



SEIZING THE SAFETY NET

COLLECTING CRIMINAL JUSTICE DEBT
WITH TAX REFUND OFFSETS



January 2025



National
Consumer Law
Center
*Fighting Together
for Economic Justice*

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EXECUTIVE SUMMARY

In fiscal year 2023, justice-involved individuals owed more than \$39 billion in federal criminal justice debt to the United States and another \$125 billion to third parties. Additionally, there is at least \$27.6 billion in outstanding criminal justice debt owed to 25 states. This report looks at one little-known method of collecting that outstanding criminal justice debt—seizing income tax refunds. We highlight data about this collection practice and the financial harms that can result for both justice-involved individuals and their families when government benefit payments are seized as part of that tax refund.

Federally, the Department of Justice (DOJ) uses a variety of methods to collect criminal justice debts, including submitting debts to the Treasury Offset Program (TOP). TOP offsets a variety of federal payments to collect debts owed to the federal government, including seizing up to 100% of income tax refunds. In fiscal year 2022, TOP seized nearly \$54 million in tax refunds to collect accounts for the DOJ, which only represents about 3% of all payments received on federal criminal justice debt that year.

Many states also authorize state tax refund offsets to collect state and local criminal justice debt. In Kansas, for example, municipal and district courts may place debts with the Kansas Debt Recovery System for offset against state payments. In 2023, Kansas offset nearly \$4 million in state payments to collect 1,599 municipal and district court debts. Most of the amount collected—nearly 83%—was from income tax refunds.

The federal government and many state governments use tax refunds not only to return tax overpayments, but also to distribute payments designed to help working families and reduce child poverty. These payments include the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), critical social safety net programs that provided more than \$170 billion in federal benefits in tax year 2023. In 2018, these programs together benefited 28.1 million people, of whom 11.9 million were children, by either bringing them above the poverty line or reducing the severity of their poverty.

Seizing tax refunds to collect criminal justice debt can result in seizure of federal and state EITC and CTC benefits, preventing these benefits from reaching the working families and children in poverty that they were designed to help. Loss of these critical social safety net

Seizing tax refunds to collect criminal justice debt can result in seizure of federal and state EITC and CTC benefits, preventing these benefits from reaching the working families and children in poverty that they were designed to help.

income supplements can have devastating effects on justice-involved individuals and their families who rely on these benefits to meet basic needs.

This report first defines criminal justice debt and discusses different methods governments use to collect it, highlighting the financial harms and other consequences of using many of these collection methods for justice-involved people and their families. Then, the report examines the use of tax refund seizure as a method to collect criminal justice debts, using federal data and Kansas data to provide a state case study. It considers the role that tax refunds play in distributing cash benefits to low-income families and children in poverty through social safety net programs and the impact that seizing these program payments has on justice-involved individuals and their families. Finally, [Appendix A](#) provides data about federal criminal justice debt and [Appendix B](#) provides data about Kansas criminal justice debt.

Summary of Recommendations

Federal and state governments should:

- Amend their laws to prevent offset of EITC and CTC.
 - Until such a change is made, they should provide detailed annual reporting about the amounts offset generally and from households that received the EITC and/or CTC specifically.
- Improve reporting about the amount of criminal justice debt outstanding and the methods of collection that they use.

1. WHAT IS CRIMINAL JUSTICE DEBT AND HOW IS IT COLLECTED?

Criminal justice debt is debt imposed by federal, state, or local governments on people accused of criminal or traffic violations or civil infractions. Criminal justice debt is also referred to as “court debt,” “legal financial obligations,” “financial sanctions,” and “fines and fees.”

This report uses the term “criminal justice debt” broadly to encompass a variety of different types of debt, such as:

- **Fines** - monetary sanctions imposed as a penalty for committing an infraction, misdemeanor, or felony;

- **Fees or costs** - charges imposed as a means of raising funds for the government in general or for specific government functions, such as the court or corrections system, and may be related to the specifics of the case (e.g., DNA test or probation fees) or more general (e.g., general victims fund fees);
- **Surcharges** - typically a flat fee or a percentage added to a fine, often imposed without regard to expenses incurred in prosecuting or punishing the defendant;
- **Interest, collection costs, payment plan costs, and penalties** - amounts that may accrue if the person is unable to pay other types of criminal justice debt in full immediately; and
- **Restitution** - financial obligations usually intended to compensate victims of crime for their losses, although these may be paid to a government agency or insurance company rather than to a victim.¹

This report looks specifically at the collection of criminal justice debt through government seizure or “offset” of tax returns. This is just one strategy that governments use to collect criminal justice debt.² Other practices include:

- **Other types of government offsets** - governments may collect criminal justice debt by withholding money that they owe to the defendant (e.g., government salary, money owed pursuant to government contracts, etc.);³
- **Outsourcing to private collectors** - governments may hire third-party debt collectors to attempt to collect criminal justice debt, which frequently results in the assessment of additional collection surcharges;⁴
- **Suspension of a driver’s license⁵ or professional license;⁶**
- **Restrictions on expunging criminal records;⁷**
- **Denial of the right to vote;⁸**
- **Liens, bank account levies, or wage garnishment;⁹**
- **Extension of probation** - where payment of criminal justice debt is treated as a condition of sentence or probation, probation may be extended until the debt is repaid;¹⁰ and
- **Incarceration for “willful” nonpayment of criminal justice debt** - this may include civil or criminal contempt orders for violation of the order to pay, sanctions imposed for failure to appear at a debt-related hearing, revocation of probation or parole when payment was a condition of supervision, and “pay or stay” policies that offer individuals the “choice” of serving time in jail in lieu of paying a criminal justice debt.¹¹

Many of these collection methods can have long-term financial harms and far-reaching impacts on the lives of justice-involved individuals.¹² For example, suspension of a driver's license can make it difficult for justice-involved individuals to work, care for family members, or access medical care. This report discusses the harm to justice-involved individuals and their families that results from seizure of federal and state tax refunds to collect criminal justice debts, focusing on the fact that seized tax refunds may include poverty reduction payments from federal and state Earned Income Tax Credits (EITC) and Child Tax Credits (CTC) that are distributed through tax refunds.

The long-term impacts of these collection practices disproportionately burden the poorest, particularly communities of color, and contribute to the accumulation of disadvantage for marginalized communities and deepening of the racial wealth gap.¹³

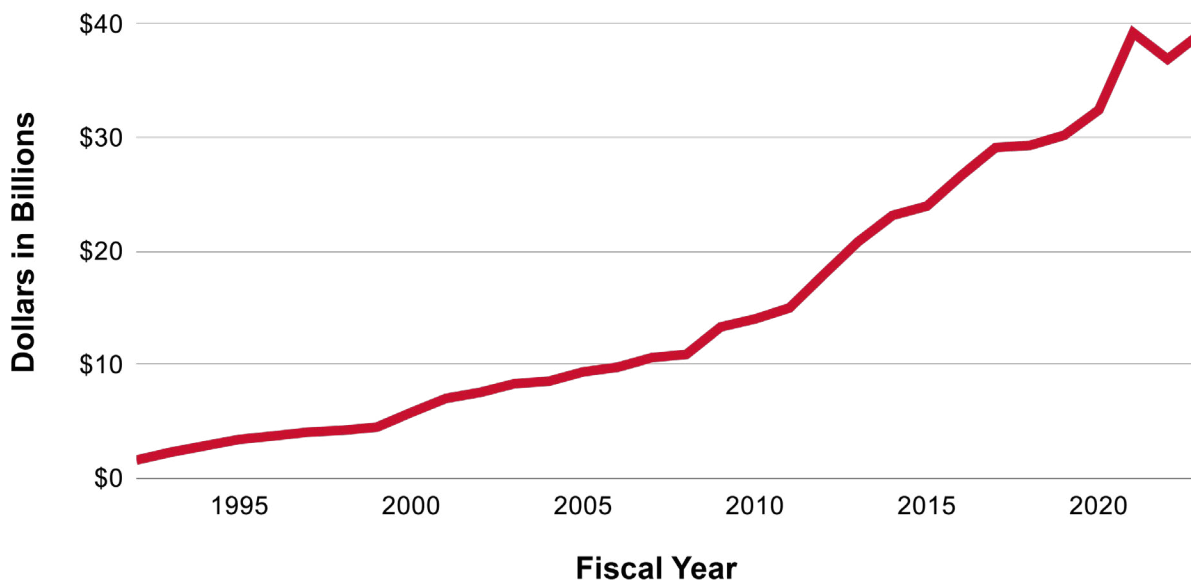
2. FEDERAL SEIZURE OF TAX REFUNDS TO COLLECT CRIMINAL JUSTICE DEBT

2.1 Amount of Federal Criminal Justice Debt

2.1.1 Debt Owed to the United States

In fiscal year 2023, the Department of Justice (DOJ) reported more than \$39 billion in outstanding criminal justice debt on 192,799 accounts owed to the United States.¹⁴ This balance has nearly tripled in the past 14 years from \$13.3 billion in 2009¹⁵ (see [Figure 1](#), *infra*) - significantly outpacing inflation over that period.¹⁶ This increase in total balance outstanding occurred despite the fact that the number of accounts owed to the DOJ actually declined by almost 10,000—from 202,418 in 2009 to 192,799 in 2023.

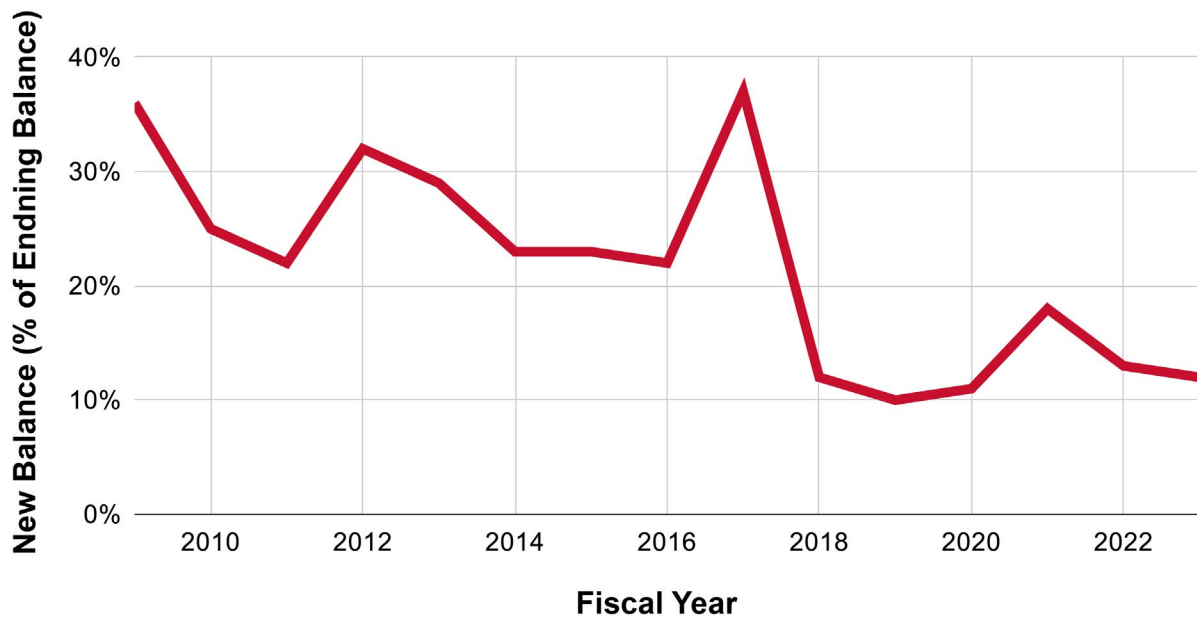
Figure 1: Ending Balance for Federal Criminal Justice Debt Owed to the U.S. (FY 1992-2023)



Source: U.S. Dep't of Justice, United States Attorneys' Annual Statistical Report: Fiscal Years 1992 - 2023, tbl. 12A (1992-2003) and tbl. 8A (2004-2023), available at <https://www.justice.gov/usao/resources/annual-statistical-reports>. See [Appx. A.1](#), *infra*, for additional information about calculations.

What has remained fairly constant since 2009 is that less than 20% of the balance of federal criminal justice debt owed to the United States is deemed to be collectible in a given year.¹⁷ With such a low percentage of the balance deemed collectible each year, it is unsurprising that the portion of criminal justice debt that makes up the new balance (new impositions plus new interest accrued) generally decreased over time. With the exception of an uptick in 2017 (37%), the new balance as a percentage of the ending balance fell from 36% in 2009 to 12% in 2023 (see [Figure 2](#), *infra*), suggesting a large, intractable mass of uncollectible debt that is carried over each year and growing larger with interest.

Figure 2: New Balance as a Percentage of Federal Criminal Justice Debt Owed to the U.S. (FY 2009-2023)

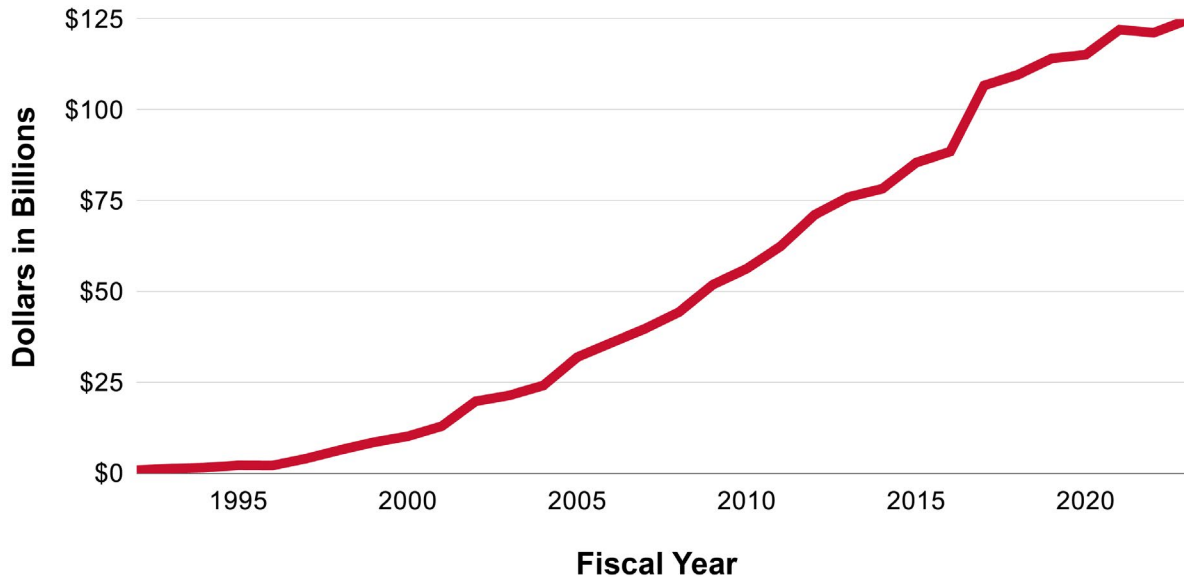


Source: U.S. Dep't of Justice, United States Attorneys' Annual Statistical Report: Fiscal Years 2009 - 2023, tbl. 8A, available at <https://www.justice.gov/usao/resources/annual-statistical-reports>. See [Appx. A.1, *infra*](#), for additional information about calculations.

2.1.2 Debt Owed to Third Parties

In addition to the amounts owed to the United States, the DOJ reported nearly \$125 billion in outstanding federal criminal justice debt owed to third parties in fiscal year 2023, an amount that includes certain restitution debt (see [Figure 3, *infra*](#)).¹⁸ This balance is more than three times the amount owed to the United States.¹⁹

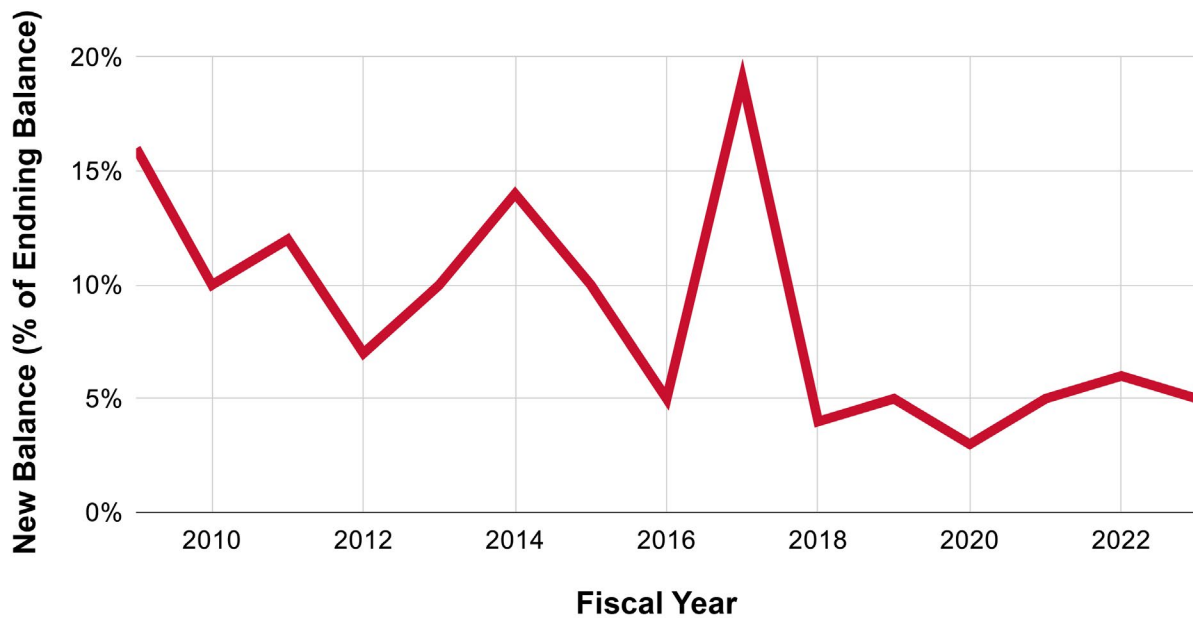
Figure 3: Ending Balance for Federal Criminal Justice Debt Owed to Third Parties (FY 1992-2023)



Source: U.S. Dep't of Justice, United States Attorneys' Annual Statistical Report: Fiscal Years 1992 - 2023, tbl. 12B (1992-2003) and tbl. 8B (2004-2023), available at <https://www.justice.gov/usao/resources/annual-statistical-reports>. See [Appx. A.2](#), *infra*, for additional information about calculations.

As with the balance owed to the United States, 20% or less of the balance of federal criminal justice debt owed to third parties has been deemed collectible in recent years.²⁰ With such a low percentage of the balance deemed collectible each year, it is unsurprising that the portion of criminal justice debt that makes up the new balance (new impositions plus new interest accrued) generally decreased over time. With the exception of an uptick in 2017 (19%), the new balance as a percentage of the ending balance fell from 16% in 2009 to 5% in 2023 (see [Figure 4](#), *infra*), again suggesting that a large, intractable mass of uncollectible debt is carried over each year and continuing to grow larger because of interest charged.

Figure 4: Decline in New Balance as a Percentage of Criminal Justice Debt Owed to Third Parties (FY 2009-2023)



Source: U.S. Dep't of Justice, United States Attorneys' Annual Statistical Report: Fiscal Years 2009 - 2023, tbl. 8B, available at <https://www.justice.gov/usao/resources/annual-statistical-reports>. See [Appx. A.2, infra](#), for additional information about calculations.

2.2 Treasury Offset Program²¹

The federal Debt Collection Improvement Act of 1996 (DCIA)²² requires federal agencies to refer delinquent, non-tax debts to the Department of the Treasury (Treasury) Bureau of the Fiscal Service (BFS) after 120 days.²³ The DCIA authorized the Treasury to create a centralized collection mechanism—the Treasury Offset Program (TOP)—to offset federal payments.²⁴ The DCIA further authorized the Treasury to offset up to 100% of federal income tax refunds to collect these non-tax debts, meaning that a taxpayer's full income tax refund can be seized to collect on a debt.²⁵ Tax refunds can be seized repeatedly each year until a debt is collected in full.

TOP's offset of a federal income tax refund to collect non-tax debts happens only after any offset by the Internal Revenue Service (IRS) for outstanding federal tax or child support obligations.²⁶ The BFS collects fees for its collection services from the federal agency that placed the account for offset through TOP,²⁷ and regulations allow federal creditor agencies to add these fees to the debt "[t]o the extent allowed by law."²⁸

The DOJ uses this process to collect federal criminal justice debt via offset of tax refunds and other federal payments. Before an offset can occur, the DOJ must first meet certain procedural criteria, including: providing notice of the amount due, considering any evidence that this amount is not due, and providing an opportunity for the debtor to enter into a repayment agreement.²⁹

In the first quarter of 2024, the DOJ referred more than \$90 million dollars in eligible debt to TOP for collection.

Notably, tax refund offset can be used alongside other simultaneous forms of collection, and can even be used when a debtor is making voluntary payments. There are documented instances of the DOJ using TOP to pursue collection of outstanding criminal justice debt even though the debtor was already making payments.³⁰ Additionally, TOP can offset multiple federal payment sources for a single individual.³¹

More than three fifths (62.1%) of the funds recovered by the TOP and used to offset non-tax debts owed to the DOJ in FY 2022 were tax refund offsets.

In the first quarter of 2024, the DOJ referred more than \$90 million dollars in eligible debt to TOP for collection.³² Although this data does not specify what portion of this was for criminal justice debt, nearly 99% of the amount referred was marked as debt owed for “legal activities.”³³ Moreover, it is clear from other sources that the DOJ uses TOP to collect criminal justice debt, including through the use of tax refund offsets.³⁴

Although TOP can offset a variety of federal payments to collect non-tax debts, more than three fifths (62.1%) of the funds recovered by the TOP and used to offset non-tax debts owed to the DOJ in FY 2022 were tax refund offsets (see [Table 1](#), *infra*).

Table 1: Payment Sources Offset by the TOP to Collect Non-Tax Debts Owed to DOJ in FY 2022

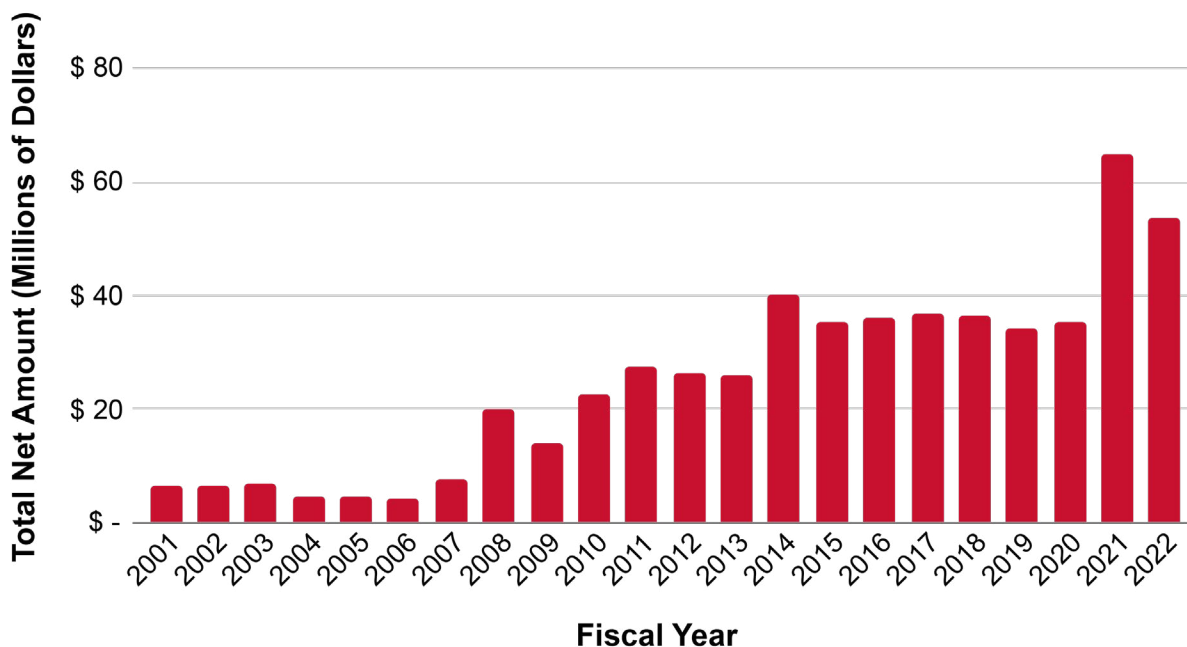
Payment Source Description	Amount Offset	Percent
Tax Refund	\$ 53,661,022	62.1%
Social Security Administration	\$ 28,143,359	32.6%
Vendor Payment	\$ 1,186,620	1.4%
Office Personnel Management	\$ 1,169,513	1.4%
Salary	\$ 1,012,238	1.2%
State Tax	\$ 813,884	0.9%
Railroad Benefit	\$ 279,786	0.3%
State Vendor	\$ 56,489	0.1%
NTDO Vendor	\$ 33,825	0.0%
Manual Payment	\$ 147	0.0%
Total	\$ 86,356,883	100.0%

Source: U.S. Dep't of the Treasury, Bureau of the Fiscal Serv., Treasury Offset Program (TOP) (Discontinued), available at <https://fiscaldata.treasury.gov/datasets/treasury-offset-program/federal-collections> (filtering "Creditor Agency Name" field by "United States Department of Justice" and reported monthly values summed to produce fiscal year totals).

Some of the funds offset by the TOP identified in Table 1 are state payments. BFS collaborates with participating states³⁵ through the State Reciprocal Program to offset non-tax federal payments against certain debts owed to these states,³⁶ and BFS may also request that these states offset state payments to collect debt owed to the federal government.³⁷

As shown in [Figure 5, infra](#), the amount collected using TOP tax refund offset and remitted to the DOJ increased dramatically from approximately \$35 million in FY 2020 to nearly \$65 million in FY 2021 before decreasing to \$53.6 million in FY 2022. Some of the additional funds recovered in FY 2021 and 2022 may be due to seizure of federal stimulus payments issued during the pandemic that were claimed as credits on a 2020 or 2021 tax return.³⁸ Similarly, some of the additional funds recovered in FY 2022 may represent seizure of enhanced Child Tax Credits authorized by the American Rescue Plan Act of 2021.³⁹

Figure 5: Net Amount Collected for DOJ via TOP Tax Refund Offsets (FY 2001-2022)



Source: U.S. Dep’t of the Treasury, Bureau of the Fiscal Serv., Treasury Offset Program (TOP) (Discontinued), available at <https://fiscaldata.treasury.gov/datasets/treasury-offset-program/federal-collections> (filtering "Creditor Agency Name" field by "United States Department of Justice" and "Payment Source Description" field by "Tax Refund" and reported monthly values summed to produce fiscal year totals).

While the DOJ collects millions of dollars via TOP tax refund offsets every year, this represents a small portion of all the federal criminal justice debt payments made. For example, in FY 2022 the DOJ received more than \$1.6 billion in payments on federal criminal justice debts.⁴⁰ Even if the entire \$53.6 million in tax refund offsets collected in FY 2022 (see [Table 1](#), *supra*) went to pay federal criminal justice debts, that represents only about 3% of payments received on federal criminal justice debt.

Even if the entire \$53.6 million in tax refund offsets collected in FY 2022 went to pay federal criminal justice debts, that represents only about 3% of payments received on federal criminal justice debt.

3. STATE SEIZURE OF TAX REFUNDS TO COLLECT CRIMINAL JUSTICE DEBT

3.1 Amount of State Criminal Justice Debt Outstanding

The amount of criminal justice debt outstanding at the state level is very difficult to determine, but available data indicates that it is substantial. In 2021, the Fines & Fees Justice Center documented at least \$27.6 billion in criminal justice debt outstanding in 25 states across the nation.⁴¹ This data is only a partial picture of the amount outstanding at the state level because some states provided partial data and some states did not provide data at all.⁴² Of the states that reported complete data, amounts outstanding ranged from a high of \$10.6 billion in California (\$336 per capita) to a low of \$17.2 million in South Dakota (\$26 per capita).⁴³

3.1.1 Outstanding Kansas Municipal Court Debt

Understanding the total amount of criminal justice debt outstanding in a particular state can be complicated by the fact that individual state courts—and not a central source—may hold the data. For example, Kansas officials reported to Fines & Fees Justice Center that:

[I]nformation related to outstanding fines and fees would only be known by each of Kansas' 105 district courts and 390 municipal courts. There is no statewide database that holds this information. The Office also stated that software used by the district courts does not allow for reporting of fines and fees debt "without a lot of reprogramming". Only some of the 390 municipal courts in Kansas electronically track this information and the system is not consistent for all of the courts.⁴⁴

The Kansas Department of Administration produced data to NCLC documenting \$76,774,357 in municipal court debts that were outstanding in its system as of June 2023,⁴⁵ explaining that "we do not have a way of knowing whether this covers *all* municipal courts in Kansas."⁴⁶

Further analysis of the Kansas municipal court data underscores the challenges presented in understanding what portion of the municipal court data is criminal justice debt given the inconsistent labels for different categories of municipal court debts. Broadly categorized, NCLC labeled approximately \$35 million as criminal, nearly \$27 million as traffic, and more than \$12 million as court fees/fines (see [Table 2](#), *infra*).

Table 2: Categories of Kansas Municipal Court Debt

Category	Balance	Percent of Total
Criminal	\$ 35,062,193	45.7%
Traffic	\$ 26,843,930	35.0%
Court Fees/Fines	\$ 12,195,594	15.9%
General	\$ 1,882,027	2.45%
Uncategorized	\$ 559,546	0.73%
Failure to Appear	\$ 231,067	0.3%

Source: NCLC analysis of data produced by Kansas Dep’t of Admin. pursuant to a public record request. See [Appx. B.1](#), *infra*, for additional information.

In addition to some or all of the debts in the category “Court Fees/Fines,” most or all of the items listed under the “Criminal” category are criminal justice debts. For more information about how NCLC organized the data into approximate subcategories, see [Appx. B.1](#), *infra*.

3.2 State Tax Refund Offsets

Although it varies by state, state laws may require or allow officials to collect state and local criminal justice debt by seizing state income tax refunds⁴⁷ or other types of state payments. The details vary depending on the relevant state law. We examine collection of criminal justice debt owed to Kansas courts as one example of how tax refund offsets may occur at the state level.

3.2.1 Kansas Debt Recovery Systems

Kansas uses state tax refund offsets as one method of collecting criminal justice debt. Kansas law⁴⁸ authorizes the state Department of Administration to set off money that Kansas owes to vendors and individuals against amounts that these individuals owe to the state.⁴⁹ Kansas district courts were added as participants to this program in 1996.⁵⁰ The Kansas Department of Administration uses the Kansas Debt Recovery System (KDRS) to process claims from creditor agencies and conduct offsets.⁵¹

In 2023, KDRS offset nearly \$4 million in Kansas state payments to collect 1,599 municipal and district court debts.⁵² Nearly 83% of this amount was collected from individual or joint tax returns (see [Table 3](#)).

Table 3: State Payments Offset by Kansas Debt Recovery System to Collect Municipal and District Court Debt in 2023

Type of Payments Offset	Amount Offset	Percent
Individual Tax Refund	\$ 2,585,341	67.8%
Joint Tax Refund	\$ 565,449	14.8%
Prize Winning Payment	\$ 322,397	8.5%
State Miscellaneous Payment	\$ 73,983	1.9%
Payroll	\$ 63,906	1.7%
Unclaimed Property Owners	\$ 52,383	1.4%
Kansas Public Employee Retirement System Other	\$ 47,582	1.2%
Unclaimed Property Claimants	\$ 35,353	0.9%
Other	\$ 35,784	0.9%
Homestead Tax Refund	\$ 29,089	0.8%
Total	\$ 3,811,268	100.0%

Source: Data produced by Kansas Dep't of Admin. pursuant to a public record request.

We do not know the total amount of Kansas criminal justice debt outstanding in 2023, the total amount of Kansas criminal justice debt collected in 2023, or what percentage of the total amount of all Kansas criminal justice debt collected was collected via Kansas tax refund offsets.

3.2.2 Collection of Criminal Justice Debt in the Kansas 9th Judicial District

Due to the limited statewide data available, NCLC assessed debt collection for a single judicial district within Kansas to better understand the role that state offsets play compared to other methods of collecting criminal justice debt in Kansas. Since Kansas relies on collection by private debt collectors to collect debts owed to the district courts,⁵³ NCLC reviewed data from the private debt collector hired to collect in that judicial district.

NCLC obtained monthly reports of collection activity from 2019 to 2023 that were filed by a private debt collector hired to collect debt in Kansas' 9th Judicial District, which consists of Harvey County and McPherson County.⁵⁴ NCLC analyzed the data for cases where the monthly report listed the type of debt as "court costs," "restitution," "dual-restitution," or

“dual-court costs.” In total, NCLC found 2,304 unique cases whose entire collection history was represented in the five years of collection reports, meaning that all monthly payments reported by the debt collector are included in the monthly reports from 2019 to 2023. Of these cases, 1,515 accounts (66%) were paid off during that period.⁵⁵

The monthly reports identified the recovery method for each payment as either “KDRS” or “Other Means.”⁵⁶ NCLC aggregated all of the payments associated with a particular case number during the five years of available monthly payments, identifying whether the payments were made for that account using KDRS only, methods other than KDRS only (“other means only”), or a combination of KDRS and other means. [Table 4, infra](#), shows the total amounts collected from the paid off accounts based on the method(s) of collection used, as well as the median days in collection and number of cases for each recovery type.

Table 4: Length of Collection, Amount Collected, and Number of Cases for Paid Off Accounts by Recovery Method for Kansas’ 9th Judicial District Criminal Justice Debt from 2019-2023

Recovery Method	Median Days in Collection	Total Amount Collected	Number of Cases
KDRS Only	688	\$ 241,963	453
Other Means Only	176	\$ 474,452	914
KDRS and Other Means	608	\$ 118,458	148

Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request. See [Appx. B.2, infra](#), for additional information.

The private debt collector collected more money through “other means only” than by “KDRS only” and the median length of collection was lower with “other means” of collection. However, that does not mean that “other means” were “better” or “faster” than KDRS. The accounts collected via “other means” may simply have been easier to collect because, for example, the person contacted had the means to pay the debt when the private debt collector called.

From 2019 to 2023, the highest number of payments were collected from KDRS and/or other means in March and April, with 18% of payments collected in March, and 11% collected in April.⁵⁷ March and April are months when many people receive tax refunds.

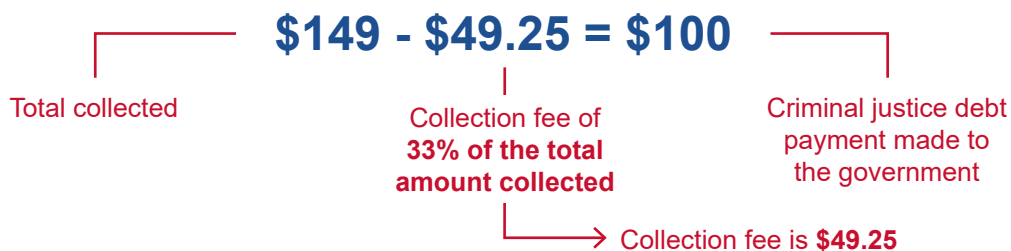
The contract that the Kansas courts signed with the private debt collector allowed the private debt collector to retain “33% of the total amount collected.”⁵⁸ Kansas law prohibits the debt

collector from recovering this amount from “the debts owed to courts or restitution.”⁵⁹ The debt collector must pay fees to KDRS (if applicable) and an administrative fee to the court from the 33% retained.⁶⁰

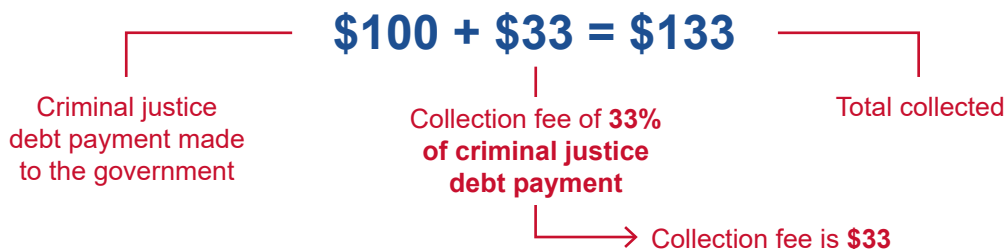
As demonstrated in Figure 6, *infra*, the method the private debt collector used to calculate collection fees resulted in much larger collection fees than an alternative method of calculating fees. This increased the total amount an individual with criminal justice debt must pay. Example 1 in Figure 6 shows how the private debt collector calculated this fee - interpreting “total amount collected” to include the collection fee, resulting in a nearly \$50 collection fee when \$100 is collected toward a debt. In contrast, Example 2 in Figure 6 shows how to calculate the fee if the amount collected toward the criminal justice debt is treated as the base number from which to calculate the collection fee, showing a fee of \$33 to collect the same \$100. Using the calculation method in Example 1 instead of the method in Example 2 increases collection fees by nearly 50%.

Figure 6: How Method of Calculation Can Increase Collection Fees

Example 1: Method of Calculating Collection Fees in Kansas’s 9th Judicial District



Example 2: Common Alternate Method of Calculating Collection Fees



Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request. See [Appx. B.2](#), *infra*, for additional information.

Notably, the private debt collector is not alone in calculating fees this way. The Kansas Department of Administration appears to use the same method of calculation when it conducts setoffs and “State agencies receive 83% of the gross amount collected,” apparently retaining a 17% of the total amount collected as its fee.⁶¹

For additional data regarding the collection of criminal justice debt in Kansas’ 9th Judicial District, please see [Appx. B.2](#), *infra*.

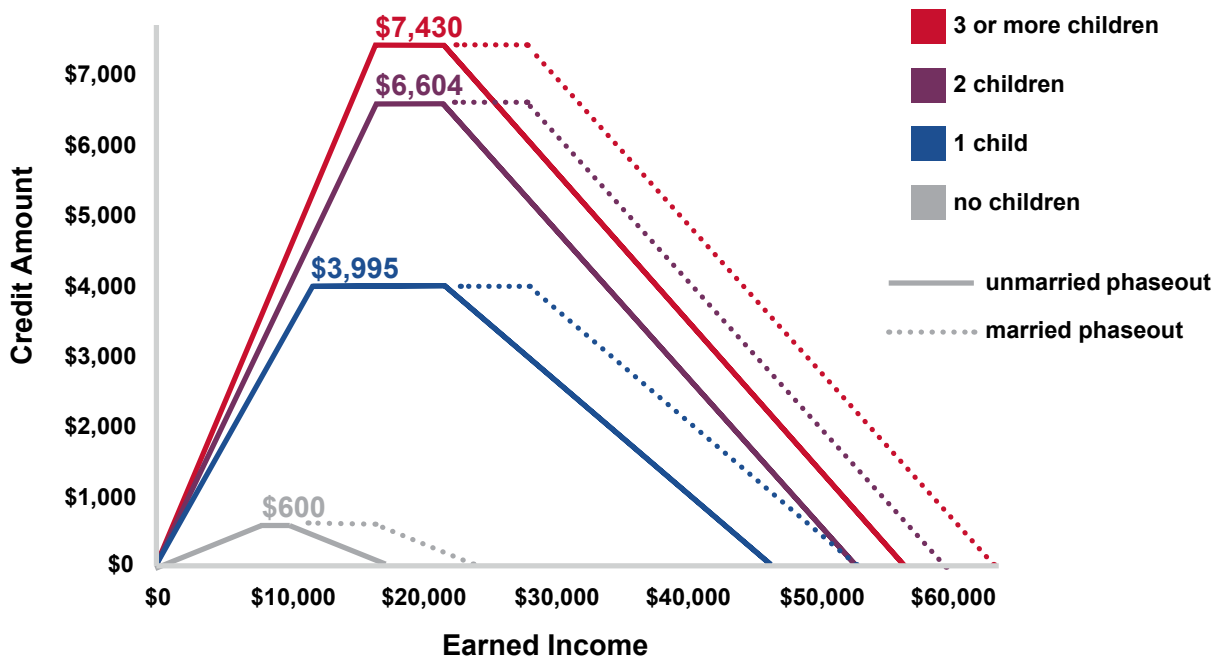
4. THE EFFECT OF TAX REFUND OFFSETS ON POVERTY REDUCTION PAYMENTS

4.1 What Is the Earned Income Tax Credit (EITC)?

The Earned Income Tax Credit (EITC) is a poverty reduction program that increases net income for qualified low- and moderate-income working families by lowering their taxes and, in many cases, resulting in or increasing tax refunds. The federal government, 31 states, the District of Columbia, and Puerto Rico all have their own EITC.⁶² The purposes of the EITC are to encourage work and reduce poverty—particularly child poverty—by subsidizing incomes of low-wage working families.⁶³

The amount of the federal EITC varies based on family income and the number of children. For tax year 2023, the maximum EITC for tax filers with no children was \$600 versus a maximum of \$7,430 for tax filers with three or more children.⁶⁴ Maximum earned income to qualify for some amount of federal EITC for tax year 2023 ranged from \$17,640 (\$24,210 if filing jointly) for no children to \$56,838 (\$63,398 if filing jointly) for filers with three or more children.⁶⁵ However, families can only qualify for the maximum amount of the EITC when their earned income is at or below \$21,600 (\$28,150 if filing jointly).⁶⁶ A phaseout of the credit applies as income increases above that threshold, as shown in [Figure 7](#), *infra*.

Figure 7: EITC Amount by Number of Qualifying Children, Marital Status, and Income, 2023



Source: Figure copied from Congressional Research Serv., The Earned Income Tax Credit (EITC): How It Works and Who Receives It (Nov. 14, 2023), available at <https://crsreports.congress.gov/product/pdf/R/R43805> (noting that calculations are based on IRS Revenue Procedure 2022-38 and Internal Revenue Code § 32).

The federal EITC is a refundable tax credit.⁶⁷ This means that tax filers can receive the full amount of the EITC tax credit even if the value of the EITC tax credit exceeds the amount of taxes owed.⁶⁸ Once the tax credit has reduced the amount of taxes outstanding to \$0, any remaining value will be issued as tax refund to the filer.⁶⁹

State EITCs are generally calculated as a percentage of the federal EITC.⁷⁰ In tax year 2023, this percentage ranged from less than 10% to 70% of the federal EITC.⁷¹ Twenty-five states and the District of Columbia have a fully refundable state EITC, two states have a partially refundable state EITC, and four states have a nonrefundable state EITC.⁷²

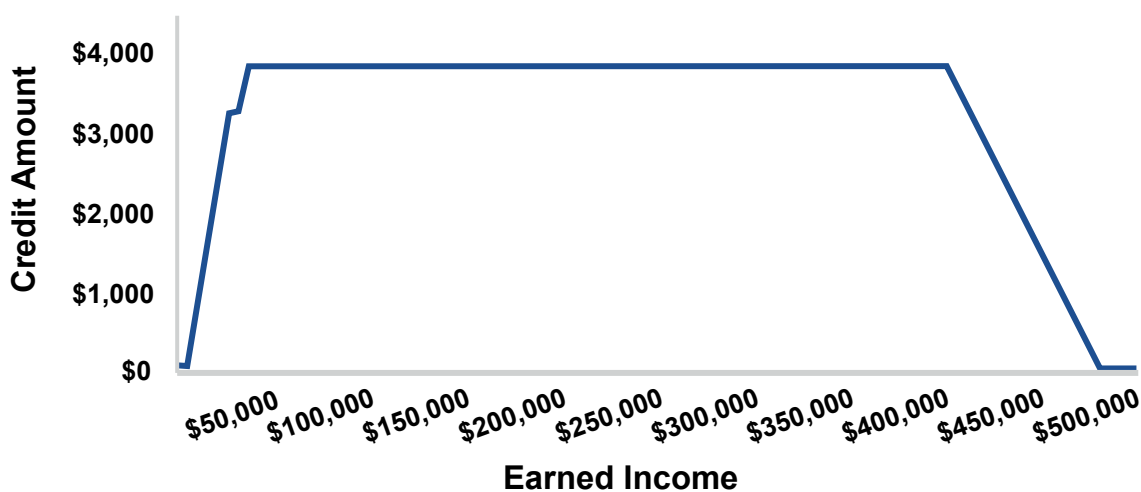
4.2 What Is the Child Tax Credit (CTC)?

The Child Tax Credit (CTC) is a program designed to ease the financial burden of raising children that has been important in reducing child poverty. Like the EITC, the CTC lowers taxes and, in some cases, may result in or increase the amount of the tax refund for qualifying families with children. The federal government and 14 states have their own CTC.⁷³

The amount of the federal CTC varies based on family income and the number of children. In tax year 2023, the amount of the federal CTC is \$2,000 per dependent under age 17.⁷⁴ The federal CTC is phased out for tax filers whose annual income is more than \$200,000 (\$400,000 if filing a joint tax return).⁷⁵

The federal CTC limits the benefit for some low-income families. The Institute on Taxation and Economic Policy explains that “[c]hildren whose parents or guardians earn less than \$2,500 are ineligible for the federal CTC while families with earnings above this level receive a federal CTC limited to 15 percent of each dollar of earnings over \$2,500 (until reaching a maximum credit of \$2,000 per child).”⁷⁶ As a result, in tax year 2022, 26% of children did not receive the full federal CTC.⁷⁷

Figure 8: Federal Child Tax Credit Structure in 2024 (Two-Child, Two-Parent Family)



Source: Figure copied with permission from Aidan Davis & Neva Butkus, Economic Security, *supra* [note 73](#).

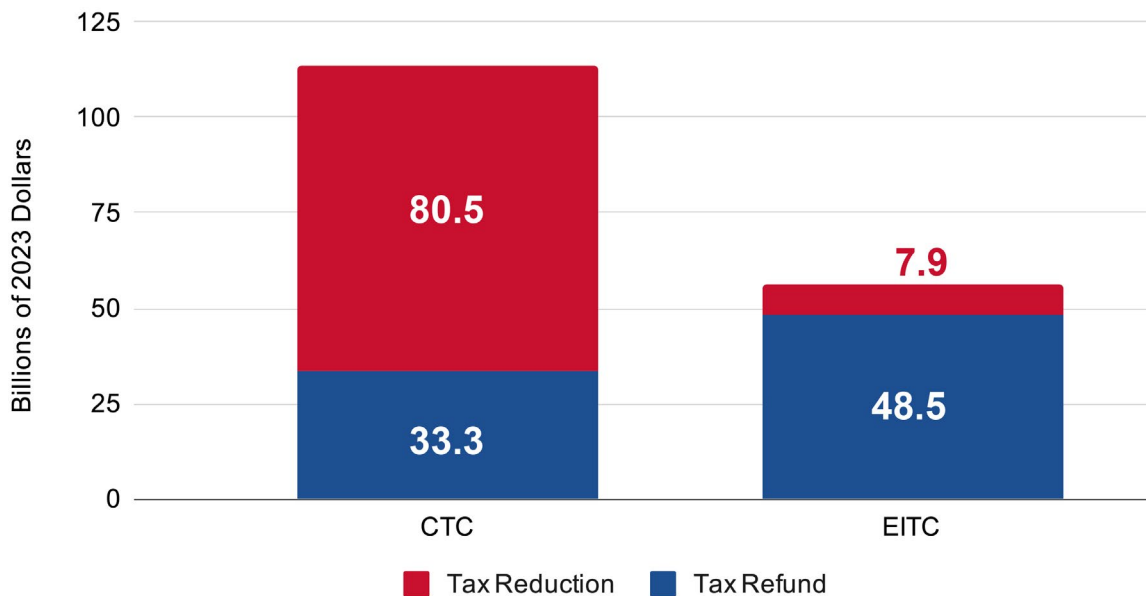
The federal CTC is a partially refundable tax credit. For tax year 2023, up to \$1,600 per child may be refundable if the CTC exceeds the amount of taxes owed.⁷⁸

State CTC ranged from \$100 per child (Oklahoma) to \$1,200 per child (Colorado)⁷⁹ States have different rules regarding eligible incomes for state CTC and the maximum ages of qualifying children.⁸⁰ Eleven states have a fully refundable state CTC, and three states have a nonrefundable state CTC.⁸¹

4.3 EITC and CTC Are a Critical Part of the Social Safety Net for Families with Children

The federal EITC and CTC are critical sources of financial support for families in the United States. In tax year 2023, the federal CTC provided families with \$33.3 billion in tax refunds and \$80.5 billion in tax reductions. The EITC provided families with children with \$48.5 billion in tax refunds and \$7.9 billion in tax reductions (see Figure 9, *infra*).⁸²

Figure 9: Federal Tax Expenditures on EITC and CTC in Tax Year 2023



Source: Heather Hahn et al., Urban Inst., Kids' Share 2024: Report on Federal Expenditures on Children through 2023 and Future Projections 10 (Oct. 2024), available at <https://www.urban.org/sites/default/files/2024-10/Kids-Share-2024.pdf>.

Both the CTC and the EITC are essential poverty reduction programs, together lifting 10.6 million people above the poverty line and reducing the severity of poverty for 17.5 million others in 2018.⁸³ Looking specifically at children, in 2018 these programs lifted 5.5 million children above the poverty line and made poverty less severe for an additional 6.4 million children.⁸⁴ Children in families receiving the EITC and CTC are healthier, more successful in school, more likely to go to college, and likely to earn more as adults.⁸⁵

Both the CTC and the EITC are essential poverty reduction programs, together lifting 10.6 million people above the poverty line and reducing the severity of poverty for 17.5 million others in 2018.

4.4 Seizure of Federal EITC and CTC Via Federal Tax Refund Offsets

In tax year 2018, the federal government offset between 4.5 and 5 million income tax returns, collecting between \$7.25 and \$7.75 billion.⁸⁶ Although many means-tested benefits are exempted from offset, and the EITC and CTC are critical poverty reduction programs, federal law does not currently protect these amounts from seizure when tax refunds are offset through the TOP.⁸⁷

To date, NCLC has been unable to obtain data about the percent of federal tax returns subject to seizure that are from households that received EITC or CTC.⁸⁸ NCLC will update this report in the future if we obtain this data.

4.5 Seizure of State EITC and CTC Via State Tax Refund Offsets

State EITC and CTC may also be subject to seizure to collect debts owed to the government via state tax refund offset procedures used to collect debts owed to government agencies.⁸⁹ At least one state, however, specifically protects state EITC and CTC from state tax refund offset. California law provides that:

[T]he Controller shall not offset delinquent accounts against the personal income tax refunds of an individual who received the earned income tax credit . . . or the young child tax credit . . . for the taxable year.⁹⁰

NCLC sought data from the Kansas Department of Administration about the portion of Kansas EITC recipients who had their Kansas state tax refunds offset to collect criminal justice debts. However, the agency was not able to break down the amounts offset from Kansas EITC payments.⁹¹

5. THE EFFECT OF SEIZING POVERTY REDUCTION PAYMENTS ON JUSTICE-INVOLVED INDIVIDUALS AND THEIR FAMILIES

This section explores the particular importance of the EITC and CTC to justice-involved individuals and their families and also the impact of seizing these benefits and redirecting them to the government. While the primary focus is on the direct impact of such seizures on justice-involved individuals, their spouses, and their children, there are also costs to society more broadly if these seizures hinder successful reentry, increase recidivism, and reduce the long-term health and earnings of the children of justice-involved individuals.

5.1 Seizure of EITC and CTC Hinders Successful Reentry

Successful reentry is aided by financial security, and debt hinders successful reentry of formerly incarcerated people.⁹² Financial assistance programs, including public benefits, lower recidivism and help justice-involved parents meet the basic needs of their children.⁹³

The EITC in particular may support successful reentry of justice-involved parents by both helping them to provide for their children and supporting participation in the formal labor market. The EITC is intended to increase employment in the formal labor market by increasing incentives for such work.⁹⁴ However, seizure of the EITC undermines this incentive. Justice-involved individuals already face significant barriers to employment related to their criminal records.⁹⁵ Undermining the incentive to work by seizing the EITC may exacerbate existing pressure to drop out of the formal labor market—greatly jeopardizing successful reentry.

Undermining the incentive to work by seizing the EITC may exacerbate existing pressure to drop out of the formal labor market—greatly jeopardizing successful reentry.

5.2 Seizure of the EITC and CTC Compounds the Devastating Adverse Impact of Incarceration and Justice Involvement Already Experienced by Children

Many justice-involved individuals have minor children who may need EITC or CTC benefits to meet basic needs. Nearly half of U.S. children (33 million) have at least one parent with a criminal record.⁹⁶ Forty-seven percent of state prisoners and 58% of people incarcerated in federal prisons have one or more minor children.⁹⁷ Earlier research found that more than 1.1 million justice-involved parents in state and federal prisons would have a minor child at their expected release date.⁹⁸

Children of justice-involved parents are more likely to become poor, and a parent's incarceration exacerbates economic instability.⁹⁹ The median income among people entering prison is 41% less than the national average.¹⁰⁰ Then, once incarcerated, people have virtually no ability to earn meaningful wages.¹⁰¹ People who have spent time in prison see their subsequent annual earnings reduced by an average of 52%, earning nearly half a million dollars less over the course of their careers.¹⁰²

Unsurprisingly, “[t]he overwhelming majority of children with incarcerated parents have restricted economic resources available for their support.”¹⁰³

Additionally, justice-involved individuals may be denied other government benefits, such as Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF), due to certain types of prior convictions.¹⁰⁴ As a result, children of justice-involved parents may be even more likely to rely on EITC or CTC to meet basic needs.

Children are not responsible for, and cannot help, whether their parents or guardians are behind on criminal justice debts. Yet government seizure of EITC and CTC benefits intended to support children and reduce child poverty nonetheless punishes children and exacerbates the financial instability experienced by children of justice-involved individuals.

5.3 Seizure of EITC and CTC for Criminal Justice Debt Is Likely to Disproportionately Harm Children of Color

The U.S. Commission on Civil Rights recognizes that “[p]eople of color are more likely to be arrested, convicted, and sentenced more harshly than are white people, which amplifies the impact of collateral consequences on this population.”¹⁰⁵ As with other collateral consequences, “criminal fees fall . . . disproportionately on Black, Indigenous, and Latinx people.”¹⁰⁶

Similarly, the impact of parental justice-involvement and parental incarceration is disproportionately borne by children of color. As one study notes, “[b]y the age of 14, approximately 25 percent of African American children have experienced a parent—in most cases a father—being imprisoned for some period of time. The comparable share for white children is 4 percent.”¹⁰⁷

Although demographic data on criminal justice debt is limited, the assessment of criminal justice debt in the federal system is likely to mirror the demographic trends in the federal prison population. In federal prison, 38.9% of inmates are Black and 29.1% are Latino,¹⁰⁸ although Black and Latino people make up 13.6% and 18.9% of the U.S. population, respectively.¹⁰⁹

The EITC and CTC “disproportionately serve Black, Latina, and Native American women [and] . . . have long-term benefits for the life trajectories of children in families that receive them.”¹¹⁰ Because justice-involved families are disproportionately people of color, these same families are disproportionately likely to lose out on these payments as a result of their seizure through tax offsets to collect criminal justice debt, undermining the potential of the tax credits to advance racial equity.

5.4 Spouses of Justice-Involved Individuals Face Seizure of CTC and EITC

Although individuals are not liable for their spouses' criminal justice debt, the spouses of justice-involved individuals may also have their EITC and CTC seized if they file a joint tax return with a partner who owes criminal justice debt, including a partner who is currently incarcerated.¹¹¹ While the IRS provides an Injured Spouse Allocation form that the non-debtor spouse can use to ask for the return of a portion of the funds,¹¹² a partial refund may provide incomplete relief. Moreover, navigating this additional step and administrative burden is likely to significantly decrease access to EITC and CTC funds for the families of justice-involved individuals.

6. RECOMMENDATIONS

This report highlights tax refund offset as a method of collecting criminal justice debt and the hardships that can result for justice-involved individuals and their families when critical EITC and CTC funds are seized—which can in turn impose broader societal costs. Other types of debts owed to federal and state governments—including federal student loans¹¹³—are also collected through tax refund offsets, raising similar concerns about the impact of seizing poverty reduction program funds from low-income families.

These recommendations identify potential policy changes to address seizure of EITC and CTC through tax refund offset for a broad range of debts owed to the federal government (6.1) or to state governments (6.2).

6.1 Federal Recommendations

Congress should:

- Amend the DCIA¹¹⁴ to exempt EITC and CTC from offset for the collection of non-tax debt; and
- Amend the Internal Revenue Code¹¹⁵ to exempt EITC and CTC from offset for the collection of tax debt owed to the federal government.¹¹⁶

To the extent that Congress has not enacted the above reforms:

Treasury should:

- Recommend that Congress use its legislative authority to protect the EITC and CTC from offset, as described above, in its annual request (the Greenbook);¹¹⁷

- Direct BFS to resume periodic updates to the webpage containing the Treasury Offset Program dataset,¹¹⁸ which currently states that the dataset was “Discontinued”;
- Direct the IRS to report annually on the number of taxpayers whose tax refunds are offset and how many of those taxpayers received the EITC, CTC, or both;
- Direct BFS to:
 - include the new data produced by the IRS as part of the Treasury Offset Program dataset and
 - publish new data about what federal debts the funds offset from taxpayers receiving EITC and CTC are being used to pay; and
- Direct the IRS to make maximum use of its existing authority to refund offsets for taxpayers who qualify for the EITC and CTC.¹¹⁹

*DOJ should include the following information in the United States Attorneys’ Annual Statistical Report:*¹²⁰

- A comprehensive data dictionary and methodology describing how each column in each table is calculated and any changes in methodology from prior reports;
- Documentation outlining all of the methods of collection for federal criminal justice debt as well as any internal policies about when to use specific collection methods; and
- Annual data about the amounts of criminal justice debt collected via each method of collection.

6.2 State Recommendations

State legislatures should protect any refundable state EITC and CTC from state tax offset.

- To the extent that state legislatures have not yet required this, they should require the relevant state agencies conducting tax refund offsets to report annually on the number of taxpayers whose tax refunds are offset, how many of those taxpayers received EITC, CTC, or both [as determined by state law], and what debts these offsets are going to repay.

State courts should provide, in a centralized source for the state:

- Documentation outlining all of the methods of collection for criminal justice debt as well as any internal policies about when to use specific collection methods; and
- Annual data about the amount of criminal justice outstanding and the amount collected via each method of collection.

APPENDIX A: DATA ABOUT FEDERAL CRIMINAL JUSTICE DEBT

A.1 Federal Criminal Justice Debt Owed to the United States

Table A.1: Federal Criminal Justice Debt Owed to the United States

Fiscal Year	Ending Balance [^]	% Deemed Collectible*	New Balance as a % of Ending Balance [#]
1992	\$ 1,606,266,420		
1993	\$ 2,294,073,368		
1994	\$ 2,862,412,701		
1995	\$ 3,424,804,173		
1996	\$ 3,731,348,291		
1997	\$ 4,065,403,779		
1998	\$ 4,226,580,141		
1999	\$ 4,508,321,369		
2000	\$ 5,800,959,075		
2001	\$ 7,031,236,148		
2002	\$ 7,566,262,727		
2003	\$ 8,329,127,818		
2004	\$ 8,548,536,625		
2005	\$ 9,376,920,809		
2006	\$ 9,781,879,386		
2007	\$ 10,627,581,193		
2008	\$ 10,912,611,062		
2009	\$ 13,330,236,083	16.90%	36%
2010	\$ 14,038,691,875	15.00%	25%
2011	\$ 15,008,595,200	14.80%	22%
2012	\$ 17,958,908,944	13.60%	32%
2013	\$ 20,845,079,047	18.30%	29%
2014	\$ 23,158,245,152	8.40%	23%
2015	\$ 23,981,799,732	9.80%	23%
2016	\$ 26,675,119,038	13.80%	22%
2017	\$ 29,141,881,605	13.80%	37%
2018	\$ 29,331,981,734	18.80%	12%
2019	\$ 30,228,493,853	16.30%	10%
2020	\$ 32,454,616,240	19.70%	11%
2021	\$ 39,247,886,949	20.30%	18%
2022	\$ 36,919,070,045	17.70%	13%
2023	\$ 39,268,644,179	19.80%	12%

Source Data: U.S. Dep't of Justice, Office of the United States Attorneys, Annual Statistical Reports, available at <https://www.justice.gov/usao/resources/annual-statistical-reports>. Data is found on tbl. 12A from Fiscal Years 1992 to 2003 and tbl. 8A from Fiscal Years 2004 to 2023.

[^]For Fiscal Years 2009-2023, NCLC calculated the ending balance by adding the “Ending Principal” to the “Ending Interest/Costs.” For Fiscal Years 1992 to 2008, NCLC used the reported “Current Balance” as the ending balance.

^{*}NCLC calculated the percent deemed collectible by dividing reported “Collectibility” by the calculated “Ending Balance” in each year. See U.S. Dep't of Justice, United States Attorneys' Annual Statistical Report: Fiscal Year 2023, tbl. 8A n.2 (“Collectibility” is “determined by subtracting the suspended amount...from the current pending balance.”). Data about “Collectibility” was not included in reports prior to 2009.

[#]NCLC calculated New Balance as a Percent of Ending Balance by dividing the calculated “New Balance” in a year (New Impositions + New Interest Accrued) by the calculated “Ending Balance” (Ending Principal + Ending Interests/Costs). Data categories prior to 2009 were different and data was excluded from this analysis as not directly comparable. Data about “New Impositions” was not included in reports prior to 2009.

A.2 Federal Criminal Justice Debt Owed to Third Parties

Table A.2: Criminal Debts Owed to Third Parties

Fiscal Year	Ending Balance [^]	% Deemed Collectible*	New Balance as a % of Ending Balance [#]
1992	\$ 880,643,197		
1993	\$ 1,293,326,718		
1994	\$ 1,571,634,601		
1995	\$ 2,184,564,658		
1996	\$ 2,131,323,360		
1997	\$ 4,069,263,492		
1998	\$ 6,429,552,358		
1999	\$ 8,564,658,654		
2000	\$ 10,195,271,678		
2001	\$ 12,989,683,573		
2002	\$ 19,838,231,983		
2003	\$ 21,477,833,159		
2004	\$ 24,203,866,630		
2005	\$ 31,994,463,753		
2006	\$ 35,938,994,593		
2007	\$ 39,829,032,720		
2008	\$ 44,400,186,229		
2009	\$ 51,957,263,182	19.30%	16%
2010	\$ 56,354,131,266	13.50%	10%
2011	\$ 62,536,842,306	13.30%	12%
2012	\$ 71,165,357,306	10.60%	7%
2013	\$ 76,074,191,228	9.30%	10%
2014	\$ 78,356,083,303	7.30%	14%
2015	\$ 85,564,680,985	8.10%	10%
2016	\$ 88,570,278,711	9.00%	5%
2017	\$ 106,785,532,073	9.40%	19%
2018	\$ 109,754,418,603	12.50%	4%
2019	\$ 114,242,775,721	13.30%	5%
2020	\$ 115,266,370,221	11.60%	3%
2021	\$ 118,896,131,010	13.20%	5%
2022	\$ 121,302,573,519	12.70%	6%
2023	\$ 124,843,482,453	15.30%	5%

Source Data: U.S. Dep’t of Justice, Office of the United States Attorneys, Annual Statistical Reports, available at <https://www.justice.gov/usao/resources/annual-statistical-reports>. Data is found on tbl. 12B from Fiscal Years 1992 to 2003 and tbl. 8B from Fiscal Years 2004 to 2023.

^For Fiscal Years 2009-2023, NCLC calculated the ending balance by adding the “Ending Principal” to the “Ending Interest/Costs.” For Fiscal Years 1992 to 2008, NCLC used the reported “Current Balance” as the ending balance.

*NCLC calculated the percent deemed collectible by dividing reported “Collectibility” by the calculated “Ending Balance” in each year. See United States Attorneys’ Annual Statistical Report: Fiscal Year 2023, tbl. 8A n.2 (“Collectibility” is “determined by subtracting the suspended amount...from the current pending balance.”). Data about “Collectibility” was not included in reports prior to 2009.

#NCLC calculated New Balance as a Percent of Ending Balance by dividing the calculated “New Balance” in a year (New Impositions + New Interest Accrued) by the calculated “Ending Balance” (Ending Principal + Ending Interests/Costs). Data categories prior to 2009 were different and data was excluded from this analysis as not directly comparable. Data about “New Impositions” was not included in reports prior to 2009.

APPENDIX B: DATA ABOUT KANSAS CRIMINAL JUSTICE DEBT

B.1. Municipal Court Data

B.1.1 Methodology

Pursuant to a public record request, the Kansas Department of Administration produced data to NCLC regarding municipal court debts that were outstanding in its system as of June 2023.¹²¹

NCLC initially sorted the descriptions using Term Frequency-Inverse Document Frequency (e.g., BATTERY TO LEO, LAW ENFORCE BATTERY) by how similar they were to one another and then manually reviewed and regrouped descriptions into categories and subcategories.

B.1.2 Additional Data

Table B.1 provides a breakdown of the subcategories of Kansas Municipal Court Debt that NCLC labeled as criminal. A more detailed breakdown of municipal debt categories is available in [this interactive table](#).

Table B.1: Subcategories of Criminal Kansas Municipal Court Debt

Subcategory	Frequency	Balance
Drugs/Alcohol	12,904	\$ 8,105,462
Assault/Battery	8,366	\$ 7,510,991
Theft/Robbery/Stolen Property/Damage	10,531	\$ 7,349,396
DUI	3,336	\$ 4,420,203
Escape/Elude/Interfere/Impersonate/Disorderly	3,700	\$ 2,112,183
Trespass	2,366	\$ 1,556,940
Violate order	1,083	\$ 1,241,865
Lewd/Trafficking/Prostitution	1,471	\$ 887,945
Uncategorized	662	\$ 436,574
Loitering/Begging	1,619	\$ 407,582
Financial	846	\$ 347,178
Weapon	703	\$ 310,933
False Representation	486	\$ 215,677
Hit and run/Leave scene	180	\$ 133,262
Harassment	33	\$ 26,004

Source: NCLC analysis of data produced by Kansas Dep't of Admin. pursuant to a public record request.

B.2. District Court Data

B.2.1 Methodology

Pursuant to a public record request, the Kansas Office of Judicial Administration produced to NCLC the monthly reports of collection activity from 2019 to 2023 filed by one private debt collector hired to collect debt in Kansas' 9th Judicial District. We selected this judicial district because it had the most detailed records about the method of collection.¹²²

NCLC analyzed the data for cases where the monthly report listed the type of debt as "court costs," "restitution," "dual-restitution," or "dual-court costs." We excluded from this dataset 396 cases whose pre-2019 collection history was missing from the dataset. We also excluded 86 cases that were listed in monthly debt collection reports as multiple line items for the same docket number and two cases that were listed as having \$0 in debt and \$0 collected.

In total, NCLC found 2,304 unique cases whose entire collection history was represented in the five years of collection reports, meaning that all monthly payments reported by the debt collector are included in the monthly reports from 2019 to 2023. We then identified 1,515 cases that were paid off, which we defined as owing less than \$5, and 789 cases that were not paid off by the end of 2023.

The monthly reports identified the recovery method for each payment as either "KDRS" or "Other Means." NCLC aggregated all of the payments associated with a particular case number during the five years of available monthly payments, identifying whether the payments were made for that account using KDRS only, methods other than KDRS only ("other means only"), or a combination of KDRS and other means.

B.2.2 Additional Data

Analysis of Kansas' 9th Judicial District criminal justice debt collection data produced a variety of additional information that we did not cite in the report. We share this additional data in the hope that providing detail about collection practices in Kansas' 9th Judicial District might be useful to researchers and advocates seeking to better understand the collection of criminal justice debt.

The additional data provides detailed information about how a private debt collector collects criminal justice debt, including:

- **Table B.2:** Collection of Paid-Off Accounts by Number of Months in Collection for Kansas' 9th Judicial District Criminal Justice Debt from 2019-2023;
- **Table B.3:** Median Amount Owed, Median and Total Amount Collected and Sent to Court, and Number of Cases by Recovery Method and Whether Account Paid Off for Kansas' 9th Judicial District Criminal Justice Debt from 2019-2023;
- **Table B.4:** Number of Kansas' 9th Judicial District Criminal Justice Debt Accounts in Collection from 2019-2023 Based on the Year that the Case Was Filed and Whether the Account was Paid Off;
- **Table B.5:** Number of Kansas' 9th Judicial District Criminal Justice Debt Accounts in Collection from 2019-2023 Based on the Year that Judgment Was Entered and the Year Paid Off; and
- **Table B.6:** Number of Payments Collected by the Year and Month of Payment for the Kansas' 9th Judicial District Criminal Justice Debt Accounts in Collection from 2019-2023.

The analysis in Tables B.3, B.4, and B.6 is based on the 2,304 unique cases whose entire collection history was represented in the five years of monthly collection reports from 2019-2023. The analysis in Tables B.2 and B.2.5 is based on the subset of 1,515 cases that were paid off.

Table B.2: Collection of Paid-Off Accounts by Number of Months in Collection for Kansas' 9th Judicial District Criminal Justice Debt from 2019-2023

Number of Months Case Appeared Before Paid Off	Number of Cases	Median Amount Submitted to Debt Collector	Average Amount Submitted to Debt Collector	Minimum Amount Submitted to Debt Collector	Maximum Amount Submitted to Debt Collector
1	1,063	\$ 294.00	\$ 364.22	\$ 10.00	\$ 1,713.00
2	262	\$ 544.78	\$ 625.28	\$ 86.57	\$ 2,691.04
3	94	\$ 731.35	\$ 845.84	\$ 150.69	\$ 2,711.19
4	36	\$ 650.00	\$ 1,012.18	\$ 195.00	\$ 5,851.87
5	9	\$ 1,400.00	\$ 1,100.83	\$ 273.13	\$ 1,765.67
6	7	\$ 526.87	\$ 812.37	\$ 291.04	\$ 1,735.82
7	10	\$ 1,173.88	\$ 1,755.00	\$ 559.70	\$ 3,929.85
8	8	\$ 845.53	\$ 965.91	\$ 291.04	\$ 1,861.64
9	2	\$ 933.59	\$ 933.59	\$ 616.42	\$ 1,250.75
10+	24	\$ 1,243.29	\$ 1,224.94	\$ 291.04	\$ 3,101.67

Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request.

Analysis of Data:

- 70% of all accounts that were ultimately paid off only appeared in one monthly statement, 17% appeared in two, and 6% appeared in three. Only 6% of accounts that were ultimately paid off appeared in four or more monthly statements.
- The median amount submitted to a debt collector that was paid off in one month was less than one quarter (24%) of the median debt that was collected over 10 or more months.
- The minimum value of a paid-off debt was \$10 and the maximum value of a paid-off debt was \$5,851.87. (This amount represents the total submitted for collection, not the total paid.)

Table B.3: Median Amount Owed, Median and Total Amount Collected and Sent to Court, and Number of Cases by Recovery Method and Whether Account Paid Off for Kansas’ 9th Judicial District Criminal Justice Debt from 2019-2023

Accounts Paid Off?	Recovery Method	Number of Cases	Median Amount Submitted to the Debt Collector	Median Amount Collected	Median Amount Sent to Court	Total Amount Collected	Total Amount Sent to Court
No	KDRS and Other Means	62	\$ 1,284	\$ 437	\$ 293	\$ 33,532	\$ 22,467
No	KDRS Only	481	\$ 858	\$ 221	\$ 148	\$ 154,677	\$ 103,633
No	Other Means Only	245	\$ 938	\$ 100	\$ 67	\$ 58,255	\$ 39,031
Yes	KDRS and Other Means	148	\$ 636	\$ 716	\$ 480	\$ 118,458	\$ 79,378
Yes	KDRS Only	453	\$ 323	\$ 410	\$ 275	\$ 242,084	\$ 162,115
Yes	Other Means Only	914	\$ 323	\$ 412	\$ 280	\$ 474,452	\$ 320,388

Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request.

Analysis of Data:

- Nearly 66% of the 2,304 accounts for which we had full collection data were paid off.
- The private debt collector used a combination of both KDRS and “other means” to collect accounts with the highest median amount owed both for paid-off accounts (\$636 median amount owed) and accounts that were not paid off (\$1,284 median amount owed).
- The highest median amounts were collected when the private debt collector used both KDRS and “other means” of collection both for paid-off accounts (\$716 median amount collected) and accounts that were not paid off (\$437 median amount collected).
- For paid-off accounts, the private debt collector collected the largest total amount through “other means” (\$474,452 total collected), but for accounts that are not yet paid off, the private debt collector has collected the largest total amount through KDRS (\$154,677).

Table B.4: Number of Kansas' 9th Judicial District Criminal Justice Debt Accounts in Collection from 2019-2023 Based on the Year that the Case Was Filed and Whether the Account was Paid Off

Note: Cell shading is used to highlight data magnitude, with darker blue hues indicating higher counts to emphasize the distribution of case volumes over the years.

Year Case Filed [^]	Number of Accounts Paid Off	Number of Accounts Not Paid Off	Total Cases
1995	1	0	1
1996	0	0	0
1997	0	0	0
1998	0	0	0
1999	0	0	0
2000	0	0	0
2001	0	1	1
2002	1	1	2
2003	2	2	4
2004	1	3	4
2005	0	5	5
2006	9	5	14
2007	7	6	13
2008	20	6	26
2009	16	5	21
2010	18	10	28
2011	11	9	20
2012	19	17	36
2013	21	13	34
2014	46	24	70
2015	90	53	143
2016	135	93	228
2017	191	141	332
2018	207	136	343
2019	236	125	361
2020	160	64	224
2021	177	46	223
2022	113	21	134
2023	34	3	37
Totals	1515	789	2304

Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request.

^ The year the case was filed was determined using the docket number. For example, if the docket number is MP/19CR112, the MP refers to McPherson County, Kansas where the case was filed. The 19 means that the case was filed in 2019. The CR means that it is a criminal case, and the 112 means that this was the 112th criminal case filed in this county in this year.

Analysis of Data:

- Of the paid-off accounts, 57% corresponded to cases filed from 2015-2019, 32% to cases filed from 2020-2023, and 11% for cases filed from 1995 -2014.
- Of the accounts that were not paid off, 69% corresponded to cases filed from 2015-2019, 17% to cases filed from 2020- 2023, and 14% to cases filed from 2001-2014.

Table B.5: Number of Kansas' 9th Judicial District Criminal Justice Debt Accounts in Collection from 2019-2023 Based on the Year that Judgment Was Entered and the Year Paid Off

Note: Cell shading is used to highlight data magnitude, with darker blue hues indicating higher counts to emphasize the distribution of case volumes over the years.

Year of Judgment	Year Paid Off					Total Accounts Paid Off
	2019	2020	2021	2022	2023	
1999	0	0	1	0	0	1
2000	0	0	0	0	0	0
2001	0	0	0	0	0	0
2002	0	0	0	0	0	0
2003	0	1	0	0	0	1
2004	1	0	0	0	0	1
2005	0	1	0	0	0	1
2006	2	0	0	0	0	2
2007	1	0	2	2	0	5
2008	4	6	3	2	1	16
2009	10	5	0	1	1	17
2010	1	0	0	2	0	3
2011	0	1	2	3	2	8
2012	0	0	0	2	1	3
2013	1	2	0	2	5	10
2014	0	1	1	2	4	8
2015	5	4	6	2	2	19
2016	27	15	21	10	16	89
2017	36	44	31	28	20	159
2018	49	46	36	36	20	187
2019	114	64	49	45	25	297
2020		101	46	27	11	185
2021			130	54	30	214
2022				124	46	170
2023					119	119
Total Accounts Paid Off	251	291	328	342	303	1515

Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request.

Analysis of the Data:

- 56% of the paid-off accounts were paid off in the year that the judgment entered in the case or the year after judgment entered.
- Judgment entered in 2019 in a fifth (20%) of paid-off accounts, in 2018 in 12% of paid-off accounts, and 2020 in 12% of paid-off accounts.
- One account was finally paid off in 2021 after a judgment entered 22 years earlier in 1999.

Table B.6: Number of Payments Collected by the Year and Month of Payment for the Kansas’ 9th Judicial District Criminal Justice Debt Accounts in Collection from 2019-2023

	Number of Payments						Average
	2019	2020	2021	2022	2023	Total	
January	31	70	66	57	93	317	63.4
February	64	109	69	96	139	477	95.4
March	113	161	217	207	205	903	180.6
April	60	84	139	128	115	526	105.2
May	74	83	72	96	115	440	88
June	59	69	92	65	76	361	72.2
July	69	82	89	56	76	372	74.4
August	60	71	77	80	80	368	73.6
September	54	77	57	70	82	340	68
October	69	50	43	76	54	292	58.4
November	56	54	36	69	53	268	53.6
December	60	54	47	84	53	298	59.6
Total	769	964	1004	1084	1141	4962	
Average	64.1	80.3	83.7	90.3	95.1		
Unique Cases Making Payments	504	588	626	687	685		

Source: NCLC analysis of data produced by Kansas Office of Judicial Administration pursuant to a public record request.

Analysis of the Data:

- The total number of payments collected increased every year from 2019-2023. With the exception of 2023, the number of unique cases making payments also increased every year.
- The highest number of payments was collected in March and April, with 18% of payments made in March and 11% made in April. March and April are months when many people receive tax refunds.
- The lowest number of payments was collected in October, November, December, and January, comprising only 6%, 5%, 6%, and 6% of payments, respectively.

ENDNOTES

1. See National Consumer Law Center, Collection Actions § 11.1.3 (6th ed. 2024), *updated at* www.nclc.org/library.
2. See *id.* at § 11.3.1.
3. See, e.g., U.S. Dep't of the Treasury, Bureau of the Fiscal Serv., What is the Treasury Offset Program?, *available at* <https://fiscal.treasury.gov/top/how-top-works.html>; National Consumer Law Center, Collection Actions § 11.4.3.1 (6th ed. 2024), *updated at* www.nclc.org/library.
4. See, e.g., Walker Bragman, The Lever, “Nothing Is More Important Than You Paying Them” (Jun. 23, 2021), *available at* <https://www.levernews.com/nothing-is-more-important-than-you-paying-them/> (discussing collection of criminal justice debt owed in Iowa by a private debt collector); Briana Hammons, Fines & Fees Justice Center, Tip of the Iceberg: How Much Criminal Justice Debt Does the U.S. Really Have? 2, 4 (Apr. 28, 2021) [hereinafter Tip of the Iceberg], *available at* <https://finesandfeesjusticecenter.org/articles/tip-of-the-iceberg-how-much-criminal-justice-debt-does-the-u-s-really-have/> (noting that criminal justice debt is “typically collected by courts or private collection agencies working on a court’s behalf”); Chris Mai & Maria Rafael, Vera Inst. of Justice, The High Price of Using Justice Fines and Fees to Fund Government in Florida 5-6 (Dec. 2020), *available at* <https://vera-institute.files.svdcdn.com/production/downloads/publications/the-high-price-of-using-justice-fines-and-fees-florida.pdf> (“After 90 days, court clerks send any court debt to a private collection agency, which can add a surcharge of up to 40 percent onto the original amount. In 2018, the courts sent \$397 million in criminal court debt and traffic court debt to private collections. Even after being sent to collections, private agencies collected the equivalent of only 10 percent of outstanding criminal debt” (footnotes omitted)).
5. See, e.g., Fines & Fees Justice Center, Stepping on the Gas: Accelerating Florida’s Economic Growth by Restoring the Freedom to Drive 3 (Feb. 2023), *available at* <https://finesandfeesjusticecenter.org/content/uploads/2023/02/Stepping-on-the-Gas-Feb-20231.pdf> (172,487 drivers in Florida had their driver’s licenses suspended in 2021 for failure to pay criminal fines or fees); Hunter Blair et al., ThinkTennessee, Reducing the Harms of Court Debt: Driver’s License Revocations are an Ineffective Policy for Increasing Court Collections (Nov. 2022) (discussing collection of criminal justice debt through driver’s license revocations in Tennessee), *available at* <https://www.thinktennessee.org/wp-content/uploads/2022/11/drivers-license-revocation-report.pdf>; Matthew Menendez et al., Brennan Center for Justice, The Steep Costs of Criminal Justice Fees and Fines: A Fiscal Analysis of Three States and Ten Counties (Nov. 21, 2019), *available at* <https://www.brennancenter.org/our-work/research-reports/steep-costs-criminal-justice-fees-and-fines?ref=obsidian-roundup.ghost.io> (noting use of license suspensions for failure to pay in Florida and Texas); Iowa Code § 321.210A(1) (“The department shall suspend the driver’s license of a person who, upon conviction of violating a law regulating the operation of a motor vehicle, has failed to pay the criminal fine or penalty, surcharge, or court costs....”).
6. See, e.g., N.C. Gen. Stat. Ann. § 58-71-80(a) (The North Carolina Commissioner of Insurance “may deny, place on probation, suspend, revoke, or refuse to renew [a bail bondsman license] for any one or more of the following causes: . . . (9) For failing to pay any judgment or decree rendered on any forfeited undertaking in any court of competent jurisdiction.”); Okla. Stat. tit. 59, § 1310(A) (“The Insurance Commissioner may deny, censure, suspend, revoke, or refuse to renew [a license for a bail bondsman] for any of the following causes: . . . (28) For failing to

pay any fees to a district court clerk . . . [or] a municipal court clerk....”); 63 Pa. Stat. § 2410 (“The department [of Banking of the Commonwealth] may deny, suspend, revoke or refuse to renew a license [for debt management or settlement services] for the following reasons, if committed by the applicant or one of its owners, officers, directors, principals or agents: . . . (10) Has an outstanding debt to the Commonwealth or any Commonwealth agency.”)

7. See, e.g., Restoration of Rights Project, 50-State Comparison: Expungement, Sealing & Other Record Relief (updated July 2024), available at <https://ccresourcecenter.org/state-restoration-profiles/50-state-comparison-judicial-expungement-sealing-and-set-aside-2-2/>; Caroline Cohn et al., National Consumer Law Center & Collateral Consequences Resource Center, The High Cost of a Fresh Start: A State-by-State Analysis of Court Debt as a Bar to Record Clearing (Feb. 1, 2022), available at <https://www.nclc.org/resources/the-high-cost-of-a-fresh-start-a-state-by-state-analysis-of-court-debt-as-a-bar-to-record-clear/>.
8. See, e.g., Margaret Love & David Schluskel, Collateral Consequences Resource Center, Who Must Pay to Regain the Vote? A 50-State Survey (updated Nov. 2020), available at https://ccresourcecenter.org/wp-content/uploads/2020/11/Who-Must-Pay-Nov_2020.update.pdf; Alicia Bannon et al., Brennan Center for Justice, Criminal Justice Debt: A Barrier to Reentry 2 (2010) [hereinafter Criminal Justice Debt: A Barrier to Reentry], available at https://www.brennancenter.org/sites/default/files/2019-08/Report_Criminal-Justice-Debt-%20A-Barrier-Reentry.pdf (“Seven states [of 15 states examined for the report] require individuals to pay off criminal justice debt before they can regain their eligibility to vote.”).
9. See, e.g., Carolyn Carter et al., National Consumer Law Center, Collecting Criminal Justice Debt Through the State Civil Justice System: A Primer for Advocates and Policymakers 7 (May 2021), available at <https://www.nclc.org/resources/collecting-criminal-justice-debt-through-the-state-civil-justice-system/> (“in many states, collection through the civil system is already allowed . . . [and] those burdened by criminal justice debt face the prospect of enforcement through both the criminal legal system and the civil system of garnishments, seizures, and liens”); Criminal Justice Debt: A Barrier to Reentry, *supra* note 8, at 27 (“All fifteen states studied permit the use of at least certain civil collection methods for criminal justice debt collection, such as liens or the garnishment of bank accounts or wages....”).
10. See, e.g., Fines & Fees Justice Center & Reform Alliance, 50 State Survey: Probation & Parole Fees 3 (May 2022) [hereinafter 50 State Survey], available at <https://finesandfeesjusticecenter.org/content/uploads/2022/05/Probation-and-Parole-Fees-Survey-Final-2022-.pdf> (“payment of supervision and programming fees, in practice, is frequently a condition of probation and parole, and failing to pay may be grounds for revocation proceedings and a host of potential sanctions, including extension of time under supervision or incarceration”); Sharon Brett et al., Harvard Law School, Criminal Justice Pol’y Program, Paying on Probation: How Financial Sanctions Intersect with Probation to Target, Trap, and Punish People Who Cannot Pay 34 (June 2020), available at https://web.archive.org/web/20240605174845/https://mcusercontent.com/f65678cd73457d0cbde864d05/files/f05e951e-60a9-404e-b5cc-13c065b2a630/Paying_on_Probation_report_FINAL.pdf (“[J]udges regularly extend the length of people’s probation due to outstanding financial sanctions, turning a sentence of probation into prolonged years of involvement in the criminal legal system. When probation is extended, people must continue to abide by probation conditions, pay supervision fees, and otherwise be subject to the oversight of their probation officer for months—and sometimes years—longer than their original sentence.”); Criminal Justice Debt: A Barrier to Reentry, *supra* note 8, at 25 (“at least

thirteen states also have a statute or practice allowing courts to extend probation terms for failure to pay debt in at least some cases”).

11. See, e.g., 50 State Survey, *supra* note 10, at 3 (discussing revocation of probation in addition to extension of probation). See also Anne Teigen, National Conference of State Legislatures, Assessing Fines and Fees in the Criminal Justice System 3 (Jan. 2020), available at https://documents.ncsl.org/wwwncsl/Criminal-Justice/Fines-and-Fees_v02.pdf (“[I]ncarceration can be used to collect criminal justice debt, but only if the person has the means to pay the fines and willfully refuses to. ...[and] judges sometimes issue warrants to arrest those who have not paid fines or defendants are jailed for their inability to pay before they get a hearing with a judge. Some states have a system that credits time spent in jail for debt; therefore, people can ‘choose’ to serve time in jail to reduce their LFOs. Payment of fines and fees can be a condition of probation or parole, and if the person does not pay, the court can revoke supervision and order incarceration.”).
12. For guidance about how to improve government collection practices, see Shanelle Johnson, Fines & Fees Justice Center, First Steps Toward More Equitable Fines and Fees Practices: Policy Guidance on Ability to Pay Assessments, Payment Plans, and Community Service (updated Sept. 2024), available at https://finesandfeesjusticecenter.org/content/uploads/2020/11/FFJC_Policy_Guidance_Ability_to_Pay_Payment_Plan_Community_Service_Final_2.pdf.
13. See, e.g., U.S. Dep’t of Justice, Office of the Associate Attorney General, Dear Colleague Letter (Apr. 20, 2023), available at <https://www.justice.gov/opa/press-release/file/1580546/dl?inline>; U.S. Comm’n on Civil Rights, Targeted Fines and Fees Against Communities of Color: Civil Rights & Constitutional Implications (Sept. 2017), available at https://www.usccr.gov/files/pubs/2017/Statutory_Enforcement_Report2017.pdf.
14. U.S. Dep’t of Justice, United States Attorneys’ Annual Statistical Report: Fiscal Year 2023, tbl. 8A, available at <https://www.justice.gov/usao/media/1343726/dl?inline> (total outstanding balance calculated by adding the ending principal and the ending interest/costs).
15. See Appx. A, *infra*.
16. U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at <https://data.bls.gov/cgi-bin/cpicalc.pl> (\$13 in June 2009 has the same buying power as \$18.39 in June 2023).
17. See Appx. A, *infra*, for source and calculation information.
18. U.S. Dep’t of Justice, United States Attorneys’ Annual Statistical Report: Fiscal Year 2023, tbl. 8B, available at <https://www.justice.gov/usao/media/1343726/dl?inline> (total outstanding balance calculated by adding the ending principal and the ending interest/costs).
19. See Appx. A, *infra*, for data.
20. See Appx. A, *infra*, for source and calculation information.
21. The role of the Internal Revenue Service in collecting restitution in criminal tax cases is beyond the scope of this report. For additional information, see, e.g., 26 U.S.C. Sec. 6201(a)(4); Internal Revenue Serv., Internal Revenue Manual 5.19.23: Restitution-Based Assessment Processing (Oct. 16, 2023), available at https://www.irs.gov/irm/part5/irm_05-019-023r; Internal Revenue Serv., Internal Revenue Manual 25.26.1: Criminal Restitution and Restitution-Based Assessments (Aug. 25, 2021), available at https://www.irs.gov/irm/part25/irm_25-026-001.

22. 31 U.S.C. § 3716.
23. U.S. Dep't of the Treasury, Bureau of the Fiscal Serv., Fact Sheet: Debt Collection and the Debt Collection Improvement Act of 1996 (DCIA) (Oct. 12, 2016), *available at* <https://fiscal.treasury.gov/files/debt-management/DMS-FactSheet-DCIA.pdf>.
24. Congressional Research Serv., Overview of the Treasury Department's Federal Payment Levy and Treasury Offset Programs (updated Apr. 7, 2023), *available at* <https://sgp.fas.org/crs/misc/IF11671.pdf>.
25. 26 U.S.C. § 6402(d); 31 U.S.C. § 3720A(c); 31 C.F.R. § 285.2.
26. See Keith Fogg, *The Role of Offset in the Collection of Federal Taxes*, 25 Fla. Tax Rev. 1, 11-13 (2021); 26 U.S.C. § 6402; 26 C.F.R. § 301.6402-5(b).
27. 31 U.S.C. § 3702A(d) ("The Secretary of the Treasury shall issue regulations prescribing . . . the fee that an agency must pay to reimburse the Secretary of the Treasury for the full cost of applying such procedure. Any fee paid to the Secretary pursuant to the preceding sentence may be used to reimburse appropriations which bore all or part of the cost of applying such procedure."). See also Illinois Dep't of Employment Sec., Treasury Offset Program (TOP) Frequently Asked Questions, *available at* https://ides.illinois.gov/content/dam/soi/en/web/ides/ides_forms_and_publications/TOP_FAQs2.pdf ("In fiscal year 2024, the TOP administrative fee is \$21.38."); *United States v. Weissenbach*, 2010 WL 2246177, at *1 (W.D.N.C. June 2, 2010) (reporting a "\$16.00 processing fee deducted by Treasury for each payment collected").
28. 31 C.F.R. § 285.2(h).
29. 31 U.S.C. § 3720A(b); 31 C.F.R. § 285.2(d).
30. See, e.g., *Stacy v. United States*, 70 F.4th 369 (7th Cir. 2023) (affirming TOP offset of a Federal Tort Claims Act settlement even though the individual was making monthly restitution payments); *United States v. Deshetler*, 2023 WL 8628917, at *1 (E.D. Tex. Nov. 6, 2023) (affirming TOP seizure of social security payments through TOP although already paying \$50 per month in restitution), *report and recommendation adopted*, 2023 WL 8622965 (E.D. Tex. Dec. 12, 2023); *United States v. Siegfried*, 2022 WL 3655343 (D. Colo. Aug. 25, 2022) (affirming seizure of income tax refund through TOP although making monthly payments on restitution as agreed); *United States v. Turpin*, 2022 WL 586781 (W.D.N.C. Feb. 25, 2022) (affirming seizure of stimulus funds via TOP tax refund offset even though paying through the Inmate Financial Responsibility Program as agreed); *United States v. Ervin*, 2022 WL 123471, at *2 (N.D. Ind. Jan. 13, 2022) ("the Government's use of the TOP to collect funds for the Defendant's restitution was proper regardless of his compliance with the [Bureau of Prison Inmate Financial Responsibility Program]"); *United States v. Armstrong*, 2018 WL 2041835 (E.D. Mich. May 2, 2018) (affirming TOP offset of Social Security and tax refunds while simultaneously garnishing pension); *Williams v. United States*, 2018 WL 706338 (D.S.C. Feb. 5, 2018) (discussing TOP seizure of tax refund while garnishment of pension ongoing for restitution debt).
31. See, e.g., *United States v. Pestone*, 2023 WL 3241220 (S.D.N.Y. May 3, 2023) (affirming the government's ability to simultaneously seize fifteen percent of Social Security and the entirety of the tax refund to pay a restitution judgment); *Adigun v. Internal Revenue Serv.*, 2021 WL 4709751, at *2 (S.D.N.Y. July 27, 2021) (TOP simultaneously offset social security payments and a tax refund to collect a student loan debt), *report and recommendation adopted*, 2021

- WL 4219664 (S.D.N.Y. Sept. 16, 2021); *United States v. Armstrong*, 2018 WL 2041835 (E.D. Mich. May 2, 2018) (affirming TOP offset of Social Security and tax refunds while simultaneously garnishing pension).
32. U.S. Dep't of the Treasury, Bureau of the Fiscal Serv., 120 Day Delinquent Debt Referral Compliance Report, *available at* <https://fiscaldata.treasury.gov/datasets/delinquent-debt-referral-compliance/120-day-delinquent-debt-referral-compliance-report> (filtering "Agency Name" for "Department of Justice").
33. *Id.* (data listed under "Bureau Name" as "Legal Activities").
34. *See, e.g.*, *United States v. Siegfried*, 2022 WL 3655343 (D. Colo. Aug. 25, 2022) (discussing tax refund offsets through TOP to collect criminal justice restitution); *United States v. Turpin*, 2022 WL 586781 (W.D.N.C. Feb. 25, 2022) (discussing tax refund offsets through TOP to collect criminal justice fines and restitution); *United States v. Nicoletti*, 2021 WL 3422359 (E.D. Mich. Aug. 5, 2021) (discussing tax refund offsets through TOP to collect criminal justice restitution); *Greene v. United States*, 124 Fed. Cl. 636 (2015) (discussing tax refund offsets through TOP to collect criminal justice fines). *See also* U.S. Gov't Accountability Office, Federal Criminal Restitution: Most Debt Is Outstanding and Oversight of Collections Could Be Improved 28 (Feb. 2018), *available at* <https://www.gao.gov/assets/gao-18-203.pdf> ("Officials from all six USAOs stated that using the Treasury Offset Program (TOP), a program that allows for the reduction or withholding of a debtor's federal benefits, such as a tax refund, was one of the most effective practices for collecting restitution."); Memorandum from Office of Chief Counsel Internal Revenue Service, Joseph W. Clark, Senior Technician Reviewer in Procedure & Administration, to Delores Dillman, Revenue Officer in Collection Policy (Apr. 26, 2010), *available at* https://www.irs.gov/pub/lanoa/pmta_2011-34.pdf (collecting cases indicating that criminal restitution can be collected through the TOP).
35. As of November 2022, 11 states - Kansas, Kentucky, Louisiana, Maryland, Minnesota, New Jersey, New York, Oregon, Virginia, West Virginia, and Wisconsin - and the District of Columbia participated in the State Reciprocal Program. U.S. Dep't of the Treasury, Bureau of the Fiscal Serv., Treasury Offset Program (TOP) (Discontinued), *available at* <https://fiscaldata.treasury.gov/datasets/treasury-offset-program/federal-collections> (filtering "Program Description" field for "State Reciprocal").
36. U.S. Dep't of the Treasury, Bureau of the Fiscal Serv., How the Treasury Offset Program (TOP) Collects Money for State Agencies (Dec. 7, 2023), *available at* <https://fiscal.treasury.gov/top/state-programs.html>. *See also* 31 U.S.C. § 3716(h).
37. 31 U.S.C. § 3716(h)(1)(B). *See also* 31 C.F.R. § 285.6(d)(2) ("Once Fiscal Service has entered into a reciprocal agreement with a State pursuant to this section, Fiscal Service may request that the State perform State payment offsets to collect delinquent Federal debts in accordance with the terms of the reciprocal agreement.").
38. *See, e.g.*, *United States v. Hayes*, 2023 WL 10553977 (6th Cir. Nov. 13, 2023) (affirming TOP seizure of \$1,800 in federal stimulus funds to repay restitution debt); *Smalley v. United States Internal Revenue Serv.*, 2024 WL 3742553, at *3 (D. Ariz. Aug. 9, 2024) (affirming seizure of COVID-related relief funds from an incarcerated individual via TOP seizure of a tax return where funds were claimed as tax refunds), *appeal filed* (9th Cir. Oct. 18, 2024); *United States v. Garrett*, 2024 WL 3102051, at *2 (M.D. Fla. June 24, 2024) ("[Recovery Rebate Credit] payments claimed as a regular credit on tax returns for 2020 and 2021 remain subject to TOP."); *United States v. Pestone*, 2023 WL 3241220 (S.D.N.Y. May 3, 2023) (affirming

seizure of COVID-19 stimulus payment to repay a restitution judgment); *United States v. Siegfried*, 2022 WL 3655343 (D. Colo. Aug. 25, 2022) (affirming TOP seizure of \$600 second stimulus payment); *United States v. Turpin*, 2022 WL 586781 (W.D.N.C. Feb. 25, 2022) (affirming seizure of stimulus funds via TOP tax refund offset); *United States v. Ervin*, 2022 WL 123471, at *2 (N.D. Ind. Jan. 13, 2022) (“Defendant’s economic impact payments were taken pursuant to the TOP”). See also U.S. Dep’t of the Treasury, Bureau of the Fiscal Serv., Frequently Asked Questions on the Treasury Offset Program (TOP), IRS 2021 Child Tax Credit, Economic Impact Payments, and the Recovery Rebate Credit (July 14, 2023), available at <https://web.archive.org/web/20240926190203/https://fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html> (“If I do not receive my recovery rebate credit as an advance, but am eligible for a recovery rebate credit, will I receive the credit as part of my tax refund? Will that tax refund payment be subject to offset? . . . If you owe debts to the United States or certain state agencies, your tax refund may be reduced to pay those debts.”).

39. Internal Revenue Serv., IRS revises the 2021 Child Tax Credit and Advance Child Tax Credit frequently asked questions, Fact Sheet 2022-32, Q G2, A2 (July 2022) available at <https://www.irs.gov/pub/taxpros/fs-2022-32.pdf> (“[I]f you receive a refund when you file your 2021 tax return, any remaining Child Tax Credit amounts included in your refund may be subject to offset for tax debts or other federal or state debts you owe.”).
40. U.S. Dep’t of Justice, United States Attorneys’ Annual Statistical Report: Fiscal Year 2022, tbl. 8A (total payments on all federal criminal debts owed to the United States was \$1,055,802,017.49) and tbl. 8B (total payments on all federal criminal debts owed to third parties was 552,640,958.45), available at <https://www.justice.gov/usao/file/1574596/dl?inline>.
41. Tip of the Iceberg, *supra* note 4, at 4.
42. See *id.*
43. *Id.* at 6, 8.
44. *Id.* at 15.
45. Data produced to National Consumer Law Center by Kansas Dep’t of Admin. pursuant to a public record request on June 21, 2023.
46. Email from Kansas Dep’t of Admin. to National Consumer Law Center (June 23, 2023) (emphasis in original). See also Dylan Lysen, KCUR, *Low-income Kansans are going into debt because unpaid traffic tickets rack up interest* (Aug. 13, 2024), available at <https://www.kcur.org/politics-elections-and-government/2024-08-13/low-income-kansans-are-going-into-debt-because-unpaid-traffic-tickets-rack-up-interest> (documenting Kansas municipal courts placing debts with private debt collectors).
47. See, e.g., Ark. Code Ann. § 5-4-206(b); Cal. Rev. & Tax. Code § 19280(a)(1)(A); Colo. Rev. Stat. § 16-11-101.8; Idaho Code § 1-1624; 705 Ill. Comp. Stat § 105/27.2b; La. Code Crim. Proc. art. 886(a); La. Stat. Ann. § 47:299.21; Md. Code Ann., Crim. Proc. § 11-616; Md. Code Ann., Tax-Gen. § 13-913; Mich. Comp. Laws § 12.136; Mo. Rev. Stat. § 488.5028; N.J. Stat. Ann. § 54A:9-8.1; Or. Rev. Stat. § 156.315; R.I. Gen. Laws § 44-30.1-3; Vt. Stat. Ann. tit. 13, § 7043(n)(1), (3); Vt. Stat. Ann. tit. 32, § 5933; Va. Code Ann. § 19.2-354(e); W. Va. Code § 50-3-2c(a).
48. Kan. Stat. Ann. §§ 75-6201 *et seq.*
49. Kansas Dep’t of Admin., Setoff Program, available at <https://admin.ks.gov/offices/accounts-reports/state-agencies/finance/setoff-program>.

50. *Id.*
51. *Id.*
52. Data produced to National Consumer Law Center by Kansas Dep't of Admin. pursuant to a public record request on January 30, 2024.
53. Email from Kansas Office of Judicial Administration to National Consumer Law Center (June 23, 2023) ("The district courts, themselves, do not send anything to the Kansas Setoff Program. We do, however, utilize private debt collectors to collect debts owed to the courts. Some of these collectors may utilize the debt setoff program, but we don't know the source of the money that they collect. It could come from voluntary payments, wage garnishments, bank garnishments, setoff, etc. We simply don't know, nor do we have a need to know the source of the funds they return to the district courts.").
54. Data produced to National Consumer Law Center by Kansas Office of Judicial Administration pursuant to a public record request on June 27, 2023, June 29, 2023, July 7, 2023, and January 22, 2024.
55. We defined being paid off as owing less than \$5.
56. See also [Contract between Kansas Judicial Administration and District Court Trustee, Appx. C](#) (July 15, 2022) [hereinafter Kansas Contract] ("services shall include, but not be limited to, telephone and written communications, skip tracing, execution on judgments, filing of foreign judgments, participating in bankruptcy proceedings, participating in administrative appeals in the Kansas debt setoff program, and the initiation of other legal proceedings . . . State of Kansas debt setoff procedures . . . shall be utilized by Contractor when Contractor believes the procedures are likely to aid in collection of an account, or upon direction of [the Office of Judicial Administration]").
57. Appx. B, *infra*, at tbl. B.6.
58. Kansas Contract, *supra* note 56 ("Contractor's commission rate will be a maximum of 33% of the total amount collected").
59. Kan. Stat. Ann. § 20-169(c)(5) ("The cost of collection shall be paid from the amount collected, but shall not be deducted from the debts owed to courts or restitution."). See also Kansas Contract, *supra* note 56, at § 2.2 (explaining that the statute "means the collection fee is added to the other debts owed the court and restitution as an additional fee").
60. Kan. Stat. Ann. § 20-169(c)(5) ("If a contracting agent uses the debt setoff procedures pursuant to K.S.A. 75-6202 et seq., and amendments thereto, to recover debts owed to the courts, the contracting agent's cost of collection for debt recovered through that program shall be the amount established by contract minus the collection assistance fee imposed by the director of accounts and reports of the department of administration pursuant to K.S.A. 75-6210, and amendments thereto."). See also Kansas Contract, *supra* note 56, at § 2.4 (administrative fee of up to 3% which "must be accounted for within the 33% cap") and Appx. C ("When amounts are collected through setoff, the setoff collection assistance fee must be paid from the Contractor's commission.").
61. Kansas Dep't of Admin., Setoff Program, available at <https://admin.ks.gov/offices/accounts-reports/state-agencies/finance/setoff-program>.
62. Aidan Davis & Neva Butkus, Inst. on Taxation and Econ. Pol'y, Boosting Incomes, Improving Equity: State Earned Income Tax Credits in 2023, at 4 (Sept. 2023) [hereinafter Boosting

- Incomes], *available at* <https://itep.org/boosting-incomes-improving-equity-state-earned-income-tax-credits-in-2023/>.
63. Congressional Research Serv., The Earned Income Tax Credit (EITC): An Economic Analysis 2-3 (updated Aug. 13, 2018), *available at* <https://crsreports.congress.gov/product/pdf/R/R44057>.
64. Internal Revenue Serv., Earned Income and Earned Income Tax Credit (EITC) Tables (Mar. 15, 2024), *available at* <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-and-earned-income-tax-credit-eitc-tables>.
65. *Id.*
66. Internal Revenue Serv., Publ'n 596 (2023), *available at* <https://www.irs.gov/publications/p596> (calculations based on EIC table).
67. Internal Revenue Serv., Refundable tax credits (Feb. 23, 2024), *available at* <https://www.irs.gov/credits-deductions/individuals/refundable-tax-credits>.
68. *Id.*
69. *Id.*
70. See Boosting Incomes, *supra* note 62, at 4-5.
71. *Id.*
72. *Id.*
73. See Aidan Davis & Neva Butkus, Inst. on Taxation and Econ. Pol'y, States are Boosting Economic Security with Child Tax Credits in 2023, at 4 (Sept. 2023) [hereinafter Boosting Economic Security], *available at* <https://itep.org/states-are-boosting-economic-security-with-child-tax-credits-in-2023/>.
74. Internal Revenue Serv., Schedule 8812 (2023), *available at* <https://www.irs.gov/pub/irs-pdf/f1040s8.pdf>; Internal Revenue Serv., Child Tax Credit (Jan. 10, 2024), <https://www.irs.gov/credits-deductions/individuals/child-tax-credit>.
75. *Id.*
76. Boosting Economic Security, *supra* note 73, at 2.
77. Sophie Collyer et al., Center on Poverty and Social Pol'y at Columbia Univ., Children Left Behind by the Child Tax Credit in 2022, Poverty and Social Policy Brief, vol. 7, no. 4 (Sept. 12, 2023), *available at* <https://www.povertycenter.columbia.edu/publication/2023/children-left-behind-by-the-child-tax-credit-in-2022>.
78. Internal Revenue Serv., Refundable tax credits (Feb. 23, 2024), *available at* <https://www.irs.gov/credits-deductions/individuals/refundable-tax-credits>.
79. Boosting Economic Security, *supra* note 73, at 9-10.
80. *Id.*
81. *Id.* at 1.
82. Heather Hahn et al., Urban Inst., Kids' Share 2024: Report on Federal Expenditures on Children through 2023 and Future Projections 10 (Oct. 2024), *available at* <https://www.urban.org/sites/default/files/2024-10/Kids-Share-2024.pdf>.

83. Center on Budget & Pol'y Priorities, Policy Basics: The Earned Income Tax Credit (Apr. 28, 2023) [hereinafter Policy Basics], *available at* <https://www.cbpp.org/research/policy-basics-the-earned-income-tax-credit>. See also House Comm. on the Budget, What You Need to Know About Means-Tested Entitlements (May 1, 2017), *available at* <https://democrats-budget.house.gov/publications/report/what-you-need-know-about-means-tested-entitlements> (“The combined effects of the EITC and the CTC lifted 9.4 million people out of poverty, including 5 million children.”).
84. Policy Basics, *supra* note 83.
85. Chuck Marr et al., Center on Budget & Pol'y Priorities, EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children’s Development, Research Finds (Oct. 1, 2015), *available at* <https://www.cbpp.org/research/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens-development>. See also Anna Farr et al., Urban Inst., How Do Children and Society Benefit from Public Investments in Children? (Sept. 4, 2024), *available at* <https://www.urban.org/research/publication/how-do-children-and-society-benefit-public-investments-children> (noting that cash assistance - including through EITC and CTC - “improves mental health, reduces food insecurity, improves a child’s test scores, reduces family financial hardship, increases employment, and reduces income volatility”). Cf. Nikhita Airi, Urban Inst., Permanently Expanding the Child Tax Credit Would Increase Kids’ Lifetime Earnings and Education (Jan. 31, 2024), *available at* <https://www.urban.org/urban-wire/permanently-expanding-child-tax-credit-would-increase-kids-lifetime-earnings-and>; Kris Cox et al., Center on Budget & Pol'y Priorities, About 16 Million Children in Low-Income Families Would Gain in First Year of Bipartisan Child Tax Credit Expansion (Jan. 16, 2024), *available at* <https://www.cbpp.org/research/federal-tax/about-16-million-children-in-low-income-families-would-gain-in-first-year-of> (“Poverty shortchanges children’s futures, and a mounting body of research finds that providing income support to children in families with low incomes can bring substantial long-term gains in their health, education, and earnings, an investment that benefits the nation as a whole.”).
86. Letter from the Dep’t of the Treasury, Assistant Secretary for Legislative Affairs to Senator Elizabeth Warren (June 17, 2022), *available at* https://www.warren.senate.gov/imo/media/doc/treasury_response_to_senator_warren_on_irs_data_062022.pdf (noting that data represented a “preliminary analysis” and stating “[w]e continue to work to analyze the data in further detail and will provide additional information once that analysis is complete.”)
87. See U.S. Dep’t of the Treasury, Bureau of the Fiscal Serv., Treasury Offset Program Payments Exempt from Offset by Disbursing Officials (Non-tax Debt Collection) (July 2, 2024), *available at* <https://fiscal.treasury.gov/files/debt-management/dmexmpt.pdf> (list of exempt payments does not include EITC or CTC). See also U.S. Dept. of the Treasury, General Explanations of the Administration’s Fiscal Year 2025 Revenue Proposals 100 (Mar. 11, 2024) (noting need to protect CTC from offset for the collection of debts owed to federal agencies), *available at* <https://home.treasury.gov/system/files/131/General-Explanations-FY2025.pdf>.
88. Letter from U.S. Dep’t of the Treasury, Bureau of the Fiscal Serv., FOIA Disclosure Office to National Consumer Law Center (Oct. 25, 2023) (“Fiscal Service does not possess information regarding the number of people who are recipients of, or eligible for EITC or CTC. When the Internal Revenue Services (IRS) certifies to Fiscal Service payments for disbursement, it does not distinguish among EITC payments, CTC payments, and/or tax refund payments.”);

Letter from U.S. Dep't of Treasury, Internal Revenue Serv., Privacy, Governmental Liaison and Disclosure, GLDS Support Services to National Consumer Law Center (Dec. 13, 2023) (stating that the IRS “does not track or maintain data on the Treasury Offset Program”). Pursuant to IRS Rev. Proc. 2022-29, the National Consumer Law Center also requested the creation of a special statistical study or compilation on December 20, 2023, but the IRS has not responded to this request.

89. See, e.g., Delaware Div. of Revenue, Enforcement, available at <https://revenue.delaware.gov/enforcement/> (“The Delaware Division of Revenue (DOR) has the authority to intercept state tax refunds or refundable credits in order to repay the taxpayer’s debt owed to qualifying government agencies.”); John Good, Iowa Dep’t of Revenue, Iowa’s Earned Income Tax Credit Tax Credit Program Evaluation Study Appx. B, n.12 (Dec. 2021) (noting that an EITC refund can be offset by other non-tax debts of the taxpayer to the State or federal government); Kansas Div. of the Budget, Fiscal Note for SB 251 by Senate Comm. on Assessment & Taxation (Mar. 27, 2015), available at https://www.kslegislature.gov/li_2016/b2015_16/measures/documents/fisc_note_sb251_00_0000.pdf (“The Department of Administration indicates that adjusting state income tax liabilities has the potential to have a fiscal effect on the amount of revenue collected from its debt setoff program. ... As the dollar amounts of [state tax] refunds are decreased [due to a reduction in the Kansas EITC], the amount available for possible debt setoffs is also reduced.”); Michigan Dep’t of Treasury, If Your Refund is Held/Offset to Pay a Debt, available at <https://www.michigan.gov/taxes/questions/collections/accordion/if-your-refund-is-held-offset-to-pay-a-debt> (“If you have unpaid past-due taxes or a state agency debt, the Michigan Department of Treasury is authorized by Michigan law to offset your income tax refund or credit to apply to the debt until the debt is paid in full.”); Minnesota Dep’t of Revenue, Qualifying Refunds and Payments, available at <https://www.revenue.state.mn.us/qualifying-refunds-and-payments> (“We can take the following state refunds and payments through Revenue Recapture: Minnesota income tax refunds and payments”); New Jersey Treasury Div. of Taxation, Set-Off/Offset Programs (Sept. 29, 2023), available at <https://www.nj.gov/treasury/taxation/setoff.shtml> (“If the agency tells us the debt still exists, all or part of your refund or benefit payment may be used to pay the debt.”); Wisconsin, Dep’t of Revenue, DOR Refund Interception (Nov. 16, 2023), available at <https://www.revenue.wi.gov/Pages/FAQS/ise-refintcp.aspx> (“The DOR is authorized to intercept any state tax refund and refundable credit to pay debts owed to other government agencies.”).
90. Cal. Gov’t Code § 12419.3.3(a).
91. Data produced by Kansas Dep’t of Admin. to National Consumer Law Center pursuant to a public record request on January 30, 2024. See also Kansas Div. of the Budget, Fiscal Note for SB 251 by Senate Committee on Assessment and Taxation (Mar. 27, 2015), available at https://www.kslegislature.gov/li_2016/b2015_16/measures/documents/fisc_note_sb251_00_0000.pdf (“[T]he [Kansas] Department [of Administration] is unable to make a precise estimate of the amount of debts setoffs that will no longer be intercepted as a result of the bill [reducing Kansas EITC].”)
92. See Annie Harper et al., *Debt, Incarceration, and Re-entry: A Scoping Review*, Am. J. Crim. Just., vol. 46, 250–278 (Aug. 11, 2020), available at <https://doi.org/10.1007/s12103-020-09559-9>.
93. See Ashley Burnside & Darrel Thompson, Center for Law and Social Pol’y, No more double punishments: Lifting the ban on SNAP and TANF for people with prior felony drug convictions

(updated Apr. 2022), available at <https://www.clasp.org/publications/report/brief/no-more-double-punishments/>.

94. See, e.g., National Bureau of Econ. Research, *The Earned Income Tax Credit Raises Employment* (Aug. 1, 2006), available at <https://www.nber.org/digest/aug06/earned-income-tax-credit-raises-employment>.
95. See, e.g., Kira Nikolaidis, *Collateral Consequences of Conviction: Barriers to Employment*, Berkeley J. Crim. L. (Aug. 31, 2022), available at <https://www.bjcl.org/blog/collateral-consequences-of-conviction-barriers-to-employment#:~:text=Individuals%20who%20get%20out%20of,than%20their%20peers%20without%20records>; Wanda Bertram & Leah Wang, Prison Pol'y Initiative, *New data on formerly incarcerated people's employment reveal labor market injustices* (Feb. 8, 2022), available at <https://www.prisonpolicy.org/blog/2022/02/08/employment/>; National Consumer Law Center & Collateral Consequences Resource Center, *The High Cost of a Fresh Start: A State-by-State Analysis of Court Debt as a Bar to Record Clearing 2-3* (Feb. 2022), available at <https://www.nclc.org/wp-content/uploads/2022/08/Report-High-Cost-of-Fresh-Start.pdf>.
96. Rebecca Vallas et al., Center for Am. Progress, *Removing Barriers to Opportunity for Parents with Criminal Records and Their Children: A Two-Generation Approach 1* (Dec. 2015), available at <https://www.americanprogress.org/wp-content/uploads/2015/12/CriminalRecords-report2.pdf>.
97. Laura M. Maruschak et al., U.S. Dep't of Justice, Bureau of Justice Statistics, *Parents in Prison and Their Minor Children: Survey of Prison Inmates, 2016* (Mar. 2021), available at <https://bjs.ojp.gov/library/publications/parents-prison-and-their-minor-children-survey-prison-inmates-2016>.
98. Lauren E. Glaze & Laura M. Maruschak, U.S. Dep't of Justice, Bureau of Justice Statistics, *Parents in Prison and Their Minor Children 3* (Aug. 2008), available at <https://bjs.ojp.gov/content/pub/pdf/pptmc.pdf>.
99. See Leila Morsy & Richard Rothstein, Economic Pol'y Inst., *Mass incarceration and children's outcomes: Criminal justice policy is education policy* (Dec. 15, 2016) [hereinafter *Children's Outcomes*], available at <https://www.epi.org/publication/mass-incarceration-and-childrens-outcomes/>.
100. Daniel Kopf & Bernadette Rabuy, Prison Pol'y Initiative, *Prisons of Poverty: Uncovering the Pre-Incarceration Incomes of the Imprisoned* (2015), available at <https://www.prisonpolicy.org/reports/income.html>.
101. See Wendy Sawyer, *How Much Do Incarcerated People Earn in Each State?*, Prison Pol'y Initiative (Apr. 10, 2017), available at <https://www.prisonpolicy.org/blog/2017/04/10/wages/> (showing average hourly wages of 14¢ to 63¢ for typical prison jobs).
102. Terry-Ann Craigie et. al., Brennan Center for Justice, *Conviction, Imprisonment, and Lost Earnings: How Involvement with the Criminal Justice System Deepens Inequality* (Sept. 15, 2020), available at <https://www.brennancenter.org/our-work/research-reports/conviction-imprisonment-and-lost-earnings-how-involvement-criminal>.
103. Eric Martin, National Inst. of Justice, *Hidden Consequences: The Impact of Incarceration on Dependent Children* (Mar. 1, 2017), available at <https://nij.ojp.gov/topics/articles/hidden-consequences-impact-incarceration-dependent-children>.
104. Nazgol Ghandnoosh et al., *The Sentencing Project, Parents in Prison 2-3* (Feb. 2021),

available at <https://www.sentencingproject.org/app/uploads/2022/09/Parents-in-Prison.pdf>; U.S. Comm'n on Civil Rights, *Collateral Consequences: The Crossroads of Punishment, Redemption, and the Effects on Communities* 134 (2019) [hereinafter *Collateral Consequences*], available at <https://www.usccr.gov/files/pubs/2019/06-13-Collateral-Consequences.pdf> (“Restrictions on public housing and public benefits, including TANF and SNAP, make people acutely vulnerable upon leaving prison. Many people who leave prison do so without money and resources for basic living expenses, which are not easily obtained in part due to the restrictions on public benefits and housing.”).

105. See, e.g., *Collateral Consequences*, *supra* note 104, at 19.
106. Michael Leachman & Cortney Sanders, Center on Budget & Pol’y Priorities, *Step One to an Antiracist State Revenue Policy: Eliminate Criminal Justice Fees and Reform Fines* (Sept. 17, 2021), available at <https://www.cbpp.org/research/state-budget-and-tax/step-one-to-an-antiracist-state-revenue-policy-eliminate-criminal>.
107. Children’s Outcomes, *supra* note 99.
108. U.S. Dep’t of Justice, Federal Bureau of Prisons, *Inmate Statistics* (updated Nov. 30, 2024), available at https://www.bop.gov/about/statistics/statistics_inmate_age.jsp (viewing data on Race and Ethnicity).
109. U.S. Census Bureau, *Quick Facts*, available at <https://www.census.gov/quickfacts/fact/table/US#> (data from July 1, 2022).
110. Chye-Ching Huang & Roderick Taylor, Center on Budget & Pol’y Priorities, *How the Federal Tax Code Can Better Advance Racial Equity* (July 25, 2019) (emphasis removed), available at <https://www.cbpp.org/research/federal-tax/how-the-federal-tax-code-can-better-advance-racial-equity>.
111. See Internal Revenue Serv., *Internal Revenue Manual*, pt. 25, available at https://www.irs.gov/irm/part25/irm_25-018-005.
112. Internal Revenue Serv., *Instructions for Form 8379: Injured Spouse Allocation* (Nov. 2021), available at <https://www.irs.gov/instructions/i8379>.
113. See, e.g., The Inst. for College Access & Success, *The Federal Student Loan Default System Keeps Families in Poverty. Here’s How to Stop It*. 3 (Apr. 8, 2024), available at <https://ticas.org/affordability-2/the-federal-student-loan-default-system-keeps-families-in-poverty-heres-how-to-stop-it/> (“More than 20 percent of tax units who hold federal student loan debt are eligible for refundable tax credits (5.1 million tax units out of 25 million), and nearly 11 percent of this population report that they are not making student loan payments because they cannot afford to do so.”); The Inst. for College Access & Success, The Center for Law and Social Pol’y, & National Consumer Law Center, *Joint Memo: Recommendation to Amend IRC § 6402 to Prohibit Offset of Refundable Tax Credits that Support Low-Income Workers and Families* (Feb. 10, 2022), available at <https://www.nclc.org/resources/joint-memo-recommendation-to-prohibit-offset-of-refundable-tax-credits-that-support-low-income-workers-and-families/>; Persis Yu, National Consumer Law Center, *Voices of Despair: How Seizing the EITC is Leaving Student Loan Borrowers Homeless and Hopeless During a Pandemic* (Nov. 10, 2020), available at <https://www.nclc.org/resources/voices-of-despair-eitc/>; National Consumer Law Center & Student Loan Borrower Assistance, *Stop Taking the Earned Income Tax Credit from Struggling Student Loan Borrowers* (Oct. 2016), available

at <https://studentloanborrowerassistance.org/wp-content/uploads/2013/05/ib-stop-taking-earned-income-tax.pdf>.

114. 31 U.S.C. § 3716.
115. 26 U.S.C. § 6402.
116. This would not prevent any remaining portion of a tax refund from being subject to offset.
117. Cf. U.S. Dept. of Treasury, General Explanations of the Administration's Fiscal Year 2025 Revenue Proposals 100 (Mar. 11, 2024) (“[A]ny monthly advance child payment would not be subject to reduction or offset of (a) past-due support against overpayments, (b) collection of debts owed to Federal agencies, (c) collection of past-due, legally enforceable State income tax obligation, (d) collection of unemployment compensation debts, and (e) any similar authority permitting offset. In addition, the proposal would mandate that such payments could not be reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.”), available at <https://home.treasury.gov/system/files/131/General-Explanations-FY2025.pdf>; National Taxpayer Advocate, 2024 Purple Book: Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 38 (Dec. 31, 2023), available at <https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/national-taxpayer-advocate-2024-purple-book/> (recommending “[p]rohibit[ing] the IRS from offsetting the EITC portion of a taxpayer’s refund to satisfy prior-year tax liabilities”).
118. U.S. Dep’t of the Treasury, Bureau of the Fiscal Serv., Treasury Offset Program (TOP) (Discontinued), available at <https://fiscaldata.treasury.gov/datasets/treasury-offset-program/federal-collections>.
119. Internal Revenue Serv., Internal Revenue Manual 21.4.6.5.11.1, Offset Bypass Refund (OBR) (Sept. 6, 2022), available at https://www.irs.gov/irm/part21/irm_21-004-006r.
120. Annual reports are available at <https://www.justice.gov/usao/resources/annual-statistical-reports>.
121. Data produced to National Consumer Law Center by Kansas Dep’t of Admin. pursuant to a public record request on June 21, 2023.
122. Email from Kansas Office of Judicial Administration to National Consumer Law Center (July 7, 2023) (confirming that the 9th Judicial District monthly reports were the only reports containing information about recovery method because they do not track the source of funds collected).



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*Fighting Together
for Economic Justice*

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