



TOWN OF VERNON

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Mayor

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PRESS RELEASE **TOWN OF VERNON**

Tax Provisions for Vernon Residents through the American Recovery and Reinvestment Act (ARRA)

In February 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) became law, and many of its key provisions impact individuals and families. A majority of the tax provisions affect tax years 2009 and 2010, and individual tax returns due April 15, 2010 and 2011, respectively.

Mayor Jason L. McCoy would like to make constituents aware The Internal Revenue Service (IRS) has provided a summary list of programs that may benefit qualifying Vernon residents.

- **Making Work Pay** - A refundable tax credit of up to \$400, or \$800 if filing a joint return;
- **First-time Homebuyer Credit Amended** - A refundable tax credit of up to \$8,000 for homes purchased before December 1, 2009 (criteria apply);
- **Special Tax Break for Purchase of a New Vehicle** - A deduction for state, local, sales, and excise taxes or other fees paid when buying a new car, light truck, motor home, or motorcycle from February 17 through December 31, 2009;
- **Temporary Increase in Earned Income Tax Credit** - Increases to income limits and credit percentages for working families with three or more qualifying children;
- **Temporary Increase in Refundable Portion of Child Tax Credit** - Reduces the minimum earned income amount used to calculate the additional child tax credit to \$3,000;
- **Temporary Suspension of Tax on Portion of Unemployment Benefits** - For tax year 2009, taxpayers can exclude up to \$2,400 of unemployment compensation;
- **The American Opportunity Tax Credit** - Hope Credit extended two years, and up to \$2,500 of allowable expenses may be refundable;
- **Qualified Opportunity Tax Credit (Sec 529 Accounts)** - For 2009 and 2010, qualified expenses for higher education tax-free distributions is expanded;
- **Residential Energy Credits** - 30% break of up to \$1,500 for adding qualifying improvements placed into service in 2009 and 2010 (Le. insulation, energy efficient exterior windows, heating and cooling systems).

Additional information regarding each of these programs is available on the IRS website at <http://www.irs.gov/newsroom/article/0,,id=204335,00.html>

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