

The Economic Stimulus Act of 2008 created a tax rebate last year for many people who 2007 income, as reported on federal tax returns in 2008, qualified for it. However, you may not be aware that the rebate can be based on income from either 2007 *or* 2008. This has implications now for people with stock compensation:

- If option exercises or restriction stock vesting in 2007 caused a spike in your income that pushed you out of range for all or part of the rebate, you may still be able to claim it on your tax return for 2008 (filed in 2009) as long as your 2008 income fell back to a level that qualifies.
- Similarly, if you did not get the rebate for 2007 but lost your job in 2008, causing your 2008 income to fall into the rebate range, you may be eligible.

If it is based on 2008 income, the rebate comes in the form of a tax credit.