Economic Stimulus Rebates for Individuals: Frequently Asked Questions

On February 7, 2008, the Congress passed the "Economic Stimulus Act of 2008." It was signed into law by the President on February 13, 2008. This law will provide lower-income and middle-income working families, and certain seniors and disabled veterans, with a tax rebate.

What is the stimulus check?

The stimulus check is the payment now of a new tax credit for the 2008 income tax year. The check is intended to stimulate the economy.

Am I eligible for a stimulus check?

Generally, you are eligible if you file your 2007 income tax return reporting tax liability or have earned income, Social Security income, or disabled veterans' benefits of more than $3,000. If you are claimed as a dependent on someone else's return, such as your parents, you are not eligible. The credit phases out for those taxpayers with an adjusted gross income of $75,000 ($150,000 for a joint return) or more, generally at a rate of $50 dollars per $1,000 of adjusted gross income above $75,000 ($150,000 for a joint return).

What do I need to file to get a stimulus check?

Most taxpayers simply will need to file a 2007 income tax return. There is no additional form needed for the stimulus check. The Treasury Department will determine the amount of the check based on your 2007 income tax return and will automatically send it to you. There are special filing instructions for recipients of Social Security, Railroad Retirement, and certain veterans' benefits. Taxpayers who normally do not file an income tax return but will need to file in order to receive a stimulus check can file their return through Free File - Economic Stimulus Payment, which is available at the Internal Revenue Service (IRS) website, www.irs.gov.

When will I receive my check?

Starting on May 2, 2008, the Treasury Department expects to begin issuing stimulus checks to more than 130 million individuals. It is anticipated that the checks will be issued over a period of months through the spring and early summer with the initial round of payments completed by early July. The stimulus checks will be sent out, for returns processed by April 15th, in the order of the last two digits of the Social Security number used on the tax return. The payment schedule will differ depending upon whether your 2007 refund is direct deposited or issued as a paper check. The amounts direct deposited will be received sooner than those sent out as a paper check. A schedule of payment dates based on Social Security numbers can be found in IRS Notice 2008-44, available at www.irs.gov. Since the check is based on information contained in your 2007 income tax return, the check will not be issued until you have filed your 2007 return and it has been processed. No checks will be issued after December 31, 2008.

What will be the amount of my stimulus check?

The IRS has an economic stimulus calculator on its website (www.irs.gov) for taxpayers to use to calculate the amount of their stimulus check. Taxpayers will need to have the information from their 2007 income tax returns available. Taxpayers generally will receive a rebate check of $600 ($1,200 in the case of a joint return). Most taxpayers with one dollar ($1) of income tax or $3,000 of qualifying income will be guaranteed a minimum rebate check of $300 ($600 for a joint return). "Qualifying income" generally is the sum of an individual's earned income, Railroad Retirement benefits, Social Security benefits, and veterans' payments. In addition, a taxpayer is eligible for an additional $300 for each qualifying child.

Who is a qualifying child?

A qualifying child for purposes of the stimulus check generally is a child who was under age 17 at the end of 2007, did not provide over one-half of his or her own support, lived with you for more than one-half of 2007, and has a Social Security number.

Is the stimulus check taxable?

No. This amount will not be included in your 2008 gross income. The stimulus check is an advance payment of an additional, new tax credit related to your 2008 income tax return.

Will this check be direct deposited if my 2007 tax refund is direct deposited?

If you choose direct deposit on your Federal income tax return, you can expect to receive your check by direct deposit. However, a paper check will be sent even if you have chosen direct deposit of your tax refund if you have a Refund Anticipation Loan or any other loan agreement with your tax professional.

If my spouse and I filed a joint tax return for 2007, whose name will be on the check?

The check will be issued in the names on the 2007 income tax return. Even if you are now divorced, both parties must sign the check. The law provides that each spouse is considered to receive one-half of the check.

How can I get more information?

The IRS will mail two informational notices to taxpayers advising them of the stimulus check. The IRS website (www.irs.gov) also has information on the economic stimulus check. In addition, you can call the IRS at 1-800-829-1040.

Prepared by Staff of the Committee on Ways and Means
The Honorable Charles B. Rangel, Chairman
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