

DEPARTMENT OF BENEFIT PAYMENTS

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October 22, 1975

ALL-COUNTY LETTER NO. 75-227

TO: ALL COUNTY WELFARE DIRECTORS

OBSOLETE

Superseded by ACL # 77-15

SUBJECT: TAX REDUCTION ACT 1975

Issued 3-17-77

REFERENCE: ALL COUNTY LETTER NO. 75-93

This letter revises the instructions given to counties in All-County Letter No. 75-93 regarding treatment of monies received as a result of the Tax Reduction Act of 1975 (Public Law 94-12). These revised instructions have become necessary because of the enactment of state legislation SB 819 (Chapter 183, Statutes of 1974) and the issuance of additional instructions by the United States Department of Agriculture, Food and Nutrition Service which together provide that neither the 1974 income tax rebate nor the lump sum (\$50) cash payment shall be considered as income or resources in any of the federal, state, or county cash grant programs or in Food Stamps. The specific revisions to All-County Letter No. 75-93 are as follows:

All-County Letter No. 75-93 provided that both the income tax rebate and the lump sum (\$50) cash were exempt from consideration as income in the AFDC, SSI/SSP, EVH, Food Stamp, Repatriated American, and Cuban Refugee Programs. SB 819 has now extended this exemption to the APSB Program.

Further, All-County Letter No. 75-93 instructed counties that any portion of the tax rebate retained in the month following receipt would be considered a resource in the AFDC, SSI/SSP, EVH, Food Stamp, Repatriated American, and Cuban Refugee Programs. It also stated that the lump-sum payment (\$50) was exempt from consideration as a resource for the balance of 1975. Counties should now exempt as a resource any portion of either payment retained after the month of receipt in all of the above programs and in APSB as well. Except for food stamps, this resource exemption applies so long as the monies retained are not commingled and can be separately identified as a proportionate share of the recipient's property.

Federal and State Cash Grant Programs

For the federal and state cash grant programs, counties should redetermine the eligibility of any individuals or families whose benefits were either

denied, discontinued or reduced because the tax rebate or one time cash payment had previously been considered as income or a resource. Counties should authorize supplemental payments for those who were previously determined ineligible or paid a lesser amount and identify the reason for the action on the ABCD 278L (or substitute authorizing document). There is federal participation in retroactive payments made to federally eligible AFDC cases provided the payment is made before the end of the twelfth month after the month for which paid.

Food Stamps

For the Food Stamp Program, counties should exclude as a resource tax rebates and \$50 special payments to SSI, Railroad Retirement, and Social Security recipients for the calendar year 1975. For administrative purposes this will mean an increase of a household's resource limitation by the amount of rebate and/or special payment the household receives, regardless of whether or not the rebate has been spent. This increase in the resource limitation will remain in effect until December 31, 1975, for both new applicants and present recipients.

General Assistance

Counties should note that Chapter 183, Statutes of 1974 also provides for the exemption of the 1974 tax rebate and the \$50 lump sum payment as income or resources in the county General Assistance Program.

If you have any questions regarding these instructions, please contact the appropriate Program Management Branch of the Department.

Sincerely,


GARY D. MACOMBER
Deputy Director

cc: CWDA
FNS, USDA
WRO