

Economic Stimulus Act of 2008

[Public Law 110–185]

[This law has not been amended]

【Currency: This publication is a compilation of the text of Public Law 110–185. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>】

【Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).】

AN ACT To provide economic stimulus through recovery rebates to individuals, incentives for business investment, and an increase in conforming and FHA loan limits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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TITLE I—RECOVERY REBATES AND INCENTIVES FOR BUSINESS INVESTMENT

SEC. 101. 2008 RECOVERY REBATES FOR INDIVIDUALS.

(a) IN GENERAL.—Section 6428 of the Internal Revenue Code of 1986 is amended to read as follows:

“SEC. 6428. 2008 RECOVERY REBATES FOR INDIVIDUALS

“(a) IN GENERAL. In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A for the first taxable year beginning in 2008 an amount equal to the lesser of—

“(1) net income tax liability, or

“(2) \$600 (\$1,200 in the case of a joint return).

“(b) SPECIAL RULES.

“(1) IN GENERAL. In the case of a taxpayer described in paragraph (2)—

“(A) the amount determined under subsection (a) shall not be less than \$300 (\$600 in the case of a joint return), and

“(B) the amount determined under subsection (a) (after the application of subparagraph (A)) shall be in-

creased by the product of \$300 multiplied by the number of qualifying children (within the meaning of section 24(c)) of the taxpayer.

“(2) TAXPAYER DESCRIBED. A taxpayer is described in this paragraph if the taxpayer—

“(A) has qualifying income of at least \$3,000, or

“(B) has—

“(i) net income tax liability which is greater than zero, and

“(ii) gross income which is greater than the sum of the basic standard deduction plus the exemption amount (twice the exemption amount in the case of a joint return).

“(c) TREATMENT OF CREDIT. The credit allowed by subsection (a) shall be treated as allowed by subpart C of part IV of subchapter A of chapter 1.

“(d) LIMITATION BASED ON ADJUSTED GROSS INCOME. The amount of the credit allowed by subsection (a) (determined without regard to this subsection and subsection (f)) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer’s adjusted gross income as exceeds \$75,000 (\$150,000 in the case of a joint return).

“(e) DEFINITIONS. For purposes of this section—

“(1) QUALIFYING INCOME. The term ‘qualifying income’ means—

“(A) earned income,

“(B) social security benefits (within the meaning of section 86(d)), and

“(C) any compensation or pension received under chapter 11, chapter 13, or chapter 15 of title 38, United States Code.

“(2) NET INCOME TAX LIABILITY. The term ‘net income tax liability’ means the excess of—

“(A) the sum of the taxpayer’s regular tax liability (within the meaning of section 26(b)) and the tax imposed by section 55 for the taxable year, over

“(B) the credits allowed by part IV (other than section 24 and subpart C thereof) of subchapter A of chapter 1.

“(3) ELIGIBLE INDIVIDUAL. The term ‘eligible individual’ means any individual other than—

“(A) any nonresident alien individual,

“(B) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual’s taxable year begins, and

“(C) an estate or trust.

“(4) EARNED INCOME. The term ‘earned income’ has the meaning set forth in section 32(c)(2) except that—

“(A) subclause (II) of subparagraph (B)(vi) thereof shall be applied by substituting ‘January 1, 2009’ for ‘January 1, 2008’, and

“(B) such term shall not include net earnings from self-employment which are not taken into account in computing taxable income.

“(5) BASIC STANDARD DEDUCTION; EXEMPTION AMOUNT. The terms ‘basic standard deduction’ and ‘exemption amount’ shall have the same respective meanings as when used in section 6012(a).

“(f) COORDINATION WITH ADVANCE REFUNDS OF CREDIT.

“(1) IN GENERAL. The amount of credit which would (but for this paragraph) be allowable under this section shall be reduced (but not below zero) by the aggregate refunds and credits made or allowed to the taxpayer under subsection (g). Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(2) JOINT RETURNS. In the case of a refund or credit made or allowed under subsection (g) with respect to a joint return, half of such refund or credit shall be treated as having been made or allowed to each individual filing such return.

“(g) ADVANCE REFUNDS AND CREDITS.

“(1) IN GENERAL. Each individual who was an eligible individual for such individual’s first taxable year beginning in 2007 shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the advance refund amount for such taxable year.

“(2) ADVANCE REFUND AMOUNT. For purposes of paragraph (1), the advance refund amount is the amount that would have been allowed as a credit under this section for such first taxable year if this section (other than subsection (f) and this subsection) had applied to such taxable year.

“(3) TIMING OF PAYMENTS. The Secretary shall, subject to the provisions of this title, refund or credit any overpayment attributable to this section as rapidly as possible. No refund or credit shall be made or allowed under this subsection after December 31, 2008.

“(4) NO INTEREST. No interest shall be allowed on any overpayment attributable to this section.

“(h) IDENTIFICATION NUMBER REQUIREMENT.

“(1) IN GENERAL. No credit shall be allowed under subsection (a) to an eligible individual who does not include on the return of tax for the taxable year—

“(A) such individual’s valid identification number,

“(B) in the case of a joint return, the valid identification number of such individual’s spouse, and

“(C) in the case of any qualifying child taken into account under subsection (b)(1)(B), the valid identification number of such qualifying child.

“(2) VALID IDENTIFICATION NUMBER. For purposes of paragraph (1), the term ‘valid identification number’ means a social security number issued to an individual by the Social Security Administration. Such term shall not include a TIN issued by the Internal Revenue Service.”.

(b) ADMINISTRATIVE AMENDMENTS.—

(1) DEFINITION OF DEFICIENCY.—Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “and 53(e)” and inserting “53(e), and 6428”.

(2) MATHEMATICAL OR CLERICAL ERROR AUTHORITY.—Section 6213(g)(2)(L) of such Code is amended by striking “or 32” and inserting “32, or 6428”.

(c) TREATMENT OF POSSESSIONS.—

(1) PAYMENTS TO POSSESSIONS.—

(A) MIRROR CODE POSSESSION.—The Secretary of the Treasury shall make a payment to each possession of the United States with a mirror code tax system in an amount equal to the loss to that possession by reason of the amendments made by this section. Such amount shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(B) OTHER POSSESSIONS.—The Secretary of the Treasury shall make a payment to each possession of the United States which does not have a mirror code tax system in an amount estimated by the Secretary of the Treasury as being equal to the aggregate benefits that would have been provided to residents of such possession by reason of the amendments made by this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply with respect to any possession of the United States unless such possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payment to the residents of such possession.

(2) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes under section 6428 of the Internal Revenue Code of 1986 (as amended by this section) to any person—

(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or

(B) who is eligible for a payment under a plan described in paragraph (1)(B).

(3) DEFINITIONS AND SPECIAL RULES.—

(A) POSSESSION OF THE UNITED STATES.—For purposes of this subsection, the term “possession of the United States” includes the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

(B) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

(C) TREATMENT OF PAYMENTS.—For purposes of section 1324(b)(2) of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from the credit allowed under section 6428 of the Internal Revenue Code of 1986 (as amended by this section).

(d) REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.—Any credit or refund allowed or made to any individual by reason of section 6428 of the Internal Revenue Code of 1986 (as amended by this section) or by reason of subsection (c) of this section shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following 2 months, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

(e) APPROPRIATIONS TO CARRY OUT REBATES.—

(1) IN GENERAL.—Immediately upon the enactment of this Act, the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2008:

(A) DEPARTMENT OF THE TREASURY.—

(i) For an additional amount for “Department of the Treasury—Financial Management Service—Salaries and Expenses”, \$64,175,000, to remain available until September 30, 2009.

(ii) For an additional amount for “Department of the Treasury—Internal Revenue Service—Taxpayer Services”, \$50,720,000, to remain available until September 30, 2009.

(iii) For an additional amount for “Department of the Treasury—Internal Revenue Service—Operations Support”, \$151,415,000, to remain available until September 30, 2009.

(B) SOCIAL SECURITY ADMINISTRATION.—For an additional amount for “Social Security Administration—Limitation on Administrative Expenses”, \$31,000,000, to remain available until September 30, 2008.

(2) REPORTS.—No later than 15 days after enactment of this Act, the Secretary of the Treasury shall submit a plan to the Committees on Appropriations of the House of Representatives and the Senate detailing the expected use of the funds provided by paragraph (1)(A). Beginning 90 days after enactment of this Act, the Secretary of the Treasury shall submit a quarterly report to the Committees on Appropriations of the House of Representatives and the Senate detailing the actual expenditure of funds provided by paragraph (1)(A) and the expected expenditure of such funds in the subsequent quarter.

(f) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “or 6428” after “section 35”.

(2) Paragraph (1) of section 1(i) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

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(3) The item relating to section 6428 in the table of sections for subchapter B of chapter 65 of such Code is amended to read as follows:

“Sec. 6428. 2008 recovery rebates for individuals.”.

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