

110TH CONGRESS
2D SESSION

H. R. 5172

To amend the Internal Revenue Code of 1986 to provide recovery rebates
to certain individuals receiving social security benefits.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2008

Mr. DONNELLY (for himself, Mr. SMITH of New Jersey, Mr. ELLSWORTH, and
Mr. BUCHANAN) introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide
recovery rebates to certain individuals receiving social
security benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Immediate Financial
5 Assistance for America’s Seniors Act of 2008”.

1 **SEC. 2. 2008 RECOVERY REBATES FOR CERTAIN INDIVID-**
2 **UALS RECEIVING SOCIAL SECURITY BENE-**
3 **FITS.**

4 (a) IN GENERAL.—Subchapter B of chapter 65 of the
5 Internal Revenue Code of 1986 is amended by adding at
6 the end the following new section:

7 **“SEC. 6431. 2008 RECOVERY REBATES FOR CERTAIN INDIVIDUALS RECEIVING SOCIAL SECURITY BENEFITS.**

10 “(a) IN GENERAL.—In the case of an eligible individual who is an eligible social security recipient, there
11 shall be allowed as a credit against the tax imposed by
12 subtitle A for the first taxable year beginning in 2008 an
13 amount equal \$300 (\$600 in the case of a joint return).

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

18 “(c) LIMITATION BASED ON ADJUSTED GROSS INCOME.—The amount of the credit allowed by subsection
19 (a) (determined without regard to this subsection and subsection (f)) shall be reduced (but not below zero) by 5 per-
20 cent of so much of the taxpayer’s adjusted gross income
21 as exceeds \$75,000 (\$150,000 in the case of a joint re-
22 turn).

25 “(d) DEFINITIONS AND SPECIAL RULES.—For pur-
26 poses of this section—

1 “(1) ELIGIBLE SOCIAL SECURITY RECIPIENT.—

2 The term ‘eligible social security recipient’ means,
3 with respect to any taxable year, any taxpayer
4 who—

5 “(A) received a social security benefit (as
6 defined in section 86(d)) during such taxable
7 year, and

8 “(B) has earned income which is less than
9 \$3,000.

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

12 “(A) any nonresident alien individual,

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

18 “(C) an estate or trust.

19 “(3) EARNED INCOME.—The term ‘earned in-
20 come’ has the meaning set forth in section 32(c)(2)
21 except that—

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

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

4 “(e) COORDINATION WITH ADVANCE REFUNDS OF
5 CREDIT.—

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

14 “(2) JOINT RETURNS.—In the case of a refund
15 or credit made or allowed under subsection (f) with
16 respect to a joint return, half of such refund or cred-
17 it shall be treated as having been made or allowed
18 to each individual filing such return.

19 “(f) ADVANCE REFUNDS AND CREDITS.—

20 “(1) IN GENERAL.—Each individual who was
21 an eligible individual for such individual’s first tax-
22 able year beginning in 2007 shall be treated as hav-
23 ing made a payment against the tax imposed by
24 chapter 1 for such first taxable year in an amount

1 equal to the advance refund amount for such taxable
2 year.

3 “(2) ADVANCE REFUND AMOUNT.—For pur-
4 poses of paragraph (1), the advance refund amount
5 is the amount that would have been allowed as a
6 credit under this section for such first taxable year
7 if this section (other than subsection (e) and this
8 subsection) had applied to such taxable year.

9 “(3) TIMING OF PAYMENTS.—The Secretary
10 shall, subject to the provisions of this title, refund
11 or credit any overpayment attributable to this sec-
12 tion as rapidly as possible. No refund or credit shall
13 be made or allowed under this subsection after De-
14 cember 31, 2008.

15 “(4) NO INTEREST.—No interest shall be al-
16 lowed on any overpayment attributable to this sec-
17 tion.”.

18 (b) TREATMENT OF POSSESSIONS.—

19 (1) MIRROR CODE POSSESSION.—The Secretary
20 of the Treasury shall make a payment to each pos-
21 session of the United States with a mirror code tax
22 system in an amount equal to the loss to that pos-
23 session by reason of the amendments made by this
24 section. Such amount shall be determined by the

1 Secretary of the Treasury based on information pro-
2 vided by the government of the respective possession.

3 (2) OTHER POSSESSIONS.—The Secretary of
4 the Treasury shall make a payment to each posses-
5 sion of the United States which does not have a mir-
6 ror code tax system in an amount estimated by the
7 Secretary of the Treasury as being equal to the ag-
8 gregate benefits that would have been provided to
9 residents of such possession by reason of the amend-
10 ments made by this section if a mirror code tax sys-
11 tem had been in effect in such possession. The pre-
12 ceding sentence shall not apply with respect to any
13 possession of the United States unless such posses-
14 sion has a plan, which has been approved by the
15 Secretary of the Treasury, under which such posses-
16 sion will promptly distribute such payment to the
17 residents of such possession.

18 (3) DEFINITIONS AND SPECIAL RULES.—

19 (A) POSSESSION OF THE UNITED
20 STATES.—For purposes of this subsection, the
21 term “possession of the United States” includes
22 the Commonwealth of Puerto Rico and the
23 Commonwealth of the Northern Mariana Is-
24 lands.

1 (B) MIRROR CODE TAX SYSTEM.—For pur-
2 poses of this subsection, the term “mirror code
3 tax system” means, with respect to any posses-
4 sion of the United States, the income tax sys-
5 tem of such possession if the income tax liabil-
6 ity of the residents of such possession under
7 such system is determined by reference to the
8 income tax laws of the United States as if such
9 possession were the United States.

10 (C) TREATMENT OF PAYMENTS.—For pur-
11 poses of section 1324(b)(2) of title 31, United
12 States Code, the payments under this sub-
13 section shall be treated in the same manner as
14 a refund due from the credit allowed under sec-
15 tion 6431 of the Internal Revenue Code of 1986
16 (as added by this section).

17 (c) CONFORMING AMENDMENTS.—

18 (1) Paragraph (2) of section 1324(b) of title
19 31, United States Code, is amended by inserting “or
20 6431” after “section 35”.

21 (2) The table of contents for subchapter B of
22 chapter 65 of the Internal Revenue Code of 1986 is
23 amended by adding at the end the following new
24 item:

“Sec. 6431. 2008 recovery rebates for certain individuals receiving social security benefits.”.

