



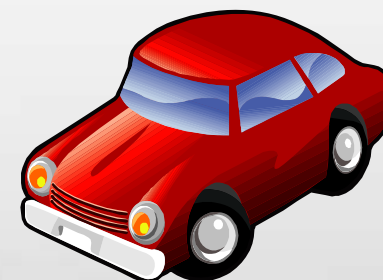
The American Recovery and Reinvestment Act of 2009

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Incentives for Individual

- Making Work Pay
- Economic Recovery Payment
- First-Time Homebuyer Credit
- Temporary Tax Deduction on Car Purchases
- American Opportunity Tax Credit (Hope Credit)
- Earned Income
- Child Tax Credit
- Unemployment Compensation





Making Work Pay

- Refundable Tax Credit for 2009 & 2010
- **\$400 for Individuals**
- **\$800 for Married Filed Joint (MFJ)**
- AGI < \$75,000 or AGI < \$150,000 for MFJ
- Does NOT apply to those without SSN
- Credit is given via
 - Reduced Wage Withholdings or
 - Lump sum when filing his or her annual income tax return

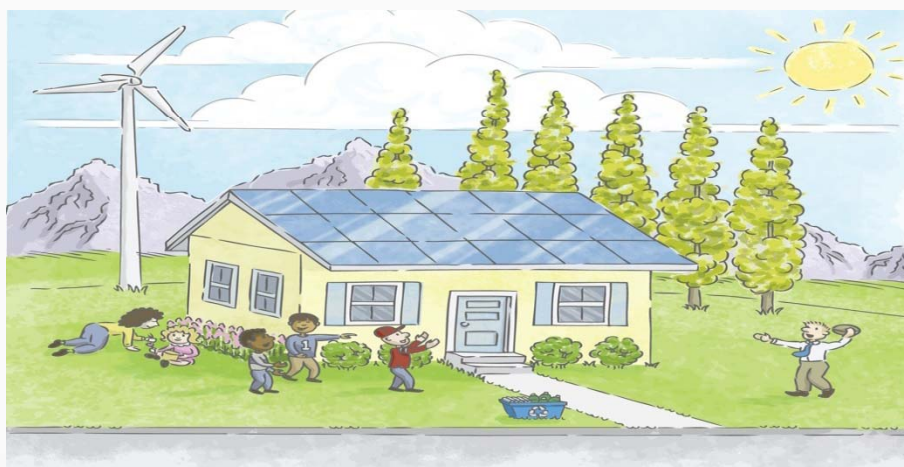




Economic Recovery Payment

- Fixed Income Individuals
 - Disabled veterans
 - Railroad Retirees
 - Social Security Recipients
 - Certain Government Workers
- One-Time Recovery Payment \$250.00 in 2009

First-Time Homebuyers Credit



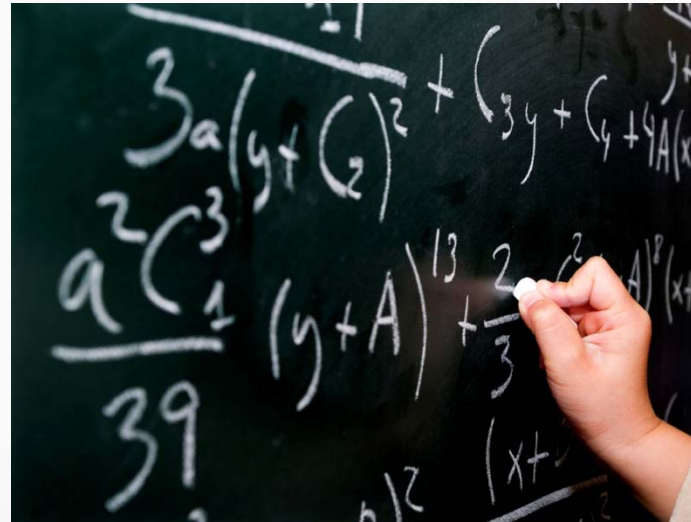
- From 01-01-2009 To 11-30-2009
- **\$8,000 Refundable Credit**
- No repayment if you stay 36 months in the home
- Phase-out of Credit begins when AGI > \$75,000 or AGI > \$150,000 (MFJ)

Temporary Tax Deduction on Car Purchases



- Deduction for
 - State Sales Taxes
 - Local Sales Taxes
 - Excise Taxes Paid
- Qualify
 - Newly Purchased for first use by Taxpayer
 - Passenger vehicle
 - Light truck
 - Motorcycle
 - Gross weight < 8000 lbs
 - Or Motor Home
- Limitation

American Opportunity Tax Credit



- Amount increase to maximum of \$2,500 per eligible student per year
- 40% of the credit will be refundable for 2009 & 2010
- Credit apply for all 4 year colleges
- Qualifying expenses will include course materials

Earned Income & Child Tax Credit



- **Earned Income Credit:**

- 2009 & 2010
- Increased to 45% of first \$12,750
- 3 or more Qualifying children

- **Child Tax Credit:**

- 2009 & 2010
- Refundable part of the child tax credit will be increased
- Income Threshold will now be set at \$3,000



Unemployment Compensation



- 2009 ONLY
- Up to \$2,400 of unemployment compensation will be excluded from Gross income



Energy Incentives



- Residential Energy Property Credit
- Residential Energy Efficient Property Credit
- Renewable Electricity Production Credit
- Investment Credit Election
- Alternative Fuel Pump Tax Credit
- Energy Investment Credit
- Plug-in Electric Vehicles



Residential Energy Property Credit

- From 01-01-2009 to 12-31-2010
- Credit is 30% of Property
- Maximum = \$1,500 aggregate amount for '09 & '10
- Property Includes
 - Insulation Material
 - Exterior Windows and doors
 - Central Air Conditioners
 - Natural Gas, Propane or Oil Water Heaters and Furnaces
 - Hot Water Boilers, Electric heat-pump water heaters
 - Certain Metal roofs and stoves
 - Advanced main air-circulating Fans

Plug-in Electric Vehicles



- Credit is \$2,500
- Full amount will be reduced once the manufacturer records its 200,000th sales

Incentives for Business

- Bonus Depreciation
- Section 179 Expensing increased to \$800,000
- Longer NOL Carryback Period
- Estimated Tax Burden Reduction
- Work Opportunity Credit



Any Questions?

