



**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**  
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 ALBANY, NY 12243-0001  
**Andrew M. Cuomo**  
*Governor*

**Administrative Directive**

**Section 1**

<b>Transmittal:</b>	13-ADM-02
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office :</b>	Office of Temporary and Disability Assistance
<b>Date:</b>	March 28, 2013
<b>Subject:</b>	Temporary Assistance and Supplemental Nutrition Assistance Program Policy: The Treatment of Tax Refunds and Credits
<b>Suggested Distribution:</b>	Temporary Assistance Directors Supplemental Nutrition Assistance Program Directors Staff Development Coordinators
<b>Contact Person(s):</b>	Temporary Assistance Bureau 1 800 343 8859 ext 4-9344
<b>Attachments:</b>	None
<b>Attachment Available On – Line:</b>	<input type="checkbox"/>

**Filing References**

<b>Previous ADMs/INFs</b>	<b>Releases Cancelled</b>	<b>Dept. Regs.</b>	<b>Soc. Serv. Law &amp; Other Legal Ref.</b>	<b>Manual Ref.</b>	<b>Misc. Ref.</b>
13 INF-1 04 INF- 9		18 NYCRR 351.6, 352.23		TASB Chapter XIX section B	GIS 11 TA/DC002

## **Section 2**

### **I. Summary**

This administrative directive advises social service districts (SSDs) of the policy regarding the treatment of income tax refunds and credits for Temporary Assistance (TA) and Supplemental Nutrition Assistance Program (SNAP) eligibility. There is expected to be little or no operational impact as districts were previously informed of this change in a preliminary manner by the General Information System (GIS).

### **II. Purpose**

The purpose of this ADM is to provide information to SSDs about the treatment of income tax refunds and credits for use in determining TA and SNAP eligibility.

### **III. Background**

The federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 signed into law in December 2010 included a provision exempting all tax refunds and credits as income in the month received and further exempting them as a resource for a period of 12 months.

SSDs were previously advised of the impact on TA eligibility of these changes in the treatment of tax refunds and credits in GIS 11 TA/DC002. Office regulations are being amended to reflect these changes. The Temporary Assistance Source Book (TASB) has already been updated to reflect these changes.

The American Tax Payer Relief Act of 2012 extended these provisions which would have expired December 31, 2012.

### **IV. Program Implications**

#### **A. Temporary Assistance Policy**

Earned Income Tax Credits (EITC) cannot be counted toward the \$2,000/\$3,000 resource limit. This includes state and local, as well as federal, EITC.

All non-EITC tax credits are exempt as income in the month received and as a resource for the following twelve months.

Federal, state and local tax refunds are exempt as income in the month received and as a resource in the following twelve months.

When an applicant/recipient (a/r) applies for recurring TA, and possesses cash or savings related assets that bring the a/r over the \$2,000 resource limit SSDs must inquire as to whether any of the cash/savings are from EITC, non-EITC tax credits or a federal, state or local tax refund and exempt the amount of the credits or tax refund according to the policy above.

There is no change in the policy that EITC, non-EITC tax credits or a refund which are determined exempt resources must be used to mitigate any emergency before the use of emergency assistance.

All verification procedures and pursuit of available resources (in accordance with 18 NYCRR 351.6 and 352.23) apply. SSDs **may** require as a condition of eligibility that a TA applicant/recipient file tax returns when the SSD has reason to expect that a refund or credit may be available and that applicant/recipient has not already filed. SSDs **may** also require verification (a copy) of tax returns as a condition of TA eligibility when an individual has filed tax returns.

If an individual is required to file a tax return, appropriate assistance in completion of the tax returns must be provided. This would include referral to Volunteer Income Tax Assistance (VITA) sites for free tax preparation assistance (see 13 INF-01, "Changes in the Earned Income Tax Credit..."). If these or other free tax preparation service are not available, and the SSD determines it is still necessary and appropriate for the individual to file tax returns, SSD staff must offer to assist in preparation of the tax returns when necessary.

## **B. Supplemental Nutrition Assistance Program (SNAP) Implications**

Described below is the SNAP policy for tax credits.

### **Tax Credits Exclusive of Earned Income Tax Credit (EITC)**

All tax credits still are excluded as income. For those SNAP households subject to a resource test, the amount of the credit or any unspent balance is excluded as a resource for twelve months following receipt of the credit.

### **Earned Income Tax Credit**

This continues to be excluded both as income and as a resource. This policy applies to any EITC issued including federal, state and city, and it applies whether the credit is paid as a lump sum or whether included in a pay check as a recurring estimated credit.

## **Income Tax Refund**

These are still excluded as income. For those SNAP households subject to a resource test, income tax refunds are excluded as a resource for twelve months following the month of receipt. Any remaining, identifiable balance of an income tax refund would be considered to be a resource after twelve months.

## **V. Required Action**

SSDs were previously advised of these changes so policy and operational impact is not anticipated other than to review and insure that the guidelines outlined above have been incorporated into SSD eligibility policy and procedures.

## **VII. Systems Implications**

None.

## **VIII. Effective Date**

This release is effective immediately. The changes in policy were effective February 1, 2012 as detailed in the previously noted GIS.

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