

Clarification

DESCRIPTION OF THE CHAIRMAN'S MODIFICATION TO THE PROVISIONS OF THE "ECONOMIC STIMULUS ACT OF 2008"

January 30, 2008

JCX-11-08

Senate Finance Committee Clarification to A.3.

Deny the basic credit and the qualifying child credit to illegal immigrants

The provision denies the basic credit and the qualifying child credit to individuals if they do not include on their tax return a valid social security number for: (1) themselves (and, if they are married, their spouse); and (2) any children who qualify for the child tax credit. For these purposes, a valid taxpayer identification number is defined as a social security number (SSN). An individual taxpayer identification number (ITIN) does not constitute a valid taxpayer identification number or establish eligibility.

If an individual fails to provide a valid social security number, such omission will be treated as a mathematical or clerical error. As under present law, the Internal Revenue Service (the "IRS") may summarily assess additional tax due as a result of a mathematical or clerical error without sending the taxpayer a notice of deficiency and giving the taxpayer an opportunity to petition the Tax Court. Where the IRS uses the summary assessment procedure for mathematical or clerical errors, the taxpayer must be given an explanation of the asserted error and given 60 days to request that the IRS abate its assessment. If a taxpayer fails to establish a valid social security number, he will not be entitled to a rebate.