

CHART SHOWING HOW TAX REFUNDS/TAX CREDITS AFFECT YOUR GOVERNMENT BENEFITS

TAX REFUNDS DO NOT COUNT AS INCOME

1. The IRS states clearly that refunds of Federal income taxes do not count as “income.”
2. NYState Tax Law states that a person’s “income” for NYS or NYC tax refunds is the same as for the IRS, i.e., income tax refunds do not count in computing it.

TAX REFUNDS SOMETIMES COUNT AS ASSETS/RESOURCES

The various public benefits differ as to how they treat tax refunds that one puts in the bank. The refund money for all benefits must be “identifiable.”

An idea as to how to keep it “identifiable” is to open a checking or savings account that is called “John Doe, Tax Refund Money,” John Doe being the client’s name. Even if the refund money is “identifiable,” some benefits will start counting it against the client’s eligibility for benefits after 9 months or 12 months. See the following chart:

BENEFIT	TAX REFUND COUNTED AS INCOME?	TAX REFUND COUNTED AS ASSETS?
Food Stamps	The Earned Income Tax Credit (EITC) and other tax refunds and credits do not count as income.	Most people no longer have to pass a resource test to be eligible for Food Stamps. If a person does have a resource test, the tax refund money in the bank, even if it is “identifiable,” starts to count against Food Stamp eligibility after 12 months. Source for this information http://onlineresources.wnyc.net/nychra/docs/pd_13-03-eli.pdf page 10

Medicaid/ Family Health +	The EITC and other tax refunds and credits do not count as income.	Medicaid for applicants not disabled, blind or elderly no longer has a resource limit, so tax refunds don't affect eligibility. For disabled, blind, or elderly applicants, for whom there is a resource limit, tax refund money in the bank, even if "identifiable," starts to count against Medicaid or Family Health + after 12 months. Source for this information http://onlineresources.wnylc.net/nychra/docs/pd_13-03-eli.pdf page 10
Child Health +	The EITC and other tax refunds do not count as income.	Child Health + has no resource limits, so tax refunds do not affect eligibility.
Temporary Assistance (Welfare)	The EITC and other tax refunds do not count as income.	Tax refund money in the bank, even if it is "identifiable," starts to count against TA eligibility after 12 months. Source for this information http://onlineresources.wnylc.net/nychra/docs/pd_13-03-eli.pdf page 9
Public Housing & Section 8	The EITC and other tax refunds do not count as income for determining initial income eligibility or tenant rent.	There is no asset limit for Public Housing or Section 8.
Supplemental Security Income (SSI)	The EITC and other tax refunds do not count as income.	Tax refund money in the bank, even if it is "identifiable," starts to count against SSI eligibility after 9 months. Source of this information https://www.nolo.com/legal-encyclopedia/can-tax-refund-affect-ssi-eligibility.html

TAX INFORMATION PHONE #'S:

IRS, i.e., the federal tax department: **800-829-1040**
and NYS tax department: **518-457-5181**