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OFFICE OF FAMILY STABILITY LETTER #69

February 19, 2008

TO: Directors, County Departments of Job and Family Services

FROM: Jeanne Carroll, Deputy Director
Office of Family Stability

SUBJECT: Economic Stimulus Payments

We would like to bring to your attention important information about the economic stimulus payments that will soon be issued by the federal government. Individuals served by the county departments of job and family services can benefit significantly from these payments, but they must file a 2007 federal income tax return in order to receive them.

What are Economic Stimulus Payments?

Starting in May 2008, the U.S. Department of Treasury will be sending out one-time economic stimulus payments to more than 130 million individuals. The IRS will use the 2007 federal income tax return to determine eligibility and calculate the basic amount of the payment.

Who is Eligible?

In most cases, the payment will equal the amount of tax liability on the return with the maximum amount of \$600 for individuals (\$1200 for taxpayers who file a joint return) and a minimum of \$300 for individuals (\$600 for tax payers who file a joint return). Parents and anyone else eligible for a stimulus payment will also receive an additional \$300 for each qualifying child.

Even those who have little to no tax liability may qualify for a minimum payment if their tax return reflects \$3000 or more in qualifying income. For purposes of the economic stimulus payments, qualifying income consists of earned income such as wages and net self-employment income as well as Social Security or certain Railroad Retirement benefits and veterans' disability compensation, pension or survivors' benefits. Supplemental Security Income (SSI) does not count as qualifying income.

How Do Individuals Receive the Payments?

Individuals must file a tax return in order to receive an economic stimulus payment. Low-income workers who have earned income above \$3000 who are not required to file tax returns must file a 2007 tax return in order to receive the payment. Similarly, Social Security recipients,

certain Railroad retirees, and those who receive the veterans' benefits mentioned above must file a 2007 return in order to be considered for the payment.

What is the Impact on Other Public Assistance?

The economic stimulus payments will not count toward or negatively impact any other income-based government benefits, such as Social Security benefits, food stamps and other programs. The Office of Family Stability will provide specific guidance to county departments about the impact of the payments on food stamps and cash assistance programs in future communications.

Where Can I Find More Information?

Attached are IRS Fact Sheets FS-2008-15 and FS-2008-16, February 2008, which provide more information on the economic stimulus payments.

Where Can Individuals Get Free Tax Help?

In Office of Family Stability Letter #67, *Earned Income Tax Credit (EITC), the Child Tax Credit (CTC) and Free Tax Filing Assistance*, (January 25, 2008), we highlighted two resources for free tax help – the Ohio Benefit Bank and IRS Volunteer Income Tax Assistance (VITA) programs. Please refer individuals served by your agency who may need help with filing tax returns to these programs to take advantage of the economic stimulus payments, as well as other programs such as the Earned Income Tax Credit.

JC: bk

c:

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