

# Highlights of Economic Stimulus Payments to Taxpayers\*

February 13, 2008

Site Coordinator

VITA Milpitas Community Library

How many people will get the tax rebate?

- More than 130 million Taxpayers

How much are we going to get back?

- In most cases, it is the tax liability<sup>1</sup> on 2007 Tax Return, up to \$600 for individuals and \$1200 for Married Filing Jointly
- If there is no tax liability, and minimum \$3000 of qualifying income, Individuals will receive \$300 and Married Filing Jointly \$600. Qualifying income:
  - Includes earned income such as wages and self-employment income
  - Includes Social Security, certain Railroad Retirement benefits, Veterans' disability compensation, pension or survivors' benefits received from VA in 2007
  - Excludes Supplemental Security Income (SSI) , non-veterans or non-Social Security pension income (like those from IRA)
- Eligible taxpayers qualifying for payment will receive \$300 for each child who qualifies for the child tax credit.
- Payments of higher income taxpayers (\$75,000 for individuals and \$150,000 for Married filing jointly) will be reduced.

How to get refund?

- You MUST file an income tax return for 2007
- If you already filed for 2007 and did not include income to get the \$3000 qualifying income, you must file a 1040X if you have additional qualifying income

Where will I get it?

- The same way as your regular Tax Refund; by mail or direct deposit depending on how you made your choice on the tax return

Who is eligible?

- Eligible with valid SSN; for MFJ both taxpayers need valid SSNs.
- NOT Eligible with ITIN or ATIN (Adoption Taxpayer Identification Number) and their children also not eligible
- NOT Eligible if no tax paid, and less than \$3000 qualifying income

The IRS will send 2 notices

- Notice #1 to explain the program
- Notice #2 to confirm the amount you get and when you will get it
- If you move after filing 2007 tax return, give notice to IRS by filing Form 8822 Change of Address, and also notify the Post Office

---

<sup>1</sup> It is not clear what Tax Liability means, and possibly some clarification will follow. On the 1040 form, it may refer to Line 44, Line 46, Line 57 or line 63 that says "Total Tax"

## Beware of Crooks, Swindlers and Cheaters

- Some crooks phone taxpayers and say they can get large rebate by filing early, and asks for the bank account information for the direct deposit. If taxpayer refuses, they say taxpayer cannot receive the rebate.
- Some crooks send e-mail claiming to come from the IRS, saying taxpayer is eligible for tax refund by clicking on link in E-mail to fill a claim form. The form asks for personal information that the crooks use to take money out of the taxpayer's bank or credit card account.
- Some crooks send email to tax-exempt organizations that distribute funds to other organizations or individuals, claiming to be the Director of the IRS's Exempt Organizations business division.
- Some crooks send email notifying taxpayer that tax return will be audited. They may even address taxpayer by name. This e-mail instructs taxpayer to click on links to complete forms with personal and account information, which the crooks use to commit identity theft.
- Some crooks send bogus e-mail to businesses, accountants and "Treasury" managers and tells them to download information on tax law changes by clicking on links about businesses, estate taxes, excise taxes, exempt organizations and IRAs and other retirement plans. Clicking on such links may actually load nasty software that takes over your computer and send information from your computer to the crooks.
- Some crooks phone taxpayer, claiming to be IRS employee calling because IRS sent a check to the taxpayer that was not cashed, and wanting to verify bank account number. The crooks then use the information to take money out of taxpayer's bank account.

## How to tell if it is the IRS contacting you

- The IRS lets the taxpayer decide to cash or not cash a paper check.
- The IRS does not need to know, and does not ask for, bank account or similar information, except when taxpayers request direct electronic deposit of refund on their tax return. In that case, Taxpayer must provide IRS with the correct bank routing and account numbers; the IRS does not contact taxpayers to verify the information.
- The IRS does not e-mail or phone taxpayers to talk about their rebates.
- The only way to get a rebate is to file a 2007 Income Tax Return

---

\* This information sheet was created for the use of clients of the VITA Milpitas Community Library, 40 N Milpitas Blvd, Ca 95035 based on information summarized from IRS News Releases IR-2008-11 IR-2008-16, IR-2008-18 and Fact Sheet FS-2008-15 which are the authoritative sources and provide more detailed information. In the event that there is any conflict between this document and the IRS documents, the IRS documents prevail. The pdf version of this document is also available on <http://www.vita-volunteers.org>