



MDHS

MISSISSIPPI DEPARTMENT OF HUMAN SERVICES

CHILD SUPPORT ENFORCEMENT

TAX OFFSET

GUIDE



WHAT IS THE INCOME TAX REFUND OFFSET?

Tax Offset is the interception of the federal and/or state income tax refunds of a parent who is responsible for paying child support. It is a primary method for the collection of child support arrears. This collection method is used to collect past due child support, spousal support, and medical support.

HOW DOES THE FEDERAL TAX REFUND OFFSET PROGRAM WORK?

The names, social security numbers, and amounts of past-due support of people who are behind in their child support payments are submitted to the Department of Treasury through the federal Office of Child Support Enforcement (OCSE).

A parent who is responsible for support, and whose support debt meets the criteria for federal offset, will receive a *Pre-Offset Notice* that explains the process and shows the amount of past-due support owed at the time of the notice. The *Pre-Offset Notice* includes information about federal tax refund offset and actions the child support agency may take to enforce a support obligation. It also includes information about how to contest the debt amount.

When the Treasury processes tax refunds, it identifies those who owe past-due support and intercepts all or part of the tax refund. The Treasury forwards the intercepted or offset funds through OCSE to the state child support agency to pay the past-due support.

At the time of the federal tax refund offset, the Treasury mails a *Notice of Offset* to the parent responsible for support stating that all or part of their federal tax refund has been intercepted because of the child support debt. The notice directs the parent to contact the local child support agency for further information.

HOW DOES THE STATE TAX REFUND OFFSET PROGRAM WORK?

Before issuing a refund, Mississippi's Department of Revenue is required to check for any outstanding debt owed such as child support arrearages. If such debt is found, the amount owed may be deducted from your state refund. The Mississippi Department of Revenue sends collections intercepted from state income tax refunds to the child support agency for distribution.

WHEN IS A CASE ELIGIBLE FOR TAX REFUND OFFSET?

For federal IRS tax refund offset: The threshold varies by the type of arrears owed. Cases with public assistance arrears are eligible if the total balance of public assistance arrears from all of the parent who owes support's cases is at least \$150. For non-public assistance arrears, the total balance from all of his or her cases must be at least \$500 to be eligible.

For state income tax refund offset: There must be a total public assistance arrears balance of at least \$500 from all of the parent who owes support's cases or a total non-public assistance arrears balance of at least \$500 from all of his or her cases for individual cases to be eligible for state income tax offset.

WHAT CAN YOU TELL ME ABOUT THE OTHER PARENT'S TAX REFUND FILING STATUS?

The IRS has very specific guidelines that require state child support agencies to safeguard federal tax information. Failure to safeguard taxpayers' federal tax information is a violation of federal law. Please understand that child support staff are limited by federal law and cannot discuss the specific details of another parent's tax filing status.

Custodial parents can be told the case was submitted for tax offset. If a joint tax collection is being held for six months, this information can only be shared



with the parent responsible for support and their spouse.

HOW DO I KNOW IF MY TAX REFUND WAS OFFSET FOR PAST-DUE CHILD SUPPORT?

Federal IRS tax offset: You will receive a letter from the federal government (Department of the Treasury, Bureau of the Fiscal Service) informing you that your tax refund has been offset and the amount of the offset. The actual amount that Treasury deducts from the tax refund may differ from the amount on the *Pre-Offset Notice* based on updated activity on the support obligation. The state updates the debt amount regularly, but may not issue a new notice each time the debt amount changes.

State income tax offset: If your state tax refund has been offset, you will receive a notice from the Mississippi Department of Revenue.

WHAT IF I THINK MY REFUND SHOULD NOT HAVE BEEN OFFSET?

There are three reasons to dispute a tax offset:

- If you are not the person listed on the *Notice*.
- If the *Notice* contains an incorrect social security number.
- If you do not believe you owe past-due child support.

Remember, the referral is mandatory under federal law if you owe the minimum amount of arrears. The parent responsible for support may exercise his or her right to contest the intercept by personal contact, by telephone, or by correspondence:

In Person Request: You can stop by any local child support office and request an administrative review.

Child Support Customer Service: You can make a verbal request for an administrative review by calling Child Support Customer Service at **1-877-882-4916**.

Written Request: You can submit a written request for administrative review by mailing your request to:

**MS Department of Human Services
Attention: Child Support Tax Offset
128 West Jefferson Street
Yazoo City, MS 39194**

It is important to note that any request for an administrative review of a state tax offset must be made within thirty (30) days of the date the offset notice was mailed. There is no deadline by which the review of the offset of a federal tax return must be requested.

WHEN WILL THE TAX REFUND PAYMENT BE APPLIED TO MY CHILD SUPPORT ACCOUNT AND PAYMENT RELEASED TO THE OTHER PARENT?

If a joint tax return is filed, it may take up to six (6) months for any federal (IRS) offset payment to be applied. State tax collections are distributed after a thirty (30) day hold period. This allows the spouse of the parent responsible for support to appeal as an injured spouse.

WHAT IF I FILED A JOINT TAX RETURN, BUT I AM NOT RESPONSIBLE FOR THE PAST-DUE CHILD SUPPORT DEBT?

Federal IRS Returns: The injured (non-obligated) spouse on a jointly filed tax return may be entitled to a refund of their share of a jointly filed federal tax return offset. Funds from Non-TANF joint returns are held for at least six months to allow time for the injured spouse to file an **IRS Form 8379** (Injured Spouse Allocation). Form 8379 is filed with the IRS, not MDHS. For more information about this form, call the IRS at **(800) 829-1040**. For best results, Form 8379 should be filed at the same time you file the joint tax return.

State Returns: The injured spouse may also request



a review of their state tax offset by submitting a request in writing to the Child Support Tax Offset Program within 30 days of receiving notification of the offset from the Mississippi Department of Revenue. The request should be submitted to:

**MS Department of Human Services
Attention: Child Support Tax Offset
P.O. Box 352
Jackson, MS 39205**

IF I AM THE SPOUSE ON A JOINTLY FILED IRS TAX RETURN, MAY I WAIVE MY CLAIM TO A PORTION OF THE JOINTLY FILED FEDERAL INCOME TAX RETURN TO ALLOW FOR THE PAYMENT TO BE RELEASED EARLY?

Yes. If a joint tax return is filed and the spouse of the parent who owes support agrees to voluntarily waive his or her right to claim a portion of the federal income tax return, the parent who owes support and his/her spouse must complete the **Injured Spouse Waiver** to release a joint IRS tax refund. Once completed, this form shall be emailed or mailed to:

Email:
mdhs.childsupport@mdhs.ms.gov

Mail:
**MS Department of Human Services
Attention: Child Support Tax Offset
P.O. Box 352
Jackson, MS 39205**