

## **American Recovery and Reinvestment Act of 2009**

**On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, known as the Stimulus Bill. As part of this bill, there were changes made to the Federal Wage Withholding with the revised IRS tax tables. The new tables will result in more take home pay for millions of American workers.**

**To comply with the new Wage Withholding, modifications must be made to use these new tables beginning with payrolls processed as of April 1, 2009. They may be implemented early if possible. As a result, employees may see a decrease in their federal withholding.**

**The Making Work Pay credit is available for 2009 and 2010 with a maximum credit of \$800 for a married couple filing jointly, but it is phased out for those whose modified adjusted gross income (AGI) is between \$150,000 and \$190,000. For other taxpayers, the maximum credit is \$400 and it is phased out when the modified adjusted gross income (AGI) reaches \$75,000 to \$90,000. More detail can be found on the IRS website: [www.irs.gov](http://www.irs.gov).**

**The IRS advises that most employees do not need to fill out a new W4 form. However, individuals or couples with multiple jobs may want to submit a revised Form W-4 to ensure enough withholding is held to cover the tax of the combined incomes. Additional guidance for tax withholding can be found on the IRS website: [www.irs.gov](http://www.irs.gov) under Publication 919 ("How Do I Adjust my Tax Withholding?").**