



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

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The Honorable Carl Levin
United States Senator
477 Michigan Avenue, Room 1860
Detroit, MI 48226

Attention

Dear Senator Levin:

I am responding to your inquiry, dated July 7, 2009, on behalf of your constituent . is a who retired in , after for years. He resides in the Philippines, with his wife, a Filipino citizen who has an ITIN issued by the Internal Revenue Service.

states that he did not receive a \$600 economic stimulus payment in 2008 or a \$250 economic recovery payment in 2009. He asks why the law excludes him from these benefits. I hope that the following general information is helpful in responding to .

2008 Economic Stimulus Payment. Under section 6428 of the Internal Revenue Code (Code), eligible taxpayers could claim a credit against tax of not less than \$300 (\$600 if married filing jointly) and not more than \$600 (\$1200 if married filing jointly). The credit was paid by check as an advance refund, also known as an economic stimulus payment, to eligible taxpayers with a net income tax liability for 2007 or sufficient qualifying income in 2007. Eligible taxpayers who did not receive the stimulus payment could claim the credit on their 2008 federal income tax return.

In general, taxpayers did not qualify for the stimulus payment or credit unless they had a social security number issued by the Social Security Administration (SSN). Thus, taxpayers with an ITIN did not qualify. If a married couple filed jointly, neither qualified for the stimulus payment or credit, unless each spouse had an SSN (section 6428(h) of the Code). Thus, if and his spouse filed jointly and she included her ITIN on the return, neither he nor his spouse would qualify for the stimulus payment or the credit.

2009 Economic Recovery Payment. Section 2201 of the American Recovery and Reinvestment Act of 2009 (ARRA) authorizes an economic recovery payment for individuals receiving certain governmental benefits such as social security benefits, or veterans disability compensation or pension benefits. To qualify for the recovery payment, the individual's address of record under the governmental benefit program must be in the United States, Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, or the Northern Mariana Islands. If _____'s address of record under the applicable government benefit program is in the Philippines, he will not qualify for this payment.

_____ may qualify, however, for the \$250 government retiree credit, which eligible taxpayers can claim on their 2009 federal income tax returns.

Government Retiree Credit. The \$250 government retiree credit is available to federal, state, and local government retirees whose government service was not covered by social security and who do not receive the \$250 economic recovery payment (section 2202 of ARRA). If _____ receives any amount in 2009 as a pension or annuity for federal, state, or local government employment not covered by social security, he can claim the \$250 government retiree credit by including his SSN on his 2009 tax return, even if he files jointly with his spouse.

If you have any questions, please contact me at _____ or _____ at _____.

Sincerely,

George Blaine
Associate Chief Counsel
(Income Tax & Accounting)