



## POLICY MEMO

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<b>TITLE:</b>	<b>COLORADO CASH BACK TAXPAYER BILL OF RIGHTS (TABOR) REFUND</b>
<b>SUPERSEDES NUMBER:</b>	N/A
<b>EFFECTIVE DATE:</b>	<b>AUGUST 1, 2022</b>
<b>DIVISION AND OFFICE:</b>	<b>MEDICAID OPERATIONS OFFICE</b>
<b>PROGRAM AREA:</b>	<b>ELIGIBILITY POLICY</b>
<b>KEY WORDS:</b>	<b>COLORADO CASH BACK, TABOR, REFUND, ELIGIBILITY, INCOME, RESOURCES, PATIENT PAYMENT, NON-MAGI, MAGI, CHP+</b>
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<b>APPROVED BY: MARIVEL KLUECKMAN</b>	

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### **Purpose and Audience:**

The purpose of this Policy Memo is to inform eligibility sites of the income and resource eligibility rules for the Colorado Cash Back Taxpayer Bill of Rights (TABOR) Refund. This memo includes guidance for all Medical Assistance eligibility categories. Please share this memo with all eligibility staff, supervisors, and outside agencies, as appropriate.

### **Information:**

The Taxpayer Bill of Rights (TABOR) requires the State to refund excess State tax revenue back to taxpayers. Senate bill 22-233 directs the Department of Revenue to issue and mail advance refunds for eligible individuals who were full-year residents for 2021 and filed a 2021 Colorado Individual Income Tax Return (DR 0104) by October 17, 2022. The TABOR refunds issued by the Department of Revenue for year 2021 will send eligible taxpayers a direct refund through Colorado Cash Back, providing a tax rebate of \$750 for individual filers and \$1,500 for joint filers. Tax filers will receive the Colorado Cash Back refund by September 30, 2022. Extended filers with a deadline of October 17, 2022, will receive their refund by January 31, 2023.

According to 26 USC §6409, this State tax refund made to any individual shall not count as income and shall not be considered as a resource for a period of 12 months from receipt for the purposes of determining eligibility for individuals requesting Medical Assistance.

#### MAGI- Health First Colorado and Child Health Plan *Plus* (CHP+) Eligibility Categories

The Colorado Cash Back TABOR refund is not taxable income. As such, the Colorado Cash Back TABOR refund is *not* countable income for MAGI and CHP+ eligibility determinations.

#### Non-MAGI- Health First Colorado Eligibility Categories

The Colorado Cash Back TABOR refund is considered a State tax refund. As such, the Colorado Cash Back TABOR refund is *not* countable income for Non-MAGI eligibility determinations. The Colorado Cash Back TABOR refund will *not* be a countable resource for 12 months for any Non-MAGI financial eligibility determinations that include a resource test.

#### Patient Payments for Long Term Care Institutions

The Colorado Cash Back TABOR refund is not countable income for eligibility determinations. As such, they will *not* be considered when calculating patient payment.

#### Data entry

Eligibility workers will select "Income Tax Refund" from the list of income types in the dropdown on the unearned income screen in CBMS. Eligibility workers should also add a case comment indicating the client reported receipt of the Colorado Cash Back TABOR refund and note that this income is exempt.

#### **Attachment(s):**

None

#### **Department Contact:**

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