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Seniors face snags in getting tax rebate checks

IRS glitch and problems could hang up rebates to seniors, immigrants

Harriet Johnson Brackey

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Everybody wants their tax rebate check. But turns out that getting it is going to be a bit tricky, especially for two large groups of South Floridians.

It's going to take extra effort on the part of lower-income folks and many elderly to get help to file their returns because of a glitch in an IRS electronic system. That's going to take "a few weeks" to resolve, Acting IRS Commissioner Linda Stiff said Friday.

The others who are not going to be happy are immigrants who do not have Social Security numbers. Many are going to be very surprised, I suspect, to find out that they will not get a rebate check.

That's the bad news. Still, 130 million households are expected to get checks of \$300 to \$600 per person starting in May.

I'm hoping this doesn't turn into a processing nightmare for the government, which is anticipating up to 25 million extra tax returns to be filed this year, due to the rebate. Just in case, I want to give you some advice on getting this right. Here's how you could qualify for the economic stimulus package tax rebate:

Rule No. 1: File a tax return

Your return is the trigger that gets the government working to calculate what you are owed. There's no other form to fill out.

Yet millions of people with very low incomes — including many seniors — don't file tax returns. Because they are so poor, many don't want to pay somebody to file a return for them.

So off they are going, like one reader who asked that I not use her name, to get free tax help at the local IRS office. The workers there tried to electronically file a return for her only to find that they could not.

The software that processes tax returns last week was pumping out an error message that said, essentially, you're not required to file a return so you can't file one.

It's the same situation no matter where you go, to an [H&R Block](#) office or using the popular TurboTax software to file electronically, which, by the way, is the most popular way to file.

The IRS acting commissioner Stiff said the agency is committed to resolving the glitch and opening up a way for people to electronically file an abbreviated return, so they can get their checks.

The solution: For now, use a paper tax return. The 1040A is relatively painless and online instructions detail the minimum work required to file. You can download a form at <http://www.irs.gov/> or ask for one to be sent through the mail by calling 800-829-3676.

If you need free tax help, offered at dozens of Volunteer Income Tax Assistance sites across South Florida, you can get that, but VITA offices, too, e-file returns. You may get help there, but you won't be able to file electronically.

To find a free tax help center, go to www.sun-sentinel.com/taxes.

Rule No. 2: Make sure you have a Social Security number and, if you file jointly, your spouse does, too

No, the law says you won't get the rebate if you don't have a number or, for a couple filing jointly, if you both don't have SSNs.

Sen. [Chuck Grassley](#), R-Iowa, issued a press release claiming credit for this provision, which he said closed a loophole "so that rebate checks didn't get sent to illegal immigrants."

The new law doesn't permit a rebate to be issued to anyone who uses an Individual Tax Identification Number to file. Undocumented immigrants, in growing numbers, file returns using these numbers issued by the IRS.

But there are others who don't have Social Security numbers who could be legal residents. Jeffrey Brauerman, a former immigration judge and now attorney in private practice in Plantation, said one group would be people who are just beginning the process to become permanent residents. Another group without SSNs would be what the federal government classifies as "nonresident aliens," a category that includes foreign investors who file a U.S. tax return.

In 2005, the most recent year for which statistics are available, more than 3 million tax returns nationwide included an ITIN, while more than 2 million, used an ITIN as the primary identifying number.

That's a small fraction of 135.2 million individual tax returns filed nationwide that year. Gepsie Matellus, executive director of the Haitian Neighborhood Center-Sant La, a nonprofit group in Miami, says filers without Social Security numbers also are a small fraction of the filers her organization sees as it offers free tax help.

Still, this provision rubs her the wrong way.

"We encourage people who are in the process of stabilizing their status to file their taxes because it's the right thing to do," said Matellus. "It seems to me it is very unfair to treat them differently."

Reginale Durandisse, founder and chief executive officer of For The Children, an immigrant advocacy group in Lake Worth, said the Mexicans, Haitians, Hispanics, Mayans and Cambodians that she works with deserve at least the minimum \$300 per person rebate. "They are at the bottom of the pole. They should get the extra help for their families."

Tax time is going to be tense this year, especially for the rebate have-nots.

Harriet Johnson Brackey can be reached at hjbrackey@sun-sentinel.com 05 954-356-4614.

If you have a question on taxes, the South Florida Sun-Sentinel's personal finance writer, Harriet Johnson Brackey, will try to get you an answer. Call our Tax Questions hotline 954-356-4628 to leave a message or send an e-mail to taxquestions@sun-sentinel.com. We will try to answer as many questions as possible, either in the newspaper or online.

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