

Basic Information on the Economic Stimulus Payment

(source - irs.gov)

You've heard about it. Now find out how to get yours.

What is it? It's an economic stimulus payment that more than 130 million households will receive starting in May. It's not taxable, and it won't reduce your 2007 or 2008 refund or increase the amount you owe when you file your 2008 return.

Are you eligible? The vast majority of people who file a 2007 income tax return qualify, and many who don't regularly file a tax return may qualify as well. You're eligible if you have a valid Social Security Number (SSN), can't be claimed as a dependent on a tax return and have either an income tax liability or "qualifying income" of at least \$3,000. Qualifying income includes any combination of earned income and certain benefits from Social Security, Veterans Affairs or Railroad Retirement. Additional information is below, and a full legal description is available in [Revenue Procedure 2008-21](#).

Both people listed on a "married filing jointly" return must have valid SSNs to qualify for the payment — if only one has a valid SSN, neither can receive the payment.

Can you use an ITIN instead of an SSN? Taxpayers with an Individual Taxpayer Identification Number (ITIN) instead of an SSN are not eligible to receive a stimulus payment. Both people listed on a "married filing jointly" return must have valid SSNs to qualify for the payment — if only one has a valid SSN, neither can receive the payment.

Not eligible at the current time? If your circumstances change and you become eligible after you file your 2007 federal tax return, you can always file an amended return using [Form 1040X](#). File the form after April 14, 2008, and allow 8-12 weeks of processing time before making any inquiries about your payment. See a [sample](#) with instructions.

If you're not eligible this year but you become eligible next year, you can claim the economic stimulus payment next year on your 2008 tax return.

How do you get it? Just file a federal tax return for 2007, even if you normally don't have to because your income usually doesn't meet the filing threshold. You can't get it if you don't file.

How much will you get? The actual amount depends on the information contained on your tax return. Eligible individuals will receive between \$300 and \$600. Those who are eligible and file a joint return will receive a total of between \$600 and \$1,200. Those with children will get an additional \$300 for each qualifying child. To qualify, a child must be eligible under the [Child Tax Credit](#) and have a valid Social Security number. We have various [examples](#) for you check out.

The payments [phase out](#) at certain income levels, so those with higher incomes may receive a reduced payment or even no payment.

Can you estimate your payment? The IRS has created an [online calculator](#) that will allow you to answer a few questions and get a quick estimate of your payment amount.

How will you receive the payment? Be sure to choose direct deposit when you file your tax return, even if you aren't due a regular tax refund on your tax return. That way, the stimulus payment will go right to your bank account. Otherwise, we'll mail you a check.

When will you get your payment? Starting May 2, payments will be electronically transmitted to direct deposit accounts. Paper checks will be mailed starting May 16. The payments are based on the last two-digits of the mail filer's Social Security number. The IRS has [issued a schedule](#) for payments as direct deposits or paper checks.

What if some or all of your income consists of Social Security, veterans' or other benefits? The economic stimulus law allows Social Security recipients and recipients of certain veterans' benefits and Railroad Retirement benefits to count those benefits towards the qualifying income requirement of \$3,000. Supplemental Security Income (SSI) does not count as qualifying income for the stimulus payment. To get the payment, you have to file a 2007 tax return using either [Form 1040](#) or the short [Form 1040A](#). For more information, see:

- [Information for Recipients of Social Security Benefits](#)
- [Information for Recipients of Veteran's Benefits](#)
- [FS-2008-16](#), Stimulus Payments: Instructions for Low-Income Workers and Recipients of Social Security and Certain Veterans' Benefits.

Tax Package 1040A-3 and Form 1040A

Those who normally don't have to file a tax return and can use the short form for the stimulus payment can check out tax package [1040A-3](#) to see information on, and an example of how to fill out, [Form 1040A](#).

Learn More about the Economic Stimulus Payments

For more information, check out our:

- [Answers to Frequently Asked Questions](#)
- [News Releases, Audio Files, Fact Sheets and Legal Guidance](#)

Warning — Scam Artists Are Calling Taxpayers about the Stimulus Payments

If someone claiming to be from the IRS calls or e-mails you about the payments and asks you for a Social Security, bank account or credit card number, it's a scam. The scammers are trying to get your personal and financial information so they can empty your bank account, run up charges on your credit card and more. Find out more — see [IR-2008-11](#), IRS Warns of New E-Mail and Telephone Scams Using the IRS Name; Advance Payment Scams Starting.