

## ECONOMIC STIMULUS ACT OF 2008

### Information for VITA Sites and 2-1-1 Call Specialists

#### Overview

- Beginning in May, the IRS will begin sending economic stimulus payments to an estimated 130 million taxpayers. Payments will be made based on Social Security numbers, not based on when tax returns were filed.
- The majority of taxpayers don't need to do anything more than file a 2007 tax return. The IRS will determine eligibility and amount of payment.
- Single filers will receive up to \$600; joint filers will receive up to \$1,200. Eligible taxpayers may also receive an additional \$300 per qualifying child. Payment amounts begin decreasing at Adjusted Gross Income levels of \$75,000 for single filers and \$150,000 for those filing jointly.
- The form of payment in which individuals received their tax refund will also be the form in which they receive their economic stimulus payment. For example, if you received your tax refund via direct deposit, then your stimulus payment will also be sent via direct deposit.
- Individuals who received their tax refund in a Refund Anticipation Loan (RAL) will receive their stimulus payment via paper check.

#### Eligibility

- Only taxpayers who file a 2007 tax return with a valid Social Security number will be able to receive a stimulus payment. If filing a joint return, both spouses must have valid Social Security numbers. Children must have valid Social Security numbers to be eligible as qualifying children.
- Individuals that file taxes using Individual Taxpayer Identification Numbers (ITINs) and Adoption Taxpayers Identification Numbers (ATINs) are not eligible for the economic stimulus.
- Social Security recipients, veterans with disabilities, widows of veterans with disabilities, and railroad retirement benefits recipients that receive at least \$3,000 in earned income and/or benefits from these programs are also eligible for economic stimulus payments.

#### Filing Information

- Social Security recipients, veterans with disabilities, widows of veterans with disabilities, and railroad retirement benefits recipients are not usually required to file tax returns; however, they will need to file a simple return this year in order to receive the economic stimulus payment.
- Individuals not normally required to file a tax return may file their returns anytime before October 15<sup>th</sup>.
- Beginning the week of March 17, 2008, the IRS will mail special, economic stimulus information packages to 20.5 million recipients of Social Security or Veterans Affairs benefits. Each 10-page package contains an informational notice, tips for completing Form 1040A, a sample Form 1040A, and an actual Form 1040A that can be completed and mailed in.

### **Fraud, Garnishment, and Other Issues**

- The IRS will not gather information related to stimulus payments over the telephone and it does not send unsolicited e-mail to taxpayers about tax account matters. If taxpayers receive an unsolicited e-mail from someone claiming to be from the IRS, don't click on any links. Forward it to [phishing@irs.gov](mailto:phishing@irs.gov) and then delete it. The only official IRS Web site is located at [www.irs.gov](http://www.irs.gov).
- For debt purposes, the economic stimulus payment will be treated like any other tax refund. All or part of your payment can be used to pay past-due federal or state income taxes or non-tax federal debt such as student loans and child support. If this occurs, you will receive a letter explaining how the stimulus payment was applied.
- Economic stimulus payments are not taxable. You will not owe taxes on the payment when you file your 2008 federal tax return and it will not reduce or increase your 2008 tax refund. However, you should keep a copy of the IRS letter you receive listed the amount of your payment. You will need this information when completing your 2008 return.
- Economic stimulus payment will have no impact on eligibility for federal benefits such as Temporary Assistance for Needy Families, Food Stamps, and Social Security.

For more information, please visit the [Economic Stimulus Payments Information Center](#) or [www.IRS.gov](http://www.IRS.gov).