

Dear Friend,

There are only a few weeks left to get your taxes done before the April 15 deadline. But did you know that average federal tax refunds are up by 10 percent this year? That's an average of \$266 more that you could be getting in your refund. The Internal Revenue Service (IRS) attributes this record increase to the new tax credits in the Recovery Act. Even if you have already filed your return, you can still amend it to make sure that you are taking advantage of these refunds:

- **Making Work Pay** - This credit can amount to as much as \$400 for an individual or \$800 for married couples filing jointly in their paychecks in 2009. Taxpayers whose withholdings in 2009 did not provide the full amount of the Making Work Pay credit they are due will get the additional amount when they file their 2009 tax return. Even though most taxpayers received the benefit of this credit in their paychecks from adjusted tax withholding by their employers, they still need to claim this credit on their tax returns (i.e., Form 1040 or 1040A).
- **American Opportunity Credit** - More parents and students are eligible for a tax credit of up to \$2,500 to pay for college expenses and can claim the credit annually for four years instead of two.
- **First-Time Homebuyer's Credit** - Homebuyers can get a credit of up to \$8,000 for first homes purchased by April 30, 2010 under the First Time Homebuyer tax credit. Long-time residents who don't qualify as first-time homebuyers and those with incomes of up to \$145,000 for an individual and \$245,000 for joint filers are also eligible for a reduced credit.
- **Energy Efficiency and Renewable Energy Incentives** – Taxpayers are eligible for up to \$1,500 in tax credits for making some energy-efficiency improvements to their homes such as adding insulation and installing energy efficient windows.
- **Unemployment Benefits Tax Free in 2009** – The Recovery Act made the first \$2,400 of unemployment benefits – usually taxable income – tax-free.

Average income tax refunds are more than \$3,000 this year. Make sure that you know what credits could apply to you and your family to get your tax refund. And for more information on new tax credits in the Recovery Act, please visit my website at <http://israel.house.gov>.

Sincerely,

Steve Israel
Member of Congress