

IRS



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IRS Debunks Several Common Myths about 2008 Stimulus Payments

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JACKSONVILLE — The Internal Revenue Service today moved to set the record straight on several issues surrounding administration of the 2008 Stimulus Payments. Approximately 130 million taxpayers will receive checks of at least \$300 beginning in May 2008.

“The latest and most complete information is at IRS.gov,” said IRS Spokesperson Gloria Sutton. “We are concerned that many important details are not being communicated clearly so we’d like all taxpayers to know the facts.”

MYTH – The Stimulus Payment will reduce a taxpayer’s 2008 refund.

FACT – The payment will NOT reduce refunds or increase the amount owed when a 2008 return is filed.

MYTH – The Stimulus Payment is taxable.

FACT – It is NOT taxable, but taxpayers are encouraged to keep a copy of the IRS notice they will receive later this year listing the amount of payment. In the event a taxpayer does not qualify to receive the full amount this year but does next year, the notice will be a record of the previous amount received.

MYTH – Taxpayers needn’t do anything in order to receive a Stimulus Payment.

FACT – Taxpayers must file a 2007 tax return in order to be eligible for a payment. After filing a 2007 return, however, the taxpayer is set and the IRS will do the rest.

MYTH – Everybody is eligible for a check.

FACT – At the minimum, a taxpayer must have at least \$3,000 of “qualifying income” to receive either \$300 (Single) or \$600 (Married Filing Joint). Qualifying income includes Social Security benefits, certain Railroad Retirement benefits, certain veterans’ benefits and earned income, such as income from wages, salaries, tips and self-employment. For taxpayers filing joint tax returns, only a total of \$3,000 of qualifying income from both spouses is required to be eligible. Also, for those who don’t normally file, a tax return (Form 1040A) will be needed this year to get a check.

MYTH – Only paper checks will be issued.

FACT – Direct Deposit is the best way to receive the payment. Eligible taxpayers who choose direct deposit for their 2007 tax year refund will receive their Stimulus Payment the same way.

MYTH – The IRS will contact taxpayers either by phone or e-mail about their payments.

FACT – Watch for scams! IRS will not contact taxpayers by phone or e-mail about Stimulus Payments or refunds.

The IRS reminds those who don't have any other requirement to file a tax return that submitting a tax return to qualify for the economic stimulus payments does not create any additional tax or trigger a tax bill. In addition, the stimulus payments will not have any effect on eligibility for federal benefits. Complete details are available at www.irs.gov.

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