



OFFICE OF THE MAYOR

City of Middletown

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SEBASTIAN N. GIULIANO
MAYOR

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City of Middletown**

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Press Release

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FOR IMMEDIATE RELEASE

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Mayor Sebastian N. Giuliano today released correspondence received from the U.S. Department of the Treasury outlining numerous tax saving options available to City residents through the IRS. The U.S. Treasury urges all citizens to examine the list below and visit their website or the official website of the IRS for further detailed information. Giuliano said "I think some of the particular tax options presented below could save many City residents hundreds or thousands of dollars on their Federal 2010 and 2011 filings. I encourage everyone to see if any of the tax exemptions and credits apply to their households." Below is a summary of some of the U.S. Treasury and IRS tax options.

- **Making Work Pay** – A refundable tax credit of up to \$400, or \$800 if filing joint return;
- **First-Time Homebuyer Credit Amended** – A refundable tax credit of up to \$8,000 for homes purchased before December 1, 2009 (criteria apply);
- **Special Tax Break for Purchase of a New Vehicle** – A deduction for state, local, sales, and excise taxes or other fees paid when buying a new car, light truck, motor home or motorcycle from February 17 through December 31, 2009;
- **Temporary Increase in Earned Income Tax Credit** – Increases to income limits and credit percentages for working families with three or more qualifying children;
- **Temporary Increase in Refundable Portion of Child Tax Credit** – Reduces the minimum earned income amount used to calculate the additional child tax credit to \$3,000;
- **Temporary Suspension of Tax on Portion of Unemployment Benefits** – For tax year 2009, taxpayers can exclude up to \$2,400 of unemployment compensation;

- **The American Opportunity Tax Credit** – Hope Credit extended two years, and up to \$2,500 of allowable expenses may be refundable;
- **Qualified Opportunity Tax Credit (Sec 529 Accounts)** – For 2009 and 2010 qualified expenses for higher education tax free distributions is expanded;
- **Residential Energy Credits** – 30% break of up to \$1,500 for adding qualifying improvements placed into service in 2009 and 2010 (i.e. insulation, energy-efficient exterior windows, heating and cooling systems).

For more information visit: <http://www.irs.gov/newsroom/article/0,,id=209575,00.html>.