

2008 Tax Rebates

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Congress recently passed (and the President signed) a stimulus package that will provide tax rebates to many taxpayers. While not exhaustive in covering all of the exceptions and quirks of the law, here is a quick Q&A that will cover many questions that our clients may have on this topic:

Q: When will the IRS begin mailing out the checks?

A: It is anticipated that after the crush of tax season, the IRS will begin mailing out rebate checks in early May.

Q: Which tax year will the IRS use to determine the amount of one's rebate?

A: The IRS will use 2007 tax returns. This means there is an incentive to file your 2007 taxes as soon as possible this year; the **earlier you file, the sooner you will get the tax rebate check!** (If you file an extension you must file your 2007 taxes by October 15th or you will not get a rebate check this year.)

Q: How much of a rebate will I get?

A: For couples who file a joint tax return, most people will receive a check for \$1,200. Individuals will receive a \$600 rebate check. Rebate checks are subject to income phase-outs which are discussed below. Also, you will receive an extra \$300 for each 'qualifying' child.

Q: What are the income phase-outs?

A: For couples, the phase-out begins at \$150,000 of adjusted gross income and the rebates are completely phased-out at \$175,000 of income. For individuals the phase-out range is from \$75,000 to \$87,000.

Q: Do I have to complete any special forms to get my check?

A: No, all you need to do is file your 2007 tax return.

For additional information on the tax rebate program, feel free to contact Ken Weingarten at (609) 620-1770.

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