

# South Florida Sun-Sentinel

## YOUR TAX REBATE CHECKS COULD BE MAILED IN MAY



**JUMP-START:** President Bush, alongside Treasury Secretary Henry Paulson, urges Congress to speedily approve an economic stimulus plan signed off on Thursday by his administration and congressional leaders. AP photo/Sean Leah

BY MARCIA HEROUX POUNDS  
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Most taxpayers will receive refunds of \$600 to \$1,200, and more if they have children, under a deal congressional leaders made with the White House on Thursday.

The tax package, designed to stimulate the ailing economy and trigger consumer spending, would distribute rebate checks to 117 million families nationwide. The hope

is it also will boost housing markets like South Florida and provide businesses incentives to invest in new equipment.

The first checks will go out in May, but many taxpayers won't receive them until July, according to the Treasury Department. Congress and the White House still must sign off on the proposed stimulus plan.

In South Florida, the rebates may

not go far enough for most taxpayers, said Tim Devlin, partner in the accounting firm of Daenzel Bolton in Boca Raton.

"The U.S. middle class probably is not the South Florida middle class," he said. "I can't think of any of our clients who it would positively impact."

Individuals who pay income

■ JUMP-START CONTINUES ON 2B

### ONLINE

Hear what President Bush has to say about how the tax deal will affect you in a video report at [Sun-Sentinel.com/business](http://Sun-Sentinel.com/business)

## Rebates may not go far here

### ■ JUMP-START

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taxes would get up to \$600, working couples \$1,200 and those with children an additional \$300 per child under the agreement. Workers who make at least \$3,000 but don't pay taxes would get \$300 rebates.

The rebates would phase out gradually for individuals whose income exceeds \$75,000 and couples with incomes above \$150,000, aides said. Individuals with incomes up to \$87,000 and couples up to \$174,000 would get partial rebates. The income caps are higher for those with children.

Randy Kleinert, a Coral Springs mother caring for triplets and a teenager after their father died two years ago, would be happy to have the \$300 rebate per child.

"It's a great idea," Kleinert said. "Any way they can help the middle-income families would be better. Buying food has gone up, gas has gone up. It's a rippling effect making everything else much more expensive."

A part of the government's tentative economic stimulus

package announced Thursday would give an immediate lift to buyers and sellers in higher-priced housing markets. The package would allow government-sponsored Fannie Mae and Freddie Mac to buy mortgages up to 75 percent more than the current \$417,000 limit.

Boca Raton mortgage banker Louis D. Spagnuolo said the new guidelines will help South Florida homeowners refinance their mortgages at lower fixed rates.

"I think it's going to open more channels for people. Is it a 100 percent solution? No. We still have tax and insurance problems. But it could be a catalyst," he said.

For the many South Florida homeowners with blemished credit who are struggling to make mortgage payments, the change offers little benefit, said Guy Cecala, publisher of *Inside Mortgage Finance*, a trade publication. "It's good for home buyers who have prime credit, have some money to put down and can meet tougher underwriting standards that are in place now."

Fannie and Freddie would be allowed to purchase individual home loans up to

\$730,000, though that limit would differ based on the median home price in a particular metropolitan area. The same limits would also apply for loans backed by the Federal Housing Administration, which insures loans made to borrowers with poor credit.

The stimulus package also includes two business incentives. One would allow large businesses to take a 50 percent bonus deduction on new equipment. Small businesses would be allowed to deduct as much as \$250,000 in equipment purchases, up from \$112,000 now.

"That, historically, has worked," Devlin said. But business owners tend to make purchase decisions later in the year. "It's not something that causes you to go out and spend it tomorrow," he said.

The Associated Press contributed to this report.

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## WHAT'S IN ... AND OUT

### TAX REBATES

**REBATES OF \$600 PER PERSON OR \$1,200 PER COUPLE** for most tax filers. Checks of at least \$300 for almost everyone earning a paycheck, including low-income earners who make too little to pay income taxes, so long as they earned at least \$3,000 in 2007.

**FAMILIES WITH CHILDREN** would receive an additional \$300 per child.

**THE FULL REBATE** would be limited to individuals earning \$75,000 or less and couples earning \$150,000 or less, but a partial rebate would go to individuals earning up to \$87,000 and couples earning up to \$174,000. Income caps are higher for people with children.

### BUSINESS BREAKS

**SPURRING BUSINESS INVESTMENTS** with so-called bonus depreciation and more generous expensing rules.

### HOUSING RESCUE

**ALLOW MORE SUBPRIME MORTGAGE** holders to refinance into federally insured loans by raising the limit on Federal Housing Administration loans from \$362,000 to as high as \$729,750 in expensive areas. Increase the availability of mortgages by providing a one-year boost to the cap on loans that Fannie Mae and Freddie Mac can buy.

### PERMANENT TAX CUTS:

Republicans conceded that their top priority would be left out.

**UNEMPLOYMENT INSURANCE:** Democrats wanted to extend benefits past 26 weeks.

**FOOD STAMPS:** A boost for benefits.

**MEDICAID:** Democrats gave up on including payments to states.

**LOW-INCOME HEATING SUBSIDIES:** Democrats are surrendering the fight to include them.

**INFRASTRUCTURE SPENDING:** Spending on transportation or repair projects already under way is off the table.

**BUSINESS LOSSES:** Republicans proposal to allow businesses suffering losses now to reclaim taxes previously paid was dropped.