



## **TRI-VALLEY Help-line**

**March 31, 2009**

Tri-Valley receives many questions from area seniors, younger people with disabilities and caregivers and has created this monthly Help-line column to provide some assistance. We are also available five days a week to answer individual questions.

### **Recovery Rebate Credit**

#### **Q: What is the Recovery Rebate Credit from the IRS?**

**A:** In early 2008, Congress authorized the IRS to issue “Economic Stimulus Payments” to help boost the economy and help struggling families. By September of 2008, a total of 114.8 million Americans had received an Economic Stimulus Payment totaling \$93 billion in payments.

Included in this number were 16 million low-income elders, disabled veterans, and other individuals with disabilities who ordinarily would not have been required to file a tax return. But in order to get their Economic Stimulus Payment, they had to file a return. According to the Center on Budget and Policy Priorities, there were as many as 4.5 million elderly and disabled individuals who did not get any Economic Stimulus Payment because they didn’t file a 2007 IRS tax form by the deadline of October 15, 2008.

Most people received the maximum Economic Stimulus Payment in 2008. But if you did not, the IRS is giving you a second chance. You may be eligible for a first time credit or for a larger payment than you were eligible for last year. The Economic Stimulus Payment is now called the Recovery Rebate Credit. This payment can be claimed in 2009 by filing a 2008 tax return. If you didn’t file a 2007 tax return by October 15, 2008 to get the Economic Stimulus Payment, you can now file a 2008 tax return. Or, if you didn’t qualify for an Economic Stimulus Payment in 2008, but based on your 2008 return you qualify now, you can apply. If your Economic Stimulus Payment in 2008 was less than \$600 (\$1,200 if married filing jointly), you can apply for a Recovery Rebate Credit on your 2008 IRS return. People with \$3,000 or more in income can qualify for the Recovery Rebate Credit.

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Income includes not just earnings, but Social Security, Social Security Disability Insurance, Veterans Disability, and Railroad Retirement.

The IRS has a Recovery Rebate Credit worksheet that explains how to fill out the credit on line 70 of the 1040 tax form for 2008. Your 2008 tax information is used to figure the Recovery Rebate Credit.

You need to claim the Recovery Rebate Credit on Form 1040, 1040A or 1040EZ. The instructions for these forms will show you which lines to use. Unlike the Economic Stimulus Payment, the Recovery Rebate Credit will be included in your tax refund for 2008 and will not be issued as a separate payment. Since the Recovery Rebate Credit payments are not taxable, people with no tax filing requirement who received an Economic Stimulus Payment in 2008 are not required to file an IRS tax return in 2009 to report the Recovery Rebate Credit.

If you need help filing your tax return, or figuring out how to calculate the Recovery Rebate Credit, and you earn roughly \$40,000 or less, you can get free tax help through the IRS-sponsored Volunteer Income Tax Assistance. You can also get free tax help from the Tax Counseling for the Elderly program. The Tax Counseling for the Elderly program is sponsored by the IRS and the AARP Tax Aide Program. Volunteers from your community are trained by the IRS to help people with their tax returns. Call the IRS at 1-800-829-1040 to find the nearest Volunteer Income Tax Assistance location and hours of operation near you. To find your local Tax Counseling for the Elderly program, go to: [www.aarp.org/money/taxaide](http://www.aarp.org/money/taxaide) and enter your zip code.

Tri-Valley continues to be ready to assist you with other questions through its free information & referral HELP-LINE at (508) 949-6640 or 1-800-286-6640. You may also access Tri-Valley by E-mail: [info@tves.org](mailto:info@tves.org) or visit the agency's website at: [www.trivalleyinc.org](http://www.trivalleyinc.org)

Tri-Valley, Inc. is a private non-profit agency providing in-home and community based services in 25 Southern Worcester County towns. The agency receives funding from the Commonwealth of Massachusetts through the Executive Office of Elder Affairs and Federal financial support under the Older Americans Act furnished by the Central Massachusetts Agency on Aging and the Massachusetts Executive Office of Elder Affairs. Funds are also received from other public and private sources. All donations are welcome and memorials may be established. Marilyn L. Travinski is the executive director.

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