



Department of the Treasury
Internal Revenue Service

Notice 1377 (February 2008)
Catalog Number 51255B

www.irs.gov

Economic Stimulus Payment Notice

Dear Taxpayer:

We are pleased to inform you that the United States Congress passed and President George W. Bush signed into law the Economic Stimulus Act of 2008, which provides for economic stimulus payments to be made to over 130 million American households. Under this new law, you may be entitled to a payment of up to \$600 (\$1,200 if filing a joint return), plus additional amounts for each qualifying child.

We are sending this notice to let you know that based on this new law the IRS will begin sending the one-time payments starting in May. To receive a payment in 2008, individuals who qualify will not have to do anything more than file a 2007 tax return. The IRS will determine eligibility, figure the amount, and send the payment. This payment should not be confused with any 2007 income tax refund that is owed to you by the federal government. Income tax refunds for 2007 will be made separately from this one-time payment.

For individuals who normally do not have to file a tax return, the new law provides for payments to individuals who have a total of \$3,000 or more in earned income, Social Security benefits, and/or certain veterans' payments. Those individuals should file a tax return for 2007 to receive a payment in 2008.

Individuals who qualify may receive as much as \$600 (\$1,200 if married filing jointly). Even if you pay no income tax but have a total of \$3,000 or more in earned income, Social Security benefits, and/or certain veterans' payments, you may receive a payment of \$300 (\$600 if married filing jointly).

In addition, individuals eligible for payments may also receive an additional amount of \$300 for each child qualifying for the child tax credit.

For taxpayers with adjusted gross income (AGI) of more than \$75,000 (or more than \$150,000 if married filing jointly), the payment will be reduced or phased out completely.

To qualify for the payment, an individual, spouse, and any qualifying child must have a valid Social Security number. In addition, individuals cannot receive a payment if they can be claimed as a dependent of another taxpayer or they filed a 2007 Form 1040NR, 1040NR-EZ, 1040-PR, or 1040-SS.

All individuals receiving payments will receive a notice and additional information shortly before the payment is made. In the meantime, for additional information, please visit the IRS website at www.irs.gov.

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Department of the Treasury
Internal Revenue Service
Andover, MA 05501-0500

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Penalty for Private Use, \$300

**ENCLOSED IS AN IMPORTANT
MESSAGE FROM THE IRS ON THE
RECOVERY AND ECONOMIC STIMULUS
TAX RELIEF ACT OF 2008.
DO NOT THROW AWAY!**

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How To Determine Your Stimulus Payment

| If your Net Income Tax Liability is: <i>(Net income tax liability is tax before credits, including the alternative minimum tax, less all nonrefundable credits other than the allowable child tax credit.)</i> | If your Qualifying Income is: <i>(Qualifying Income is earned income, Social Security benefits, and certain veterans' payments.)</i> | |
|---|--|--|
| | At least \$3,000 | Under \$3,000 |
| More than zero | Your stimulus payment is your net income tax liability up to \$600 (or \$1,200 for joint filers). However, generally your stimulus payment will not be less than \$300 (\$600 for joint filers).** | |
| Zero (\$0) | Your stimulus payment will be \$300 (\$600 for joint filers). | You will not receive a stimulus payment. |

** In addition, if qualifying income is under \$3,000, gross income must exceed \$8,750 if single or married filing a separate return, \$17,500 if married filing a joint return, \$11,250 if head of household, or \$14,100 if qualifying widow(er).

Additional Stimulus Payment for Children. Individuals eligible for payments may also receive an additional \$300 for each qualifying child for the child tax credit.

Reduction for Higher Income Taxpayers. The stimulus payments are reduced for taxpayers with adjusted gross income (AGI) of more than \$75,000 (more than \$150,000 if married filing jointly).

