Code. Section 6428B(a) provides an eligible individual a refundable tax credit against the eligible individual's Federal income tax liability (as

imposed by subtitle A of the Code) for the eligible individual's first taxable year beginning in 2021 (2021 recovery rebate credit).

(a) Definition of eligible individual. Section 6428B(c) defines the term "eligible individual" for purposes of § 6428B to mean any individual other than (i) a nonresident alien individual, (ii) an individual who is a dependent of another taxpayer (as defined in § 152) for the taxable year, or (iii) an estate or trust.

(b) Amount of 2021 recovery rebate credit. Section 6428B(a) provides that the amount of the 2021 recovery rebate credit equals the sum of (i) \$1,400 per eligible individual (\$2,800 in the case of a joint return) and (ii) an amount equal to the product of \$1,400 multiplied by the number of the eligible individual's dependents (within the meaning of § 152). If an eligible individual does not have an SSN, or if two eligible individuals who do not have an SSN file a joint return, § 6428B(e)(2) does not allow the \$1,400 for the eligible individual or \$2,800 for the joint return, but will allow an amount for dependents (as defined in § 152). Section 6428B(e)(2) reduces the \$2,800 amount for a joint return to \$1,400 if one spouse has an SSN, one spouse does not have an SSN, and neither spouse was a member of the Armed Forces of the United States at any time during the taxable year. Only a dependent with an SSN or an ATIN is counted for purposes of determining the amount of the 2021 recovery rebate credit. Section 6428B(e)(2)(C) and (D). For purposes of qualifying for the 2021 recovery rebate credit, any type of SSN is sufficient. See § 6428B(e)(2)(D)(i). Section 6428B(d) provides phaseouts of the credit amount based on an eligible individual's AGI.

(2) Third-round economic impact payments. Section 6428B(g) provides eligible individuals with advance refund payments of the 2021 recovery rebate credit (third-

round economic impact payments). All third-round economic impact payments must be disbursed to eligible individuals before January 1, 2022. See § 6428B(g)(3).

(a) Calculation of payment amount. If available to the Secretary as of the eligibility and payment determination date for an eligible individual, the amount of the eligible individual's third-round economic impact payment is determined based on the eligible individual's 2020 Federal income tax return. See § 6428B(g)(5)(A). If an eligible individual's 2020 Federal income tax return has not been processed as of the eligibility and payment determination date for the eligible individual, the eligible individual's 2019 Federal income tax return will be used to determine the amount of the eligible individual's third-round economic impact payment. See § 6428B(g)(1), (5)(A).

(b) Plus-up payments. If an eligible individual who receives the third-round economic impact payment determined before the IRS processes the eligible individual's 2020 Federal income tax return is entitled to a larger payment based on the eligible individual's 2020 Federal income tax return, the eligible individual will receive an additional "plus-up" payment making up the difference when the eligible individual's 2020 Federal income tax return is processed. See § 6428B(g)(5)(B).

SECTION 3. SCOPE

.01 Overview. To allow individuals who are not required to file a federal tax return or wish to file a federal tax return electronically to receive advance child tax credit payments, third-round economic impact payments, the 2020 recovery rebate credit, and the additional 2020 recovery rebate credit, the IRS needs certain information about these individuals that would ordinarily be provided by a federal tax return. The procedures set forth in section 4 and section 5 of this revenue procedure allow the

individuals described in those sections to provide this information either in the form of a simplified return or an electronically filed return.

.02 Purpose of Simplified Filing Procedure under Section 4. In order to ensure that individuals otherwise not required to file a Federal income tax return in 2020 are able to receive (i) advance child tax credit payments and (ii) third-round economic impact payments, section 4 of this revenue procedure provides a procedure for these individuals to file simplified Federal income tax returns for 2020. This procedure also permits individuals to claim the 2020 recovery rebate credit and additional 2020 recovery rebate credit on that simplified Federal income tax return.

.03 Purposes of Zero AGI Filing Procedure under Section 5. The Department of the Treasury (Treasury Department) and the IRS also are aware that individuals otherwise not required to file Federal income tax returns may desire to file Federal income tax returns electronically. These individuals may use tax return preparation software that does not permit them to file pursuant to the simplified procedure provided by section 4 of this revenue procedure, or the individuals may need to file complete Federal income tax returns to receive certain State or local benefits. The Treasury Department and the IRS understand that many Federal income tax returns cannot be filed electronically if the filer reports an AGI of zero (as opposed to an AGI of \$1 or more) and does not claim the 2020 recovery rebate credit, the additional 2020 recovery rebate credit, or any amount as a refund. To facilitate the processing of electronic returns filed by zero AGI individuals not otherwise required to file Federal income tax returns, section 5 of this revenue procedure provides a procedure for these individuals to file complete electronic

Federal income tax returns to receive (i) advance child tax credit payments and (ii) third-round economic impact payments.

SECTION 4. SPECIAL PROCEDURE FOR FILING SIMPLIFIED PAPER OR ELECTRONIC TAX RETURN IF INDIVIDUAL IS NOT REQUIRED TO FILE A FEDERAL INCOME TAX RETURN FOR TAXABLE YEAR 2020

.01 Federal Income Tax Return Filed by Mail or Electronically. Under the simplified procedure set forth in this section 4, a simplified return may be filed, on paper or electronically, on a Form 1040, *U.S. Individual Income Tax Return*, Form 1040-SR, *U.S. Tax Return for Seniors*, or Form 1040-NR, *U.S. Nonresident Alien Income Tax Return*. A Federal income tax return for taxable year 2020 filed under the simplified procedure in this section 4 will result in the following:

(1) The Secretary will use the information provided on the simplified return to (i) estimate the annual advance amount for the simplified return filer, and (ii) calculate the third-round economic impact payment for which the simplified return filer is eligible. As noted in section 2.05(1)(a) of this revenue procedure, a nonresident alien is not eligible under § 6428B(c) to receive third-round economic impact payments.

(2) The simplified return filer may claim the 2020 recovery rebate credit and additional 2020 recovery rebate credit when filing Form 1040 or Form 1040-SR. As noted in sections 2.03(1)(a) and 2.04(1)(a) of this revenue procedure, a nonresident alien is not eligible under §§ 6428(d) and 6428A(d) to claim the 2020 recovery rebate credit or additional 2020 recovery rebate credit.

.02 Definition of Simplified Return Filer. For purposes of this section 4, a “simplified return filer” is an individual who is not required to file a Federal income tax return for

taxable year 2020 and has not filed a paper or electronic Federal income tax return for that taxable year. A simplified return filer, however, does not include a resident of a U.S. territory.

.03 Simplified Filing Method.

(1) Overview. In the case of a simplified return filer, the IRS will process the simplified return filer's Form 1040, Form 1040-SR, or Form 1040-NR for taxable year 2020 to calculate the Federal income tax benefits described in section 3.01 of this revenue procedure if the form is prepared in the manner required by this section 4.03. The Form 1040, Form 1040-SR, or Form 1040-NR must include the information described in this section 4.03.

(2) Write Rev. Proc. 2021-24 on form. A simplified return filer who files the Federal income tax return by mail must indicate "Rev. Proc. 2021-24" above the printed material at the top of page 1 of the Form 1040, Form 1040-SR, or Form 1040-NR.

(3) Filing status. A simplified return filer must select their filing status for taxable year 2020 at the top of Form 1040, Form 1040-SR, or Form 1040-NR.

(4) Required general information.

(a) In general. A simplified return filer must enter their name, mailing address, and SSN or IRS individual taxpayer identification number (ITIN), and the name and SSN or ITIN of their spouse if filing a joint return, on the appropriate lines of Form 1040, Form 1040-SR, or Form 1040-NR.

(b) Special rules for certain nonresident or resident alien simplified return filers.

A nonresident or resident alien simplified return filer who does not have and is not eligible to receive an SSN and does not have an ITIN must attach Form W-7,

Application for IRS Individual Taxpayer Identification Number, to Form 1040, Form 1040-SR, or Form 1040-NR to apply for an ITIN. Such nonresident alien simplified return filer is not eligible for the 2020 recovery rebate credit, additional 2020 recovery rebate credit, or third-round economic impact payments. Unless filing a joint return with someone who has an SSN, such resident alien simplified return filer is not eligible for the 2020 recovery rebate credit or additional 2020 recovery rebate credit. Unless a return includes a dependent who has an SSN or an ATIN or is filed jointly with someone who has an SSN, such resident alien simplified return filer is not eligible for third-round economic impact payments.

(5) Individuals who could be claimed as dependents by other individuals. A simplified return filer must check all applicable boxes in the area immediately below the virtual currency line for each individual who could be claimed as a dependent by any other individual for taxable year 2020.

(6) General information regarding dependents.

(a) In general. A simplified return filer should provide information on the appropriate lines of Form 1040, Form 1040-SR, or Form 1040-NR regarding each dependent at the end of taxable year 2020 who has an SSN or an ATIN. For each dependent, a simplified return filer must provide the name, SSN or ATIN, and relationship to the individual.

(b) Qualifying children. A simplified return filer should check the child tax credit box in Column (4) for each dependent who has an SSN that is valid for employment and is a 2020 CTC qualifying child of the simplified return filer for taxable year 2020.

(7) Limited information to provide in lines 1 through 38. A simplified return filer must leave blank lines 1 through 38 of Form 1040 or Form 1040-SR, even if the values for these lines are in fact not zero, except as provided in this section 4.03(7):

(a) Lines 2b, 9, and 11. A simplified return filer who files their Federal income tax return electronically must enter \$1 on lines 2b, 9, and 11.

(b) Line 12. A simplified return filer must enter the applicable standard deduction amount, if any, for their filing status on line 12. Form 1040-NR filers who file their Federal income tax return electronically must enter \$1 on lines 7 and 8 of Schedule A (Form 1040-NR) and line 12 of Form 1040-NR.

(c) Line 15. A simplified return filer must enter \$0 on line 15.

(d) Lines 30, 32, 33, 34, and 35a (2020 recovery rebate credit entries). A simplified return filer who files Form 1040 or Form 1040-SR may enter the sum of the filer's 2020 recovery rebate credit and additional 2020 recovery rebate credit on lines 30, 32, 33, 34, and 35a. The credit amounts should be computed using the Recovery Rebate Credit Worksheet for line 30 in the 2020 Instructions for Form 1040 and 1040-SR, available at www.irs.gov/Form1040. Providing the correct amount will speed up the payment of the 2020 recovery rebate credit and additional 2020 recovery rebate credit, as well as the third-round economic impact payment. If any amount is incorrect on line 30, 32, 33, 34, or 35a, the IRS will correct that amount claimed on these lines, but the correction will delay processing of the return and therefore enrollment for advance child tax credit payments.

(e) Line 35a checkbox (split direct deposit indicator). A simplified return filer should not check the box on line 35a because neither advance child tax credit

payments, nor third-round economic impact payments, may be divided among multiple accounts.

(f) Lines 35b through 35d (direct deposit information). A simplified return filer may request the direct deposit of their advance child tax credit payments and any future third-round economic impact payment into their account at a bank or other financial institution by entering their direct deposit information on lines 35b through 35d. A simplified return filer must not request their advance child tax credit payment or third-round economic impact payment to be deposited into an account that is not in the name of that simplified return filer (for example, a simplified return filer must not request a direct deposit of their advance child tax credit payment or third-round economic impact payment into their tax return preparer's account).

.04 Signature. A simplified return filer must sign the return under penalties of perjury, including the filer's identity protection personal identification number (that is, the filer's IP PIN), if applicable, as part of the filer's signature. In addition, a simplified return filer may enter the identifying information of any third-party designee, if applicable, at the bottom of page 2 of Form 1040, Form 1040-SR, or Form 1040-NR. A simplified return filer who has been assigned an IP PIN, but has misplaced it, may retrieve the IP PIN at <https://www.irs.gov/identity-theft-fraud-scams/retrieve-your-ip-pin>.

.05 Simplified Return Is a Federal Income Tax Return. A simplified return is a Federal income tax return for all purposes, whether filed electronically or on paper in accordance with the procedure described in section 4.03 of this revenue procedure.

.06 Accuracy of Return. Individuals who report incorrect information regarding qualifying children or other dependents or otherwise provide incorrect information on

simplified returns may be liable for civil or criminal penalties. However, the IRS will not challenge the accuracy of the items of income reported by simplified return filers on a simplified return filed in accordance with this section 4.

SECTION 5. SPECIAL PROCEDURE FOR FILING COMPLETE ELECTRONIC TAX RETURN IF INDIVIDUAL HAS NO TAXABLE YEAR 2020 ADJUSTED GROSS INCOME

.01 Federal Income Tax Return Filed Electronically.

(1) Electronic filing procedure. Subject to section 5.01(2) of this revenue procedure, under the requirements in this section 5, a zero AGI filer (as defined in section 5.02 of this revenue procedure) may file electronically Form 1040, Form 1040-SR, or Form 1040-NR for taxable year 2020. A Federal income tax return for taxable year 2020 filed under the procedure in this section 5, will result in the following:

(a) The Secretary will use the information provided in the electronic return to (i) estimate the annual advance amount for the zero AGI filer, and (ii) calculate the third-round economic impact payment for which the zero AGI filer is eligible. As noted in section 2.05(1)(a) of this revenue procedure, a nonresident alien is not eligible under § 6428B(c) to receive third-round economic impact payments.

(b) The zero AGI filer may claim the 2020 recovery rebate credit and additional 2020 recovery rebate credit when filing Form 1040 or Form 1040-SR. As noted in sections 2.03(1)(a) and 2.04(1)(a) of this revenue procedure, a nonresident alien is not eligible under §§ 6428(d) and 6428A(d) to claim the 2020 recovery rebate credit and additional 2020 recovery rebate credit, respectively.

(2) Procedure does not apply to paper returns. The special procedure in this section 5 applies only to an electronically filed return for a zero AGI filer and does not apply to a return filed on paper.

.02 Definition of Zero AGI Filer. For purposes of this section 5, a “zero AGI filer” is an individual who is not required to file a Federal income tax return for taxable year 2020, has zero AGI for taxable year 2020 (that is, the individual has zero AGI for taxable year 2020 reportable on line 11 of Form 1040, Form 1040-SR, or Form 1040-NR), and has not yet filed a Federal income tax return for taxable year 2020. A zero AGI filer, however, does not include a resident of a U.S. territory.

.03 Required Information. In addition to all other information required to be entered on Form 1040, Form 1040-SR, or Form 1040-NR, a zero AGI filer must enter the following:

- (1) \$1 as taxable interest on line 2b of the form;
- (2) \$1 as total income on line 9 of the form;
- (3) \$1 as AGI on line 11 of the form; and
- (4) \$1 as itemized deductions on lines 7 and 8 of Schedule A (Form 1040-NR) and line 12 of Form 1040-NR (Form 1040-NR filers only).

.04 Signature. A zero AGI filer must sign the return under penalties of perjury including the filer’s IP PIN, if applicable, as part of the filer’s signature. In addition, a zero AGI filer may enter the identifying information of any third-party designee, if applicable, at the bottom of page 2 of Form 1040, Form 1040-SR, or Form 1040-NR. A zero AGI filer who has been assigned an IP PIN, but has misplaced it, may retrieve the IP PIN at <https://www.irs.gov/identity-theft-fraud-scams/retrieve-your-ip-pin>.

.05 Accuracy of Return. Individuals who report incorrect information regarding qualifying children or other dependents or otherwise provide incorrect information on their returns may be liable for civil or criminal penalties. However, the IRS will not challenge the accuracy of the items of income reported by zero AGI filers on their returns in accordance with this section 5.

SECTION 6. DRAFTING AND ADDITIONAL INFORMATION

The principal author of this revenue procedure is the Office of the Associate Chief Counsel (Procedure and Administration). Individuals can receive additional information regarding the third-round economic impact payments, 2020 recovery rebate credit, and additional 2020 recovery rebate credit through the IRS Economic Impact Payment phone number, 800-919-9835. The IRS will continue to provide additional information regarding advance child tax credit payments throughout 2021.