

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



June 22, 2001

CSSIN LETTER NO: 01-19

TO: IV-D DIRECTORS
ALL DISTRICT ATTORNEYS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL BOARDS OF SUPERVISORS

SUBJECT: ADVANCE PAYMENT OF 2001 TAX CREDIT

The Economic Growth and Tax Relief Reconciliation Act of 2001 (Act) approved by Congress and signed into law directs the Federal Treasury to send checks to qualifying income taxpayers giving them an advance payment of a 2001 tax credit. The payments will generally be up to \$300 for single taxpayers, \$500 for heads of households, and \$600 for married couples.

These payments, which the Internal Revenue Services (IRS) anticipates will begin in mid-July, will be subject to offset under the Federal Offset Program. The conference report language in the Act specifically indicates that the credits are "subject to the refund offset provisions, such as those applicable to past-due child support under Section 642 of the Code." Additional information regarding the advance payments can be found by accessing the IRS web site at www.irs.gov.

By mid-July, the IRS will send taxpayers a letter describing the amount of the advance payment check, the week it will be sent, and the possibility of an offset for an outstanding government debt. When an offset is taken, the IRS will send the taxpayer an explanation of the offset. Any amount up to what is owed will be intercepted. Local child support agencies can expect that the offset of these advance payments will result in an increased number of phone calls.

DCSS-SY-2001-CTY-0293



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www.childsup.cahwnet.gov

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In order to avoid potential customer service issues it is critical that every county perform a full file reconciliation with the Integrated Database (IDB). This will ensure that we do not offset IRS checks for cases that have been closed by the county where that status has not yet been reflected in IDB. The reconciliation will also update the offset amounts to reflect the current county balances and will create new offset requests on newly added cases.

Please call Bill Brown at (916) 464-5322 if you have questions about sending a full file reconciliation. Any questions regarding the IRS advance payments may be directed to Tanya Morales at (916) 464-5261.

Sincerely,

JOAN OBERT
Assistant Deputy Director
Technology Services Division