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Refund Offset Injured Spouse and Manual Refunds

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

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

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



Injured Spouse Eligibility Requirements

- The injured spouse:
 - is not required to pay the past-due amount,
and
 - will report the income, and/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

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 Debts Information

FMS will:

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

Creditor Agency will:

- 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, cont'd.

- Form 8379, block 5 is checked
- Statute Imminent Cases
- Dual Status Returns
- Taxpayer in Bankruptcy

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



Resources

- **Publication 17, *Your Federal Income Tax (For Individuals)***
- **Publication 4183, *Injured Spouse, Form 8379***
- **Publication 555, *Community Property***
- **Publication 971, *Innocent Spouse Relief***

