



## Tax Rebate: The Numbers Game

### *A Tax Fact from The Tax Institute at H&R Block*

#### **Show Me The Money**

What does the \$168 billion Economic Stimulus Plan mean to you?

Well, to start with, the Plan includes tax rebate payments worth up to \$600 for individuals and up to \$1,200 for couples filing joint returns.

And, for people who paid NO income taxes BUT earned at least \$3,000, including Social Security, Railroad Retirement and Disabled Veterans' benefits, they will receive a \$300 stimulus payment as well, BUT they MUST file a 2007 tax return to receive the rebate in 2008, even though they may not be required to file (NRF) in years' past.

#### **Getting By With A Little Help From My Dependents**

An individual who is eligible for the base amount will also receive 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 (SSN).

In other words, the child needs to be under the age of 17 as of December 31, 2007, is claimed as a dependent by the taxpayer and has a SSN.

#### **Dice & Slice**

Tax rebates are reduced by five percent for EACH \$1,000 of Adjusted Gross Income (AGI) over \$75,000 for individuals and over \$150,000 for joint returns. For taxpayers without children, the maximum payment is fully phased out at \$87,000 and at \$174,000 for joint returns.

Put simply, if you are an individual with an AGI of \$87,000 and above or a joint filer with an AGI of \$174,000 and above, you are NOT eligible for the tax rebate.

#### **Rebate Interruptus**

To be eligible for a tax rebate, a taxpayer must be a full-year U.S. citizen or resident, must file Form 1040, 1040A or 1040EZ, must meet the AGI requirements, and must also have a valid Social Security Number.

Those who file using an Individual Taxpayer Identification Number (ITIN), an Adoption Taxpayer Identification Number (ATIN) or any other identification number issued by the IRS is NOT eligible to receive a rebate.

Additionally, individuals who file Form 1040NR, 1040PR or 1040SS are not eligible for the rebate. These returns are normally filed by nonresident aliens, residents of Puerto Rico, and residents of the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (CNMI).

For more information about tax rebates and how they affect you, check out [www.digits.hrblock.com](http://www.digits.hrblock.com) from H&R Block, America's tax leader since 1955. You'll find a library of tax rebate audiocasts, "Frequently Asked Questions" and answers, the free and easy-to-use Tax Rebate Calculator, late-breaking news, as well as blogs from tax researchers at The Tax Institute at H&R Block – feel free to join the conversation. See you at [www.digits.hrblock.com](http://www.digits.hrblock.com)

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