



LEGAL AID SOCIETY TAX LAW PROJECT

Legal Aid Society of Minneapolis
430 First Avenue North, Suite 300 • Minneapolis, MN 55401

Tax year 2008

TAX REBATE CHECKS

Economic Stimulus Package or "Recovery Rebates"

WILL I GET A REBATE CHECK?

You may have heard about the refund or rebate checks that will be sent out by the federal government this year. Read this fact sheet to see if you will get a rebate check and for how much.

1. How much will I get if I worked in 2007?

- If you worked in 2007 and earned more than \$3,000, you qualify for a \$300 check.
- If you worked in 2007 and you did not get all of your withholdings back or you had to pay additional tax (this is called tax liability), then you may qualify for up to a \$600 check if you file by yourself. Or up to \$1,200 if you file a joint return with your spouse.
- If you worked in 2007 and paid at least \$1 in federal income tax AND had gross income higher than \$8,950 (if you file as single) or \$17,900 (if you file jointly), then you may qualify for a check for \$300 or more.

2. Do my Social Security payments count as income?

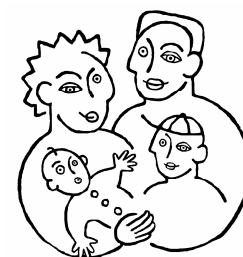
- Income from SSI payments does not qualify for a check. But, if you got SSI **and** worked, you may qualify if you earned over \$3,000 in 2007. See above section.
- RSDI and SSD or SSDI payments do qualify.
- If you got over \$3,000 in any combination of SSA benefits (except SSI), earned income, railroad and veterans benefits last year, you may qualify for a \$300 check.

3. Do my veteran's benefits count?

If any combination of VA benefits (including survivor of disabled veterans), railroad benefits, SSA benefits (except SSI) and earned income is more than \$3,000 for 2007, you may qualify for a \$300 check.

4. Do I get a rebate check for my children?

If you qualify for the basic rebate amount (see sections 1-3) and you qualified and claimed a child for the **child tax credit** on your 2007 federal income tax return, then you can get an additional \$300 per child. This is called a child bonus payment.



To qualify, the child must:

- have been under age 17 on December 31, 2007,
- have been claimed as a dependent on your 2007 federal income tax return,
- meet the relationship requirement.

If the non-custodial parent is allowed to claim the dependency exemption for 2007, then the **non-custodial** parent will get the additional \$300 check for the child.

No limit is set on the number of children you can get a child bonus payment for as long as they meet the requirements on the list above.

OTHER RULES

If your tax refund is taken for unpaid child support or other debts, then your rebate check will be taken for these also. If you owe the IRS money, your rebate will be put towards that debt.

You and your spouse (if filing a joint return) must both have valid social security numbers. If either of you files with an ITIN, no rebate will be issued. All qualifying children must also have a valid social security number in order to get the additional rebates for children.

A person who is eligible to be claimed as a dependent of someone else AND earned over \$3,000 in 2007 CANNOT get a check. Dependents do not get a rebate check.

NOTE: Getting a rebate check will **not** affect your eligibility for federally funded relief programs. These programs include MFIP, food support, and SSI.

Rebate payment checks will phase out for high income tax payers.

WHAT DO I HAVE TO DO TO GET THE REBATE CHECK?

To get the rebate, you must file a 2007 federal income tax return. Even if you do not have a filing requirement and would normally not file a federal income tax return, you must file to get this rebate. Even if your only income was from RSDI or SSDI, if you want the rebate you need to file a 2007 federal income tax return.

If you qualify for a refund on your 2007 federal income tax return and you have that refund deposited directly into your bank account, then your recovery rebate will also be deposited into your bank account.



WHAT IF I FILE LATE?

If you file your tax return late (after April 15, 2008), then you will get your recovery rebate late. No recovery rebates will be issued after December 31, 2008. However, if you qualify, you may be able to claim the rebate as a credit when you file your 2008 income tax return in 2009.

SECOND CHANCE

Some people may have a second chance for the money next year. If you do not qualify for the maximum amount this year, or if you have a child in 2008, you can qualify for an additional amount that you can claim when you file your 2008 income tax return in 2009. Whether or not you qualify will depend on your 2008 income.

For a free tax preparation site near you, call United Way at 211, statewide. If you use a cell phone call (651) 291-0211.

For More Help Go to www.LawHelpMN.org or www.midmnlegal.org

*Fact sheets are not a complete answer to a legal problem. This fact sheet gives information for a specific time period.
See a lawyer for advice.*