

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

Special Attention of: Notice PIH-2008- 23 (HA)

Regional and Field Office Directors of Public

Housing; Section 8 Financial Management Center; Issued: May 16, 2008

Public Housing Agencies Administering Housing

Choice Voucher and/or Public Housing Programs; Expires: May 31, 2009

Owners/Agents; and Regional Directors

Subject: Exclusion of tax rebates from the Internal Revenue Service (IRS) under the Economic Stimulus Act of 2008.

- **1.** <u>Purpose</u>. This notice excludes the one-time IRS economic stimulus payments (tax rebates) from all interim and annual income determinations.
- **2.** <u>Applicability.</u> This notice applies to Public and Indian Housing (PIH) rental assistance programs including: Public Housing, Section 8 Moderate Rehabilitation, Housing Choice Voucher and Section 8 Project-Based Voucher and Certificate Programs.
- **3. Background.** Under the Economic Stimulus Act of 2008, more than 130 million American households filing federal tax returns for 2007 will receive economic stimulus payments beginning in May 2008. Eligible households will receive tax rebates of up to \$600 and up to \$1,200 for married couples. Parents will receive up to an additional \$300 for each eligible child younger than 17.
- **4.** Exclusion of nonrecurring income. During annual and/or interim reexamination of family income pursuant to 24 CFR 960.257 for public housing and 24 CFR 982.516 for Section 8 programs, PHAs are to exclude all IRS economic stimulus payments. Tax rebates are considered "nonrecurring income" as defined at 24 CFR 5.609(c) (9). Program administrators are **not** to include the amount of the economic stimulus payment when determining a family's annual income. Therefore, the stimulus payments will **not** affect a family's eligibility for or level of HUD rental assistance benefits.
- **5.** <u>Further information.</u> Direct inquiries to Public Housing Management and Occupancy Division, Office of Public Housing and Voucher Programs at (202) 708-0744.

Paula O. Blunt, General Deputy Assistant Secretary for Public and Indian Housing