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Refund Offset and Injured Spouse

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What is a refund offset?

All or part of a tax refund overpayment applied (offset) to a past-due, legally enforceable debt:

- Federal tax debts
- Other Federal and state-related debts



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Types of Refund Offsets

Federal Tax Debt

- Business Tax Account
- Individual Tax Accounts

Treasury Offset Program (TOP) Debt

- Office of Child Support Enforcement
- Federal Agencies such as Education, Social Security, etc:
- State tax obligations



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What is an Injured Spouse ?

An injured spouse is an individual:
who files a joint tax return (Form 1040)
and

all or part of the refund overpayment
was, or is, expected to be applied to a
past-due obligation of the other spouse
and

the non-obligated spouse wants his/her
share of the joint refund.



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Injured Spouse Eligibility Requirements

The injured spouse:

- is not required to pay the past-due amount, and
- will report income, or
- will report payments.



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Form 8379

Injured Spouse Allocation

Filed by the non-obligated spouse on a joint tax return

Filed only if the taxpayer owes a past-due, legally enforceable debt owed to IRS or a debt administered by FMS



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How to File Form 8379

Submit with jointly filed Form 1040

Filed by itself after offset

Filed with Form 1040X only if original return (Form 1040) is to be amended/changed to request additional injured spouse refund



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Non-Tax Debt Information

FMS

- Confirm and verify Federal non-tax debt offset
- Furnish creditor agency information

Creditor Agency

- Provide debt balance and establish payment agreements
- Refund any money taken in error
- Remove a debtor or change status of debt from the FMS debtor database.



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Reasons to Issue a Manual Refund

Refund issued to someone other than the entity name

Hardship situation

Systemic limitations prevent a normal computer generated refund



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Reasons to Issue a Manual Refund

Form 8379, block 12, is checked

Statute Imminent Cases

Dual Status Returns

Taxpayer in Bankruptcy



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Contact Information

- (800) 829-4477 - For pre-recorded messages covering various tax topics
- **Topic 203** covers Failure to Pay Child Support Federal Non-Tax And State Income Tax Obligations
- (800) 829-1040 – To ask tax questions
- IRS.gov** – For on-line information
- (800) 304-3107 – For FMS TOP assistance

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Resources

Publication 17, *Your Federal Income Tax (For Individuals)*

Publication 4183, *Injured Spouse, Form 8379*

Publication 555, *Community Property*

Publication 971, *Innocent Spouse Relief*

