

March 4, 2008

Subject: Rebates from the Economic Stimulus Act of 2008

To: All Regional Directors
Food Stamp Program

As you know, the Economic Stimulus Act provides for rebates to many low and middle-income households. Specifically section 101(d) of that act states:

(d) Refunds Disregarded in the Administration of Federal Programs and Federally Assisted Programs - Any credit or refund allowed or made to any individual by reason of section 6428 of the Internal Revenue Code of 1986 (as amended by this section) or by reason of subsection (c) of this section shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following 2 months, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

The Food Stamp Program will exclude these rebate checks from income when determining eligibility, determining allotments, and for all other purposes. This policy will be the case for all households in all States.

Since the rebate amounts are excluded as a resource for the month of receipt and for the next 2 months, any household that receives a rebate and deposits it into an account (with or without other funds) would have the value of that account reduced by the amount of the rebate for the 3-month period. If the rebate is held as cash, it would not be counted. This policy applies to all applicant households as well as any household that reports a change in resource level. If the household indicates that it has exceeded its resource limit due to the rebate amount at the end of the 3-month period, the State would take action to terminate the household's benefits in accordance with ongoing policy.

The complete text of the law is available from The Library of Congress at:

<http://thomas.loc.gov/cgi-bin/query/F?c110:5:./temp/~c110cuG3IG:e1754:>

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If you have any questions about these rebates as income, please contact your office's liaison in the Certification Policy Branch. If you have any questions about these rebates as resources, please contact the Program Design Branch.

/S/

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Director
Program Development Division