

Maine Families to Begin Getting Tax Relief

Wednesday, April 01 2009

WASHINGTON, DC – Today, Congressman Mike Michaud announced that Maine families will begin to see the benefits of tax relief provided to workers and their families in the American Recovery and Reinvestment Act (H.R. 1). According to the administration, IRS guidance asks that, by April 1, employers must have instituted the lower withholdings for their employees. Approximately 500,000 Maine families would have about \$300,000 million returned to them through the “Making Work Pay” tax credit.

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“This modest, but important, tax credit returns money to working Americans and will help families make ends meet,” said Michaud. “This tax relief is welcome news as family budgets are squeezed by rising prices and stagnating wages.”

According to the administration, the credit provides over 110 million American families – about 95% – tax relief.

- For 2009 and 2010, the “Making Work Pay” tax credit provides a refundable tax credit of 6.2 percent of earned income up to \$400 for working individuals and \$800 for married taxpayers.
- Families should see at least a \$65 dollar per month increase in their take home pay.
- The credit will phase out for taxpayers with adjusted gross income in excess of \$150,000 for married couples filing jointly and \$75,000 for other workers, and thus is fully phased out for taxpayers with modified adjusted gross income in excess of \$190,000 for married workers and \$95,000 for other workers.

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