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## What do taxpayers have to do to get their tax rebates?

There aren't a lot of upsides to getting old, but if most of your income comes from Social Security, here's one: You probably don't have to file a federal tax return. While your adult children are struggling to figure out whether they qualify for the home-office deduction, you can curl up with a good novel, or go to the movies.

This year, though, that could change. As part of the economic stimulus package signed into law this month by President Bush, Americans who received at least \$3,000 in 2007 from Social Security, veteran's benefits, railroad retirement, earned income, or some combination, are eligible for a rebate of \$300, or \$600 for married couples.

But to receive the rebate, seniors and others who aren't normally required to file a tax return must fill out certain sections of Form 1040A. The form is available at many public libraries; you can also download a copy at [www.irs.gov](http://www.irs.gov).

Once you have the form, write the words "stimulus payment" at the top. Fill out the section that asks for your name, address and Social Security number. Report any earned income you received in 2007 on Line 7; Social Security and veteran's benefits should be reported on Line 14a.

**IRS WILL REMIND YOU:** [Letters coming with rebate info](#)

Retirees who qualify based on their Social Security income should use the information on Form 1099-SSA, which is typically mailed out by early February. If you don't have that form, you can use an estimate, the IRS says. Multiply your monthly benefit by the number of months in which you received Social Security last year.

Once you've entered your earned income or government benefits, sign the form at the bottom, and you're done. You can find the IRS address for your state at the "Where to File" link in the 1040 Central section of the IRS website, or by calling 800-829-1040.

If you file a tax return for 2007, you don't have to do anything to receive a rebate. The IRS will calculate the amount you're owed. The government plans to start issuing checks in May. Here are some questions and answers about the tax rebates:

**Q: How much will I get?**

A: Most taxpayers will receive \$600, or \$1,200 for a married couple. If you have dependent children who were 16 or under on Dec. 31, 2007, you'll receive an additional \$300 per child.

**Q: Does that mean I'll get a smaller refund next year?**

A: No. The rebate represents an advance on a reduction in 2008 tax rates. But because the government wants to juice the economy by encouraging spending, it's giving taxpayers the money this year, based on their 2007 tax returns.

**Q: Can I arrange for direct deposit of my rebate check?**

A: If you use direct deposit on your 2007 tax return, the IRS will use that information to electronically deposit your rebate check. If the account you used for your refund is no longer active, the IRS will mail you a check. Taxpayers who don't use direct deposit will receive their checks by mail.

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**Q: I owe back taxes. Will I get a rebate?**

A: Probably not. The government will treat the rebate checks the same way it treats tax refunds, says Eric Smith, spokesman for the IRS. If you owe federal or state income taxes from previous years or child support or have defaulted on federal student loans, the IRS will use all or part of your rebate to pay those debts.

**Q: My spouse and I have split up since we filed our 2007 tax return. What will happen to the rebate?**

A: If you arranged for direct deposit of your tax refund, the check will go into the bank account you used to deposit your refund. If the IRS mails your check, and it's payable to both of you, both will have to endorse the check.

**Q: I understand there's an income phaseout for the rebate. How will that work?**

A: The rebate will phase out for single taxpayers with adjusted gross income of more than \$75,000 and married couples with AGI over \$150,000. The phaseout will be 5% of the amount that exceeds the income threshold. If, for example, you're married with no children and have AGI of \$160,000, the phaseout would shrink your \$1,200 rebate to \$700.

**Q: I'm a single parent, and I file as head of household. Am I eligible for the \$300 rebate for dependent children?**

A: Yes, as long as your children qualify as dependents, and they were 16 or under on Dec. 31. Say, for example, you're a single parent with two children and had \$60,000 in adjusted gross income in 2007.

Assuming that your federal tax liability before the child tax credit exceeded \$600, you would receive \$600 for yourself and \$300 for each child, for a total of \$1,200.

**Q: I moved since filing my 2007 tax return. How will I get my rebate?**

A: File Form 8822 with the IRS and a change-of-address notice with the U.S. Postal Service. Otherwise, your check will be returned to the IRS.

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