

 Department of Children & Family Services <i>Building a Stronger Louisiana</i>	Division/Section	Family Support
	Chapter No./Name	00- Miscellaneous Issuances Manual
	Part No./Name	E- Executive Bulletins
	Section No./Name	E-2400 Executive Bulletins
	Document No./Name	E-2445-Exempt Federal Tax Refunds as a Resource for 12 months
	Effective Date	February 24, 2011

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 signed into law on December 17, 2010, declared that Federal tax refunds received after December 31, 2009, are to be disregarded as income and as resources for a period of twelve months from the month received in all Federal means-tested programs. The Federal tax refund may be the result of a refundable credit such as the EITC, over-withholding, or both.

There is no change in the way lump-sum payments are treated as income for CCAP, FITAP, SNAP, and KCSP. Non-recurring lump-sum payments that are received one-time only and are not anticipated to be received again are not counted as income.

Effective December 17, 2010, there is a change to SNAP policy regarding the way tax refunds are treated as a resource. This applies only to individuals who are not Categorically Eligible or Broad Based Categorically Eligible (BBCE) for SNAP benefits. Federal tax refunds must be excluded from the household's resources by subtracting the amount of the federal tax refund received by the household in the last 12 months from the household's total resources. If the difference between the resources and the amount of the Federal tax refund is less than the resource limit, the household meets the resource limit.

If all members of the household are not Categorically Eligible or Broad Based Categorically Eligible for SNAP benefits and the household's resources are reported to be over the resource limit, then the client must be asked if anyone in the household has received a Federal tax refund in the last 12 months. If a refund has been received, it must be verified before it may be excluded from the household's other resources.

Example: Ms. Smith reported that she has a balance of \$3500 in her checking account at application for SNAP in 02/11. She stated that she received an \$1850 refund from her Federal taxes in 07/10. The worker requested verification of the tax refund and received a copy of the client's 08/10 checking account statement showing the \$1850 was directly deposited into the account in 07/10. Ms. Smith is below the household's \$2000 resource limit after subtracting the amount of the federal tax refund from the checking account balance (\$3500 - \$1850 = \$1650).

If a SNAP application was rejected or SNAP case closed on or after December 17, 2010, due to being over the resource limit the household must be contacted to determine if a tax refund was received within the previous 12 months. The amount of the tax refund must be subtracted to determine if the household meets the resource limit. If the household's verified tax refund results in the household meeting the resource limit and all other eligibility factors are met, the case must be reopened and benefits issued. A LAMI Adhoc Report has been generated to identify SNAP cases rejected or closed on or after December 17, 2010, for exceeding the resource limit. The Adhoc Report will be sent to the respective parish office through the appropriate Regional Coordinator.

Contact the appropriate Regional Program Coordinator if you have questions.