

How Cases are Submitted for the Income Tax Refund Offset Program

- State: in order to be submitted for the state income tax refund offset program, the amount of the child support delinquency must exceed \$150.00.
- Federal: in order to be submitted for the federal income tax refund offset program, the amount of the child support delinquency must exceed \$150.00 in a TANF case and \$500.00 in a non-TANF case.
- Income tax refund offset submissions are automatic through our state-wide computer system.
- The federal income tax offset program covers arrears only cases as well as cases with an ongoing child support order. The same \$150.00 and \$500.00 thresholds are applicable to arrears only cases.

How Offsets are Processed

- If the custodial parent receives TANF, both the federal and state refund will be sent to the State for reimbursement of TANF funds expended.
- If the custodial parent is a former TANF recipient, and there are arrears owed to the State, the State will keep the federal refund for reimbursement, but the state refund will be paid through the normal distribution scheme, i.e., current support first, then custodial parent arrearages, followed by state arrearages.
- Distribution of the tax refund will be applied to all of the non-custodial parent's cases based on the amount of arrears owed in each case.

Timeframes Associated with Tax Refunds

- State: tax refunds are applied to current support weekly. If the amount of the state offset received is more than the current support due, the remaining state tax refund would be applied to the arrears. The arrears portion will be held for 29 days, then distributed on the 30th day.
- Federal: single and joint returns are held for 29 days, then distributed on the 30th day.

Fees Associated with the Tax Refund Offset

- State: there is no administrative fee associated with the state tax offsets.
- Federal: there is an administrative fee imposed by the Federal Internal Revenue Service on all federal offsets. The fee will be deducted prior to sending the federal offset to the custodial parent.
- The obligor is given credit for the full amount of the federal tax offset despite the fees that is withheld.

How to Dispute the Tax Offset Submission

- State: to dispute a state offset submission, you must request an administrative hearing contesting the interception of your state tax refund. You must mail your written request for an administrative hearing within 30 days from the date on your State Offset Notice. You must include a copy of the State Offset Notice with your request for review. The request should be mailed to the Indiana Centralized Enforcement Unit, 402 W. Washington St., MS 11, Indianapolis, IN 46204-2739.
- Federal: to dispute a federal offset submission, you must write to the local child support office that certified you for the income tax refund offset program. You must include a written request for a review along with the Federal Offset Notice you received, and the documentation showing that the child support delinquency that was submitted was incorrect. Examples of such documentation are court orders, payment printout, etc. Your caseworker will conduct a review within 30 days of your request. You will be notified by mail of the result of the review.

How to File an Injured Spouse Claim and Allocation

- Based on the filing of a joint return, if the spouse of a non-custodial parent has his/her refund seized to be applied to the non-custodial parent's past due child support obligation, the spouse may qualify as an injured spouse. The spouse must complete Part I of IRS Form 8379 to determine whether he/she qualifies.
- State: there is no Injured Spouse Claim and Allocation form for state tax offsets. Instead, the spouse may request the return of his/her share of the refund. The request must be made within 30 days from the date on the State Offset Notice and must include the names, address, and Social Security numbers of both parties as they appear on the tax form. The spouse must also sign the request. The request should be mailed to the Indiana Centralized Enforcement Unit, 402 W. Washington St., MS 11, Indianapolis, IN 46204-2739. DO NOT include this request with a request for an appeal hearing. All appeal requests must be made separately from any spousal request.
- Federal: to file an injured spouse claim for a federal tax offset, the spouse must file IRS Form 8379-Injured Spouse Claim and Allocation. The completed form must be mailed directly to the Internal Revenue Service. These forms are available at <http://www.irs.gov>, by calling the IRS at 1-800-829-3676, or may be obtained from your local public library, U.S. Post Office, or a tax preparer's office