

Do You Qualify for this Year's Tax Rebate?



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Important Information for Seniors from Congressman Mac Thornberry

Questions and Answers About
How to Qualify for a Tax Rebate

How to Contact Congressman Mac Thornberry

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"Senior Citizens need to know how the tax rebates, passed to help shore up the economy, will apply to them. Social Security and veterans benefits recipients may face some unique requirements to qualify for the tax rebate. This update contains information from the Internal Revenue Service on how to receive your rebate."

Mac Thornberry

An Update for Seniors from
Congressman Mac Thornberry
on the **Economic Stimulus Act of 2008**

Congress Passes Tax Relief

What does this mean for Senior Citizens?

Overview of the Economic Stimulus Act of 2008

H.R. 5140, the Economic Stimulus Act of 2008, provides temporary tax relief to many working Americans and Seniors. Most taxpaying Americans will receive \$600 if they are single or \$1,200 if they file a joint return, assuming they paid at least that much in federal income tax in 2007.

Anyone who made at least \$3,000 in income will receive a flat rebate of \$300 if single or \$600 if married, even if they don't owe income tax. If your 2007 Federal tax liability is between \$300 and \$600 (single) or \$600 and \$1,200 (married), your rebate will be equal to whatever you paid in tax.

Anyone who gets a rebate will get an additional \$300 for each child eligible for the child tax credit in 2008. To qualify, the child must be younger than 17 on December 31, 2008.

When Will I Receive My Rebate?

You must file a 2007 tax return in order to receive a rebate.

The IRS will use your 2007 tax return to determine who receives a rebate and how much.

The IRS will begin issuing rebates in May 2008, but if you don't file your 2007 taxes until the October 15 extended deadline your rebate will be delayed until the end of the year.

Free Tax Help Available For Seniors

Senior Citizens 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, including three in Amarillo and four in Wichita Falls.

The Volunteer Income Tax Assistance (VITA) program provides help to low- and moderate-income taxpayers. Call toll free 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 toll free 1-888-227-7669 or visit the locator on the AARP Web site at https://locator.aarp.org/vmis/sites/tax_aide_locator.jsp.

Answers to the questions Seniors have about the Economic Stimulus Act of 2008

Q: I am a Social Security recipient and I do not normally have to file a federal income tax return. Do I have to file a federal income tax return to receive this year's tax rebate?

A: YES! For purposes of meeting the qualifying income requirement, the following benefit needs to be reported in any combination on Line 20a of Form 1040 or Line 14a of the Form 1040A. Social Security benefits reported on the 2007 Form 1099-SSA, which people would have received in January 2008.

People who do not have a Form 1099 may estimate their annual Social Security benefit by taking their monthly benefit, multiplying it by the number of months during the year they received the benefits, and entering the number on Line 20a of Form 1040 or Line 14a of the Form 1040A.

Supplemental Security Income (SSI) does not count as qualifying income for the stimulus payment.

Q: I am a veteran and normally certain veterans' payments are not subject to income tax. Do I have to file a federal income tax return to qualify for this year's tax rebate?

A: YES! The economic stimulus law passed in February contains a special provision allowing recipients of certain veterans' benefits to count those benefits toward the qualifying income requirement of \$3,000 and thereby qualify for the stimulus payment.

For purposes of meeting the qualifying income requirement, the following benefits need to be reported in any combination on Line 20a of Form 1040 or Line 14a of the Form 1040A.

The sum of veterans' disability compensation, pension or survivors' benefits received from the Department of Veterans Affairs in 2007.

People are allowed to estimate their annual benefit by taking their monthly annual veterans' benefit, multiplying it by the number of months during the year they received benefits, and entering the number on Line 20a of Form 1040 or Line 14a of the Form 1040A.

Q: I am a Senior Citizen and have no earned income but I pay approximately \$8,000 in taxes on Social Security, pension benefits and investment income. Will I receive a refund?"

A: Yes, you should receive \$600 if you are single or \$1,200 if you are married filing jointly because you pay more than that in tax.

Q: Are head of household taxpayers considered single in the planned tax rebate program?

A: Yes. People who file as head of household or married filing separately will be treated like single people.

Q: Will the rebate be taxable income that we need to claim as income for 2008 on our tax returns? Will the checks be in the actual amounts quoted, or will there be taxes deducted?

A: The rebates are not taxable. You will not have to report them as income for 2008. No taxes will be deducted from the rebates. Rebates also will not be added to income to determine whether people are eligible for federal or federally subsidized programs such as food stamps or welfare.

Q: Do I need to give my Social Security number to receive this year's tax rebate?

A: You must provide a valid Social Security number to receive a rebate, rebates will not be sent to illegal aliens or others without a valid Social Security number. Estates, trusts or people who are or could be claimed as a dependent on someone else's tax return also will not qualify. That means most high school and many college students won't get a rebate even if they earn more than \$3,000 or pay taxes.