

Hey! Have you heard? The government is going to give US some money. Now, that's something really different, don'tcha know. You can be sure they'll come back later and ask for some back, but if they are handing it out now, I'm getting in that line!

The economic stimulus rebate is a done deal, and to get your share, there's only one thing you have to do--File a tax return for **2007**. And that's the problem, because many veterans or widows of veterans, and others, may not have to file taxes and may not have filed for many years, so dust off that pencil and sharpen it good. This year you do have to file if you want something out of this pot of gold.

Here are the rules, as I know them. Starting in May, the Treasury will begin sending economic stimulus payments to more than 130 million households. To receive a payment, taxpayers must have a valid Social Security number, \$3,000 of income and file a 2007 federal tax return. IRS will take care of the rest (yup, check's in the mail, trust us...). Eligible people will receive up to \$600 (\$1,200 for married couples), and parents will receive an additional \$300 for each eligible child younger than 17. Millions of retirees, disabled veterans and low-wage workers who usually are exempt from filing a tax return must do so this year in order to receive a stimulus payment.

Normally, certain veterans' payments are not subject to income tax. However, the economic stimulus law contains a special provision allowing recipients of certain veterans' benefits to count those benefits toward the qualifying income requirement of \$3,000 and thereby qualify for the stimulus payment (this applies to veterans and their survivors who receive certain pension and disability payments which are not normally taxable). For purposes of meeting the qualifying income requirement, the following benefits need to be reported in any combination on Line 14a of the Form 1040A or Line 20a of Form 1040:

- The sum of veterans' disability compensation, pension or survivors' benefits received from the Department of Veterans Affairs in 2007. You are allowed to estimate the annual benefit by taking the monthly veterans' benefit, multiplying it by the number of months during the year you received benefits, and entering the number as appropriate on the Form 1040 or 1040A. You can use a Form 1040A and report the total of your benefits

on Line 14a, or you can use a Form 1040 and report the total of your benefits on Line 20a. *Please note that both of these lines refer only to Social Security, but you should enter the total of all your benefits received there, whether your only benefits were veterans' benefits or a combination of any of Social Security or veterans' benefits*). If you have earned income, it is reported on a separate line, Line 7, of either form (I looked that up).

If you've already filed a 2007 tax return reporting at least \$3,000 in qualifying income, you don't need to do anything else. You should receive some money in May. But, if you don't receive some money, or if you did file and had less than \$3000 of income, you may need to amend a previously filed tax return to include benefits to reach the \$3,000 qualifying income level. Adding these benefits on an amended tax return will not increase your tax liability, but will establish eligibility for the stimulus payment. (You can use IRS Form 1040X to amend a tax return in order to qualify for the stimulus payment.) Now remember I am not a tax expert, so if you need to consult with one, don't call me! But, I will be happy to help as able.

Your name, Social Security number and signature (those entries for both you and your spouse if filing jointly), as well as your address, filing status and whether or not you would like to receive your payment via direct deposit, are the only other items needed on the tax return. No other lines need be filled in. A sample 1040A showing the minimal information needed can be viewed on the IRS Web site at [www.irs.gov](http://www.irs.gov) and used as a model for completing the form.

One last thing, if you want to see me, call and make an appointment, works better for both of us! Thanks, and when you're here, ask me about the black books.

Over and Out!