

Economic Stimulus Payments on the Way; Some People Will See Direct Deposit Payments Today

The Internal Revenue Service has begun to transfer economic stimulus payments to millions of Americans, some of whom will see payments in their bank accounts as early as April 28, 2008.

The IRS will issue payments of up to \$600 (\$1,200 for married couples) plus \$300 for eligible children younger than 17, throughout the spring and summer. The first wave of payments will go to people who opted for direct deposit on their 2007 income tax returns.

“People who chose direct deposit will receive their economic stimulus payments the quickest,” IRS Commissioner Doug Shulman said. “We know there are many people who are eligible for an economic stimulus payment who have not filed a tax return. If you think you may be eligible, even if you don’t normally file a tax return, please check it out. And, use direct deposit to get your payment faster.”

Whether a taxpayer opted for direct deposit determines how soon the payment will arrive. The first cycle of paper checks will be mailed starting May 9.

Even people who normally do not have a filing requirement may be eligible for the stimulus payment. People who have no filing requirement must have at least \$3,000 in qualifying income. Qualifying income includes any combination of earned income, nontaxable combat pay they elect to include in earned income and certain payments from Social Security, Veterans Affairs and Railroad Retirement.

People with at least \$3,000 in qualifying income may qualify for an economic stimulus payment of \$300 (\$600 for married couples) plus the \$300 per qualifying child payment. However, they must file a 2007 income tax return by Oct. 15, 2008, to receive a stimulus payment. They can use the simple Form 1040A and provide basic information. Form 1040A is available on IRS.gov, the official IRS web site.

The payment schedule announced earlier this year is for people who filed early enough to have their tax returns processed by April 15. People who did not submit a return in time for it to be processed by April 15 may see their stimulus payments later than the scheduled dates.

Tax Returns Processed by April 15

Economic stimulus payments will be issued according to the last two digits of the main filer’s Social Security number. People who use direct deposit also will be among the first to receive the payments. Paper checks will be put in the mail starting May 16.

Direct Deposit

Last two SSN digits and date of payment transmitted:

00-20	May 2
21-75	May 9
76-99	May 16

Paper check

Last two SSN digits and date payments will be mailed:

00-09	May 16
10-18	May 23
19-25	May 30
26-38	June 6
39-51	June 13
52-63	June 20
64-75	June 27
76-87	July 4
88-99	July 11

People who file a return after April 15 will receive their economic stimulus payment, but probably about two weeks later than the schedule shows. A return must be filed by October 15 in order to receive a stimulus payment this year.

A small percentage of tax returns will require additional time to process and to compute a stimulus payment amount. For these returns, stimulus payments may not be issued in accordance with the schedule above, even if the tax return was processed by April 15.

Some taxpayers may receive smaller economic stimulus payments than they anticipated. By law, the stimulus payments are offset to satisfy past-due taxes, student loans, child support and certain other debts.

The IRS will send notices to taxpayers who have already filed a 2007 tax return and who are eligible for an economic stimulus payment. **This notice will serve as an important recordkeeping document and should be retained by taxpayers.** By keeping people informed, the IRS hopes to reduce calls to customer service representatives who are still busy helping taxpayers complete tax returns.

Most taxpayers will receive two notices from the IRS. The first general notice from the IRS will explain the stimulus payment program. The second notice will confirm the recipient's eligibility, the payment amount, and the approximate time table for the payment. **Taxpayers will need to save this notice to assist them when they prepare their 2008 tax return next year.**