

2009 Recovery Act: Making Work Pay Tax Credit

The *American Recovery and Reinvestment Tax Act of 2009* (2009 Recovery Act) provides billions of dollars of tax relief for individuals, businesses, and state and local governments. Fortunately, you may qualify for one of these tax cutting provisions.

The 2009 Recovery Act provides a refundable credit of up to \$400 for working individuals and \$800 for working families. The credit is calculated at 6.2% of earned income, and phases out for taxpayers with modified adjusted gross income in excess of \$75,000 (or \$150,000 for married couples filing jointly). Nonresident aliens and individuals who can be claimed as a dependent do not qualify for the credit.

The new "Making Work Pay" tax credit benefits 95% of working families in the United States. Taxpayers can receive this benefit by reducing the amount of income tax that is withheld from their paychecks, or through claiming the credit on their tax returns.

The "Making Work Pay" tax credit is only one provision of the 2009 Recovery Act for which you may benefit. We will be happy to discuss other tax relief provisions that may be available to you. Please call our office to arrange an appointment at your earliest convenience.