

Chamber Helps Businesses Learn About Tax Savings



In an attempt to address the nation's ongoing economic challenges, Congress has passed and the president signed the American Recovery and Reinvestment Act of 2009. The \$787 billion package combines \$282 billion in tax relief with more than \$500 billion in government spending that ranges from meeting basic human needs to investments in infrastructure and scientific research.

Edgar Kidd from the Internal Revenue Service presented just some of the tax relief acts at our April Breakfast.

Tax Relief include:

- Ø **First time homebuyer tax credit of a residence** – maximum \$8,000 tax credit.
- Ø **Sales tax deduction for a new vehicle purchased in 2009** – Can deduct state and local sales and excise taxes paid on the purchase on one new vehicle.
- Ø **Enhanced Higher Education tax credit in 2009 and 2010** – Increases HOPE Scholarship credit to \$2,500.
- Ø **Hiring Veterans and Youth Tax Credit** – Form 5884
- Ø **COBRA tax credits** – Form 941

The in-depth information regarding the above referenced tax credit and many more tax cuts and incentives are located: - <http://www.irs.gov> search: *ARRA*

Make sure to check with your payroll provider to begin the federal with-holding tax savings for your employees in April, 2009.