

Administrative Letter No. DAAS-08-04 - Economic Stimulus Act Payments
(Stimulus payments were received in 2008 only)

N.C. Division of Aging and Adult Services - Adult Services Section

Date: March 18, 2008

Subject: Economic Stimulus Act Payments

Distribution: County Directors
Special Assistance Supervisors
Adult Services Supervisors

Effective April 1, 2008

On February 13, 2008, President Bush signed Public Law 110-185, the Economic Stimulus Act of 2008, which provides for tax credits and rebates to certain individuals. Many retirees, disabled veterans, and low-wage earners who are usually exempt from filing a tax return must file for 2007 in order to receive an Economic Stimulus Act payment (stimulus payment). Qualifying taxpayers will receive stimulus payments beginning in May 2008.

For Special Assistance applicant/recipients (a/rs), the tax rebates/refunds will not be counted as income, and will not be counted as resources for the month of receipt and the following two (2) months based on Section 101(d) of Public Law 110-185.

An insert with this information will be included with recipients' April Medicaid card and is attached with this letter.

I. Qualifying for and Receiving the Economic Stimulus Payment

Individuals/couples must file a 2007 federal tax return, even if they normally do not file, and must have received at least \$3,000 of qualifying income.

Qualifying income includes Social Security, Railroad Retirement Benefits, and Veteran's payments.

SSI income is not counted toward the \$3,000 qualifying threshold. Therefore recipients who receive SSI **only** will not qualify for the stimulus payment. However, SSI recipients who had other sources of qualifying income and that income totals at least \$3,000 for 2007 may qualify for a stimulus payment.

Low-income wage earners may also qualify if their earned income and/or combined earned and unearned income of Social Security, Railroad Retirement, or Veteran's Benefits totals \$3,000.

The IRS will provide special filing instructions for those who do not otherwise have a filing requirement. The instructions will explain which lines on the tax return the filers need to complete. Further information is included in III below or found at: <http://www.irs.gov/>

II. Payment Amounts

Payments for those who qualify will total \$300 for individuals and \$600 for joint filers with no qualifying children. The IRS will automatically figure the payment amount and will send qualifying recipients a notice showing the amount of the payment.

- A. The stimulus payment will be excluded as income for all applicant/recipients.
- B. The amount equal to the stimulus payment will be excluded as a resource during the month of receipt and the two months following.
- C. If the a/r has excess resources at application or redetermination, view the notice of payment for the stimulus check or the IRS direct deposit to determine the exclusion period.

III. Free Tax Filing Help Available

- A. Individuals who need to file a return this year to receive a stimulus payment may be able to take advantage of thousands of free tax preparation sites nationwide for low-income and elderly taxpayers. In NC, some for-profit tax preparing businesses are visiting long term care facilities and charging to file for the stimulus checks. The IRS is mailing special information packages to recipients of Social Security or Veterans benefits. The 10-page tax package contains everything the recipients will need to file a 2007 tax form immediately. Each package contains an informational notice, tips for completing Form 1040A, a sample Form 1040A and an actual Form 1040A for the filer to complete. The package is specially designed for people who may qualify for an economic stimulus payment but who normally are not required to file a tax return. For a copy see: http://www.irs.gov/pub/irs-utl/package_1040a-3.pdf
- B. The IRS also has an online option for filing for those who do not normally need to file at [Free File – Economic Stimulus Payment](#). Several Free File software providers are making their products available for the simplified filing of a tax return.
- C. The Volunteer Income Tax Assistance (VITA) program provides help to low and moderate income taxpayers. Legal Aide of NC is an approved Vita Site. Each office around the State has certified preparers. To find the Legal Aide of NC office for each county, go to <http://www.legalaidnc.org/Client/Locator.aspx>

For other VITA sites, call 1-800-906-9887 to locate the nearest VITA site.
- D. The Tax Counseling for the Elderly (TCE) Program provides free tax help to people age 60 and older. As part of the IRS-sponsored TCE Program, AARP offers the Tax-Aide counseling program at more than 7,000 sites nationwide during the filing season. To find an AARP Tax Aide site, call 1-888-227-7669 or visit the AARP web site at: http://www.aarp.org/money/personal/articles/advisory_about_economic_stimulus_payments.html

If you have any questions regarding this information, please contact your Adult Programs Representative, or Brenda Porter, SA Program Coordinator at (919) 733-3818.

Sincerely,



Dennis W. Streets
Director

Attachment

Even If You Are Not Otherwise Required To File A Tax Return, You May Still Be Entitled To

