

**Policy Clarifications**  
**Medicaid - SSI**  
**Medicaid - Long Term Care**  
**PMS16186350**  
**PMN16186450**

**Submitted: 05/2012**

**Agency: CAOs**

**Citations:**

**Subject: Federal Tax Refund Exclusion Update**

1. Are federal tax refunds and advance refundable tax credit payments counted as income or resource in determining eligibility for SSI-related Medical Assistance (MA) or MA and payment of Long Term Care (LTC) categories?
2. Do transfer of asset regulations apply when an individual disposes of a tax refund in a manner that would normally be considered a transfer for less than fair market value?

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**Response By: Division of Health Services**

**Date:05/07/2012**

1. No, any federal tax refund or advance refundable tax credit payments are not to be counted as income or a resource for a 12 month period beginning with the month of receipt. This provision applies to refunds received between January 1, 2010 and December 31, 2012.
2. Transfer of asset regulations do not apply if the tax refund was disposed of in a manner that would normally be considered a transfer for less than fair market value if the refund is disposed of within the 12 month exclusion period.