



Tax Tips You Can Use Apr 2008

"STIMULUS PAYMENTS" TO TAXPAYERS IN MAY 2008

By Kathleen Crawford, EA

This article is written in honor of the April issue of the Jacksonville Review. There is a time sensitive issue of which people need to be aware. Congress has passed a law to send "Stimulus Payments" to taxpayers in May. If you have income and have already filed your tax return, you will get the payment if you are eligible. To know how much of a payment you will receive, the IRS has provided a calculator at IRS.gov on the internet or you can call your tax preparer.

The IRS encourages people to file their tax return by April 15. Those who do, should get the Stimulus Payment in May. If you need to file an extension, the payment will come after the tax return is filed. The IRS is stating that if your return is filed by the extension deadline of October 15, then you should get the payment before the end of 2008.

The rest of this article is for people who normally do not file an income tax return. There are many people who receive nontaxable income and do not have the burden of filing tax returns. Other people make only a small amount of income and also do not need to file. That has changed for this year. Congress has added income from social security, veteran's disability and railroad retirement to the list of income that will qualify a person to receive a stimulus payment in May. The catch is that to receive the payment, a tax return must be filed.

For a person who is not required to file a tax return, there is a special way to fill out the 1040A form and a separate address to use for mailing the tax return. The instructions are too involved for this short article, but can be found at IRS.gov on the internet. Many tax offices, including The Jacksonville Tax Lady, have prepared packages of the special return at a nominal cost for individuals who normally do not have to file, to help them 'register' with the IRS for the stimulus payment.

There are two other points to note. First, the Stimulus Payment can be direct deposited. If you have your refund direct deposited, then the payment will go into the same account. Even if you owe taxes, you can ask your tax preparer to add your account information to your tax return and the stimulus payment will be direct deposited.

The other point cannot be stressed enough. As of 2008, the IRS will never contact a taxpayer by email. Never! NEVER! If you get an email about taxes, it is a scam and not the IRS. The IRS is reporting that scams concerning the Stimulus Payment are starting already. In addition, the IRS will rarely contact a taxpayer by phone without sending a letter first. If someone calls you from the IRS, ask for their badge number and telephone number, and then call them back. . Dealing with the IRS is frightening and scam artists use that fear to get personal information from people. Do not let that happen to you.

The fine print is that this article is for information only. Please call Kathy or a tax professional for questions about your individual tax situation. The Jacksonville Tax Lady can be reached at 541-899-7926 or at 610 North Fifth Street.

