

ASK THE CPA

You still have a shot at stimulus check

Q. I was not eligible to receive an economic stimulus check last year due to income. My company downsized earlier this year and my income will be considerably less in 2008. Can I still qualify to receive an economic stimulus payment?

Eligibility is based on income and family size, as reported on the taxpayer's federal income tax return for either 2007 or 2008.

Thus, if circumstances changed in 2008, such as earning less in 2008 because of a layoff or having a child in 2008, you might still qualify for a "recovery rebate credit" on your 2008 income tax return.

However, if you qualify, the program will be a little different this time around.

Separate checks will not be issued. The recovery rebate credit will appear on your 2008 tax return in the form of a refundable credit. This will either increase your refund or decrease the amount you will owe with your return.

How much will the rebate credit be? Here is how it is calculated.

On your 2008 tax return, you can claim a rebate recovery credit of \$600 for a single taxpayer or \$1,200 if married filing jointly. Generally, the credit cannot be more than your tax liability, less any non-refundable credits you claimed, other than the child tax

credit. However, your credit will be at least \$300 (\$600 if married filing jointly) if you meet one of the following conditions.

■ Your earned income, which includes Social Security benefits (including disability payments), Tier 1 railroad retirement benefits, certain veterans' benefits and non-taxable combat pay, is at least \$3,000.

■ Your total income is more than \$8,950 if you are single or married filing separately (\$11,500 if head of household, \$14,400 if qualifying widow(er), \$17,900 if married filing jointly), and your net tax liability is more than zero.

If you meet either of these conditions, you can also get an additional \$300 for each child that qualifies for the child tax credit.

If your adjusted gross income is more than \$75,000 (\$150,000 if married filing jointly), your credit will be reduced by 5 percent of your adjusted gross income in excess of that amount.

What if you received a reduced check because your income was too high in 2007? If your income is lower this year, you may be eligible to receive an economic stimulus payment in the form of a credit on your 2008 income tax return. The credit will be reduced by any payments you already received. If your credit is less than the stimulus pay-

ment you received, you will not have to repay the difference.

Finally, many people eligible to receive stimulus payments may not have received them – even though they did have a 2007 income tax return.

To check the status of a stimu-

lus check and get instructions on how to change your address with the IRS, go to the IRS Web site, irs.gov, and click on "Where's My Stimulus Payment?"

If your 2007 return was on extension, bear in mind that it typically takes eight to 12 weeks after you file to receive the economic stimulus checks. If that time frame has passed, taxpayers can track their refund checks by going to the IRS Web site previously mentioned or calling the toll-free rebate hot line at 866-234-2942.

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