

CHAPTER 13. EXCLUSION OF EARNED INCOME TAX CREDIT REFUND

13-1. GENERAL. The earned income tax credit refund is a payment from the Internal Revenue Service provided to low income workers with children. Low income workers must apply for the credit and, at their option, can receive the refund either in advance, in which case it is included regularly in their pay, or after filing, in a lump sum.

13-2. APPLICABILITY. The exclusion of earned income tax credit refund provisions apply to project owners operating HUD assisted units under:

Section 221(d)(3) BMIR

Section 236

Section 236 RAP

Section 202/8

Section 101 Rent Supplement

Section 8 New Construction, Substantial Rehabilitation, State Agency, Farmers Home, Loan Management Set-Aside, and Property Disposition

13-3. IMPLEMENTATION. Until a final rule and Federal Register Notice implementing these provisions are published, project owners are required to:

- A. EXCLUDE FROM ANNUAL INCOME ANY EARNED INCOME TAX CREDIT REFUND received on or after January 1, 1991, whether it is received regularly in payments or in a lump sum.
- B. PROVIDE A RENT CREDIT OR REIMBURSEMENT to cover any overcharge that has resulted to date because earned income tax credit refunds received on or after January 1, 1991, were included as annual income.