

**Policy Clarifications – Medical Assistance- Long Term Care  
Medical Assistance-SSI  
PMN 16771-450  
PMS 16771-350**

**Submitted: 07/2013**

**Agency: CAOs**

**Citations:**

**Subject: Federal Tax Refund Exclusions Update**

1. Per Policy Clarification PMS16186350/PMN16186450, federal tax refunds and advance refundable tax credit payments received through December 31, 2012 were not to be counted when determining eligibility for SSI-related Medical Assistance (MA) and Long-Term Care (LTC) services. Has this policy been extended?
2. Do transfer of asset regulations apply when an individual disposes of a tax refund for less than fair market value?

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**Response By: Division of Health Services**

**Date:07/23/2013**

1. Yes, federal tax refunds and advance refundable tax credit payments received after December 31, 2012 will not be counted as either income or a resource for a 12 month period beginning with the month of receipt. The disregard of federal tax refunds and tax credit payments for 12 months was made permanent through the American Taxpayer Relief Act of 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.

Policy Clarification PMS16186350/PMN16186450 is now obsolete.