

110TH CONGRESS  
2D SESSION

# H. R. 5316

To amend the Internal Revenue Code of 1986 to provide recovery rebates to certain individuals receiving Social Security or certain veterans benefits.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2008

Mr. WALZ of Minnesota introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide recovery rebates to certain individuals receiving Social Security or certain veterans 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 “Universal Economic  
5 Stimulus Act of 2008”.

1 **SEC. 2. 2008 RECOVERY REBATES FOR CERTAIN INDIVID-**  
2 **UALS RECEIVING SOCIAL SECURITY OR CER-**  
3 **TAIN VETERANS BENEFITS.**

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 INDI-**  
8 **VIDUALS RECEIVING SOCIAL SECURITY OR**  
9 **CERTAIN VETERANS BENEFITS.**

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

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

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

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

3           “(1) ELIGIBLE SOCIAL SECURITY OR VETERANS  
4 BENEFIT RECIPIENT.—The term ‘eligible social secu-  
5 rity or veterans benefit recipient’ means, with re-  
6 spect to any taxable year, any taxpayer who—

7           “(A) received, during such taxable year—

8           “(i) a social security benefit (as de-  
9 fined in section 86(d)),

10           “(ii) or any compensation or pension  
11 received under chapter 11, 13, or 15 of  
12 title 38, United States Code, and

13           “(B) has earned income which is less than  
14 \$3,000.

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

17           “(A) any nonresident alien individual,

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

23           “(C) an estate or trust.

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

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

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

10          “(e) COORDINATION WITH ADVANCE REFUNDS OF  
11          CREDIT.—

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

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

25          “(f) ADVANCE REFUNDS AND CREDITS.—

1           “(1) IN GENERAL.—Each individual who was  
2           an eligible individual for such individual’s first tax-  
3           able year beginning in 2007 shall be treated as hav-  
4           ing made a payment against the tax imposed by  
5           chapter 1 for such first taxable year in an amount  
6           equal to the advance refund amount for such taxable  
7           year.

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

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

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

23          (b) TREATMENT OF POSSESSIONS.—

24                  (1) MIRROR CODE POSSESSION.—The Secretary  
25                  of the Treasury shall make a payment to each pos-

1 session of the United States with a mirror code tax  
2 system in an amount equal to the loss to that pos-  
3 session by reason of the amendments made by this  
4 section. Such amount shall be determined by the  
5 Secretary of the Treasury based on information pro-  
6 vided by the government of the respective possession.

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

22 (3) DEFINITIONS AND SPECIAL RULES.—

23 (A) POSSESSION OF THE UNITED  
24 STATES.—For purposes of this subsection, the  
25 term “possession of the United States” includes

1 the Commonwealth of Puerto Rico and the  
2 Commonwealth of the Northern Mariana Is-  
3 lands.

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

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

20 (e) CONFORMING AMENDMENTS.—

21 (1) Paragraph (2) of section 1324(b) of title  
22 31, United States Code, is amended by inserting “or  
23 6431” after “section 35”.

24 (2) The table of contents for subchapter B of  
25 chapter 65 of the Internal Revenue Code of 1986 is

1       amended by adding at the end the following new  
2       item:

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

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