

necessity, but our tax code has not kept pace,” said Ensign. “Today’s wireless devices are smaller, cheaper and offer much better service, yet our tax code remains as cumbersome as some of the first cell phones. The outdated tax code creates a needless and bulky burden on businesses and employees using wireless devices, and our bill would bring the law up-to-date to reflect the broad use of wireless communication today.”

The Kerry-Ensign legislation would strike cell phones and similar devices from the category of "listed property" within tax code Section 280F(d)(4). A companion bill has been introduced in the House, (H.R. 5450), by Reps. Sam Johnson (R-Texas) and Earl Pomeroy (D-N.D.)

Special Economic Stimulus Letters to Reach Mailboxes in March

More than 130 million American households will begin receiving Internal Revenue Service letters in early March reminding them to file a 2007 tax return in order to receive a 2008 economic stimulus payment.

The mailings by the IRS began the first week in March and will continue throughout the month. The **Economic Stimulus Payment Notice**, alerts people that they may be eligible for a one-time stimulus payment of up to \$600 (\$1,200 married filing jointly) starting in May. There also is a \$300 per child payment for qualifying children younger than 17.

“This special letter reminds people that they won’t need to do anything more than file a 2007 tax return in order to put the stimulus payment process in motion,” Acting IRS Commissioner Linda Stiff said. The notice does not seek any financial information and will go to taxpayers who filed a tax return last year.

“To receive a payment in 2008, individuals who qualify will not have to do anything more than file a 2007 tax return. The IRS will determine eligibility, figure the amount and send the payment,” the notice states. “This payment should not be confused with any 2007 income tax refund that is owed to you by the federal



However, some people must take an extra step this year to receive a stimulus payment. In late March, the IRS will send a special mailing to certain recipients of Social Security and Veterans Affairs benefits. Generally, those benefits are nontaxable and recipients do not file tax returns. In order to receive a stimulus payment, people in this group need to file a tax return if they have at least \$3,000 from a combination of certain Social Security benefits, veteran benefits and earned income. The minimum stimulus payment for these people is \$300 (\$600 for married filing jointly).

The IRS has created a sample of Form 1040A with information on how to fill out a few lines that will enable eligible people who do not normally file a

government. Income tax refunds for 2007 will be made separately from this one-time payment.” tax return to receive the stimulus payment.”



Standard Mileage Rates Set for 2008; Rate for Business Miles Set at 50.5 Cents per Mile

The Internal Revenue Service has set new optional standard mileage rates for 2008 used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning Jan. 1, 2008, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 50.5 cents per mile for business miles driven;
- 19 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service of charitable organizations.

The new rate for business miles compares to a rate of 48.5 cents per mile for 2007. The new rate for medical and moving purposes compares to 20 cents in 2007. The rate for miles driven in service of charitable organizations has remained the same.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile; the standard rate for medical and moving purposes is based on the variable costs as determined by the same study. Runzheimer International, an independent contractor, conducted the study for the IRS.

The mileage rate for charitable miles is set by law.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS), after claiming a Section 179 deduction for that vehicle, for any vehicle used for hire or for more than four vehicles used simultaneously. [Revenue Procedure 2007-70](#) contains additional information on these standard mileage rates.

Dear Employers:

We hope you find this newsletter helpful. If you have any questions or suggestions please feel free to contact us. Any feedback from you will be greatly appreciated. The following people are your contacts in the Audit Section:

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For a printer friendly copy of this issue, please click [here](#). You can email your comments to [Kay Gouyton](#), [Carol Ochsner](#), or the editor, [Barbara Kelly](#).

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