

## Economic Stimulus Act of 2008

Seeking to aid the sagging US economy, President Bush has signed legislation that will put more than \$152 billion into the pockets of Americans.

Under the Economic Stimulus Act of 2008, rebate checks to more than 130 million taxpayers will go out beginning in May, and businesses would get tax breaks for investing in new plants and equipment.

One important point in the bill, is a *temporary* raising of the individual mortgage ceiling that Fannie Mae and Freddie Mac could purchase (FHA loan limits) - increasing it to a whopping \$729,750 (up from \$417,000).

The stimulus package will have little effect on the overall economy especially if the taxpayers use the tax rebates to pay down debt instead of spending the moolah on goods.

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### Tax Rebate Information for Singles and Couples:

#### Singles:

##### Determine Eligibility:

If you earned less than \$3,000 - unfortunately you'd get nothing.

If you earned more than \$3,000 but paid no taxes, you'd get \$300.

If you earned more than \$3,000 and paid taxes, you get \$600.

If you have children, add \$300 per child.

##### Determine Phaseout Reduction:

The phaseout levels begin at \$75k and end at \$87k, at a reduction of 5% per \$1,000 over the lower limit. If you earn above \$87k, you're over and thus get nothing regardless of the math.

#### Couples:

##### Determine Eligibility (appears to be the same as singles):

If you earned less than \$3,000 - unfortunately you'd get nothing.

If you earned more than \$3,000 but paid no taxes, you'd get \$600.

If you earned more than \$3,000 and paid taxes, you get \$1,200.

If you have children, add \$300 per child.

##### Determine Phaseout Reduction:

The phaseout levels begin at \$150k and end at \$174, at a reduction of 5% per \$1,000 over the lower limit. If you earned above \$174k, you're over and thus get nothing regardless of the math.

## Some Common Examples

(Source: [Gridking on Tickerform.org](http://GridkingonTickerform.org))

- An individual with \$2,500 in earned income in 2007: Disqualified because income fell below the \$3,000 threshold. No rebate.
- A married couple with no children, with adjusted gross income of \$100,000 in 2007: Would qualify for the full \$1,200 couples. A \$1,200 rebate.
- A worker with one child, who earned \$9,000 and owed no taxes in 2007: Would qualify for the \$300 rebate available to individuals who pay no taxes but earned at least \$3,000, plus an additional \$300 for the child. A \$600 rebate.
- A couple with income of \$145,000 in 2007, with three children: Would qualify for the full \$1,200 for couples, plus \$300 for each child. A \$2,100 rebate.
- A couple with income of \$160,000 in 2007 with two children: Would qualify for a partial rebate, reduced by 5 percent for every \$1,000 in income above the \$150,000 threshold. An \$1,800 rebate \$1,200 for the couple plus \$300 per child — would go down by 50 percent for this family. A \$900 rebate.
- A couple with income of \$200,000 and four children: Disqualified because their income exceeded \$174,000, the phase-out limit. No rebate.