

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

200.03.02 PERSONAL SERVICES

A personal service performed for an individual is not income. Examples of personal services for an individual which are not income are:

- Mowing the lawn;
- Doing housecleaning;
- Going to the grocery store; and
- Babysitting.

200.03.03 CONVERSION OR SALE OF A RESOURCE

Receipts from the sale, exchange or replacement of a resource are not income, but are resources that have changed their form. This includes any cash or in-kind item that is provided to replace or repair a resource that has been lost, damaged or stolen.

Example: Jerry sells his 1999 Buick for \$1000. The money he receives is not income, but a resource which has been converted from one form (a car) to another form (cash).

200.03.04 REBATES AND REFUNDS

When an individual receives a rebate, refund or other return of money he has already paid, the money returned is not income. The key idea in applying this policy is the return of an individual's own money. Some rebates do not fit that category. If the rebate is a return on an investment, for example, the rebate would be treated as a dividend.

200.03.05 INCOME TAX REFUNDS

Any amount of income tax refunded to an individual is not income. Amounts withheld or paid as income tax during the course of a taxable year are included in the definition of income; therefore, any later refund of income taxes by a federal, state, or local taxing authority is not again treated as income. This is so even if the income from which the tax was withheld or paid was received in a period prior to the Medicaid application.

NOTE: The American Taxpayer Relief Act of 2012 excludes from income all federal tax refunds and advanced tax credits received on or after January 1, 2010. A federal refundable tax credit reduces the federal tax liability of certain taxpayers. It can result in a payment to the taxpayer, either as an advance from an employer or as a refund from the IRS. All federal tax refunds and advanced tax credits received after 01/01/2010 also qualify for a 12-month resource exclusion.