

Individuals

- **Making Work Pay Tax Credit** : Provides a refundable tax credit of up to \$400 per worker (\$800 for working families), phased out for those with income over \$75,000 (\$150,000 for joint returns).

Taxpayers will receive this benefit through reduced withholding or by claiming the credit on their tax returns.

- **Alternative Minimum Tax Relief**: Protects 26 million middle-class families from being hit by the [alternative minimum tax](#) . New Jersey is hit hardest by the AMT.

- **Child Tax Credit**: Cuts taxes for the families of more than 16 million children through an expansion of the child tax credit. This would provide a new tax cut for more than 6 million children, and increase the existing credit for more than 10 million children. Click [here](#) for more information.

- **Earned Income Tax Credit**: A temporary increase in [Earned Income Tax Credit](#) for working families with three or more children.

- **Economic Recovery Payments**: Recipients of Social Security, SSI, Railroad Retirement, and Veterans Disability Compensation benefits will receive a one-time payment of \$250.

The one-time recovery payments will go out in May 2009 and all payments should be received by the end of May. The payments will be sent automatically, meaning no action is required on the part of the person receiving benefits. The economic recovery payments will be made separately from a person's regular monthly payments. More information can be found [here](#) .

- **Refundable Credit for certain Federal and State Government Retirees**: The recover law provides a one-time refundable tax credit of \$250 to certain government retirees who are not eligible for Social Security benefits. The one-time credit is reduced from any allowable Making Work Pay credit.

- **American Opportunity Education Tax Credit**: Provides a tax credit of up to \$2,500 of the cost of tuition and related expenses. The tax credit is phased out for taxpayers with incomes over \$90,000 (\$180,000 for joint returns).

- **Refundable First-time Home Buyer Credit** : Provides an \$8,000 tax credit for first-time

home purchases made before December 1, 2009. The credit phases out for taxpayers with incomes over \$75,000 (\$150,000 joint). Homebuyers do not have to repay the credit, provided the home remains their main home for 36 months after the purchase date.

- **Refundable First-time Home Buyer Credit** : Forgives repayment requirement for tax credit for [first-time home purchases](#) made between January 1, 2009 and August 1, 2009 and increases the credit from \$7,500 to \$8,000. The credit phases out for taxpayers with incomes over \$75,000 (\$150,000 joint).

- **Tax Deduction for Vehicle Purchases**: Provides all taxpayers with a deduction for state and local sales and excise taxes paid on the purchase of new cars, light trucks, recreational vehicles, and motorcycles through 2009. The deduction is phased out for taxpayers with incomes over \$125,000 (\$250,000 for joint returns).

- **Temporary Suspension of Tax on Unemployment Benefits**: Suspends federal income tax on the first \$2,400 in unemployment benefits.

Business

- **Bonus Depreciation**: Extension of provision allowing business to recover the costs of capital expenditures faster than normal depreciation for purchases incurred in 2009.

- **Increase in Limits for Small Business Expensing**: Allows small businesses to fully write off certain capital expenses in the year they are made rather than depreciating them over time.

- **Five-year Carryback of Net Operating Losses for Small Business**: Permits small business to carry back net operating losses for five years, instead of the two years under current law.

- **Defer Taxes on "Cancellation of Debt" Income**: Allows certain businesses to recognize "Cancellation of Debt" income over 10 years (deferring the tax for the first four or five years, and recognizing the income ratably over the following five years).

- **The Work Opportunity Tax Credit**: Provides a tax credit equal to 40 percent of the first \$6,000 of wages paid to employees of one of nine targeted groups. The stimulus law adds two new targeted groups – unemployed veterans and disconnected youth.

Energy

- **Renewable Energy Production Tax Credit:** Extends the placed-in-service date for wind facilities, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy, and marine renewable facilities for three years.

- **Clean Renewable Energy Bonds:** Authorizes an additional \$1.6 billion of new bonds to finance facilities that generate electricity from qualified renewable sources.

- **Qualified Energy Conservation Bonds:** Authorizes an increase to \$3.2 billion for qualified bonds to finance state, municipal, and tribal government programs that reduce greenhouse gas emissions.

- **Tax Credits for Energy-Efficient Home Improvements:** Extends tax credits for energy efficiency improvements made to existing homes through 2010.

- **Plug-in Electric Drive Vehicle Credit:** Modifies and increases a tax credit for qualified plug-in electric drive vehicles placed in service during the tax year.