

## ECONOMIC STIMULUS ACT AND OTHER GOOD NEWS!

Taxpaying Americans will soon get welcome relief with the passage of the Economic Stimulus Act of 2008. For example, married couples with two children, and adjusted gross income less than \$150,000, will soon be receiving rebate checks for \$1800. Single taxpayers with adjusted gross income less than \$75,000 will qualify for a \$600 rebate. There is a 5% phaseout of total rebate amount for both single and married taxpayers who exceed the income limits of \$75,000 and \$150,000 respectively. Taxpayers need to file their 2007 federal income tax return to initiate the process, which should begin by May 2, 2008.

These one time rebates will not be taxable on 2008 income tax returns and will be deposited electronically for those taxpayers who used direct deposit for their 2007 income tax returns. Paper checks will be processed for all others, including taxpayers whose bank account information rejects the initial electronic direct deposit try. The last two digits of the social security number will dictate when the rebates are processed, which could be as late as July 11, 2008 for those with 88-99 as the last two digits.

Overshadowed by this far reaching Stimulus Act were other provisions that were welcomed by economically challenged businesses. Up to \$44.8 billion in tax relief could be effected by the new law, which includes increased equipment direct expensing and bonus depreciation on capital expenditures. Up to \$250,000 of business asset acquisitions can be expensed in 2008, in addition to 50% business depreciation of qualifying property.

Estate, or death tax repeal received renewed attention by the US Senate in March. The proposed amendment would authorize tax legislation to permanently cap the estate tax at a \$7 million exemption for married couples(3.5 million per singles) and impose a maximum top tax rate of 45%. This budget amendment proposal received overwhelming

bi-partisan support and should proceed to President Bush and the House of Representative for further consideration.

These hard economic times that we are facing will hopefully be softened with these new acts. Rising gas prices, falling real estate property values and uncertainty with our automotive industry will force the Southeast Michigan business community to tighten our collective belts and move forward with tough American spirit and renewed optimism.