

# **DMA ADMINISTRATIVE LETTER NO: 06-08 2008 ECONOMIC STIMULUS TAX REBATE**

**DATE: March 24, 2008**

**SUBJECT: 2008 ECONOMIC STIMULUS TAX REBATES**

**DISTRIBUTION: County Directors of Social Services  
All Medicaid Eligibility Staff**

## **I. BACKGROUND**

On February 13, 2008, President Bush signed Public Law 110-185, The Recovery Rebates and Economic Stimulus for the American People Act of 2008. This law provides for tax credits and rebates/refunds to certain individuals. The rebates/refunds will be issued as checks and distribution of the checks is expected to begin in May 2008.

To receive a payment, taxpayers must have a valid Social Security number, \$3,000.00 of qualifying income (SSI does not count as qualifying income) and file a 2007 federal tax return. The Internal Revenue Service (IRS) will take care of the rest. Millions of retirees, disabled veterans and low-wage earners who usually are exempt from filing a tax return must do so this year in order to receive a stimulus payment.

Eligible taxpayers will receive between \$300.00 to \$600.00, if single, or \$600.00 to \$1,200.00, if married filing jointly. Those with children will get an additional \$300.00 for each qualifying child. To qualify, a child must be eligible under the Child Tax Credit requirements and have a valid Social Security number.

The IRS emphasizes that people with no filing requirement who turn in a tax return to qualify for the economic stimulus payment will not get a tax bill. People in this category will not owe money because of the stimulus payment.

In late March 2008, the IRS will mail a packet of information to recipients of Social Security benefits who did not file a tax return last year. The packet will contain guidance to help them claim the stimulus payment. Further information on the tax stimulus program can be obtained on the IRS web site at [www.irs.gov](http://www.irs.gov).

## **II. POLICY**

### **A. Family and Children's Medicaid (F & C)**

In accordance with Work First Policy, do not count the tax rebates/refunds as income or as a resource for the month of receipt or any subsequent month.

### **B. Aged, Blind and Disabled Medicaid (ABD)**

According to Section 101(d) of Public Law 110-185, do not count the tax rebates/refunds as income or as a resource for the month of receipt and the following two months.

If you have any questions, please contact your Medicaid Program Representative. For any issues that are not able to be handled through that venue, Mrs. Angela Floyd, Assistant Director for Recipient and Provider Services, will be your point of contact and can be reached at (919) 855- 4000.

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Acting Director

(This material was researched and prepared by Susan K. Castle, Policy Consultant, Medicaid Eligibility Unit.)