



## **AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

### **How it affects you personally**

1. Work Pay credit allows credit against income tax for individuals with adjusted gross income that does not exceed \$75,000 or \$150,000 for married couples.
2. Alternative minimum tax patch that raises exemption amount.
3. First time homebuyer tax credit raised from \$7,500 to \$8,000.
4. New car deduction allows for above the line deduction of state, local and excise paid on the purchase of a new car, with certain restrictions.
5. Hope Education credit is increased and renamed "American Opportunity Credit."
6. Child Tax Credit is set at \$3,000.
7. Unemployment Compensation is excluded up to \$2,400 from gross income.
8. Qualified tuition programs (also know as 529 plans) distributions may be used to pay for computers and computer technology including internet access.
9. Residential Energy Property Credit increased from 10% to 30%.

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