



RRB News

U.S. Railroad Retirement Board

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Railroad Retirement Annuitants Must File a 2007 Tax Return to Receive Stimulus Payments (Rebates)

Starting in May, the U.S. Treasury will begin sending economic stimulus payments, often referred to as rebates, to more than 130 million individuals.

Most taxpayers do not need to take any extra steps to receive these payments. However, some railroad retirement annuitants, social security beneficiaries, and recipients of certain veterans' benefits, who might not otherwise need to file a 2007 tax return, **must do so** to receive the stimulus payment. The return must show at least \$3,000 in qualifying income.

Qualifying income includes social security benefits, the Social Security Equivalent Benefit (SSEB) portion of a railroad retirement tier I benefit, certain veterans' benefits and earned income, such as wages and net earnings from self-employment that are includable in income. For people filing joint tax returns, only a total of \$3,000 of qualifying income from both spouses is required.

To figure their qualifying income, annuitants who would not otherwise file a 2007 tax return should add together the following amounts:

- The SSEB portion of tier I benefits or special guaranty amounts reported in Box 5 of the 2007 Form RRB-1099, which annuitants would have received in January 2008. (Do not include amounts reported on Form RRB-1099-R.)
- Social security benefits reported in Box 5 of the 2007 Form SSA-1099, which would have been received in January 2008.
- Veterans' benefits received in 2007, including veterans' disability compensation, disability pensions, or survivors' benefits received from the Department of Veterans Affairs.
- Wages reported on Form W-2.
- Net earnings from self-employment that are includable in income.

(More)

A Form 1040A illustration on the IRS Web site (www.irs.gov) shows the limited number of lines that need to be filled out by recipients of social security, railroad retirement and veterans' benefits who are not required to file an income tax return but are doing so to receive a stimulus payment. The key line for reporting 2007 benefits is Line 14a of Form 1040A. The IRS has advised that while this line only mentions social security, railroad retirement annuitants should use this line even if their only benefits were railroad retirement or veterans' benefits. In addition, taxpayers in these groups should write the words "Stimulus Payment" at the top of the Form 1040A.

The IRS is also reminding taxpayers with social security, railroad retirement or veterans' benefits who have already filed but did not report their qualifying benefits on either Line 14a of Form 1040A (or Line 20a of Form 1040) that they may need to file an amended return in some situations to receive a larger stimulus payment. Taxpayers who already have filed but did not report these benefits can file an amended return by using Form 1040X.

Extensive and detailed information on the stimulus payments is available on the IRS Web site and annuitants are strongly encouraged to visit the site.

Individuals who need to file a return this year to receive a stimulus payment may be able to take advantage of thousands of free tax preparation sites nationwide for low-income and elderly taxpayers.

The Volunteer Income Tax Assistance (VITA) program provides help to low and moderate income taxpayers. Call 1-800-906-9887 to locate the nearest VITA site.

The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 and older. As part of the IRS-sponsored TCE Program, AARP offers the Tax-Aide counseling program at more than 7,000 sites nationwide during the filing season. To find an AARP Tax-Aide site call 1-888-227-7669 or visit the AARP Web site at www.aarp.org.

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