



Child Support Division
County-City Building
227 West Jefferson Blvd., 6th Floor
South Bend, Indiana 46601
(574) 235-9786 FAX (574) 235-9097

Ethan C. McKinney
Director

TAX REFUND OFFSET INFORMATION

How Cases are Submitted for Tax Refund Offset:

- Income tax refund offset submissions are automatic through our state-wide computer system.
- State: in order to be submitted for the state income tax refund offset program, the amount of child support delinquency must be at least \$150.00.
- Federal: in order to be submitted for the federal income tax refund offset program, the amount for child support delinquency must be at least \$150.00 in a TANF case and \$500.00 in a non-TANF case.

How the Offsets are Processed:

- If the custodial parent is receiving TANF, both the federal and state refund will be held by 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 arrears, followed by state arrears.
- 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: The 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, and then distributed on the 30th day.
- Federal:
 - Single returns are held for 29 days, and then distributed on the 30th day.
 - Joint returns may take up to 6 months to process, as the spouse of the person ordered to pay child support may file an injured spouse claim. If the spouse does not file an injured spouse claim 5 months after the tax refund was intercepted, then the return will be held for another 29 days before being distributed on the 30th day.

Please note that pursuant to Federal Law, our office is unable to discuss specific tax information.