

# Obama Tax Update

Winners and Losers

# Economic Stimulus

- “Making Work Pay” credit
- “American Opportunity” credit
- “First-Time Homebuyer” credit
- New car sales tax deduction
- Expanded tax breaks for “going green”
- Business tax breaks

# “Making Work Pay” Credit

- \$400 for individual filers
- \$800 for joint filers
- Fully “refundable”
- Phases out at \$75,000/\$150,000
- 2009-2010 only

# Paying for College?

- “American Opportunity “ Tax Credit
- Replaces “Hope Scholarship” credit
- Available for 4 years of college
- 100% of 1st \$2,000 + 25% of next \$2,000
- 40% “refundable”
- Phases out at \$80,000/\$160,000 joint

# College Costs

- Section 529 plan withdrawals now available for computers and computer technology purchases (including internet access)



# Buying a New House?

- Enhanced “First-Time Homebuyer” Tax Credit
- \$10% of purchase price up to \$80,000
- No repayment after 36 months
- Purchases between 1/1/09 and 11/30/09
- Phases out at \$75,000/\$150,000 joint

# Buying a New Car?

- “Above the line” deduction for state sales or excise tax on 2009 new car purchase
- Qualifying cars, light trucks, SUVs, or motorcycles up to \$49,500
- Phases out at \$125,000/\$250,000

# Running a Business?

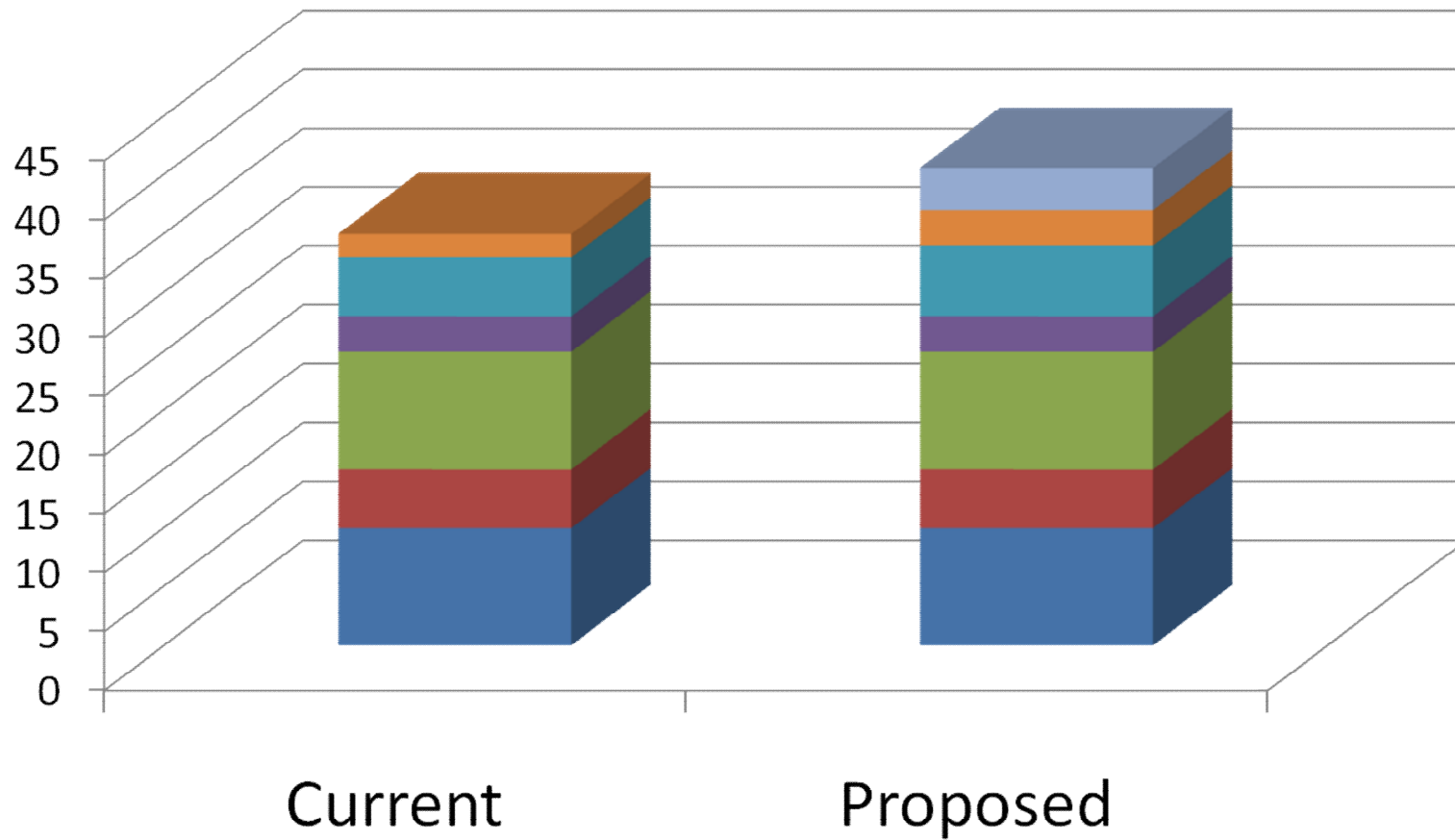
- Extend \$250,000 “first-year expensing” (2009)
- Extend 50% “bonus depreciation” (2009)
- Carry back NOL
- Cut tax for investments in small businesses

# Going Green?

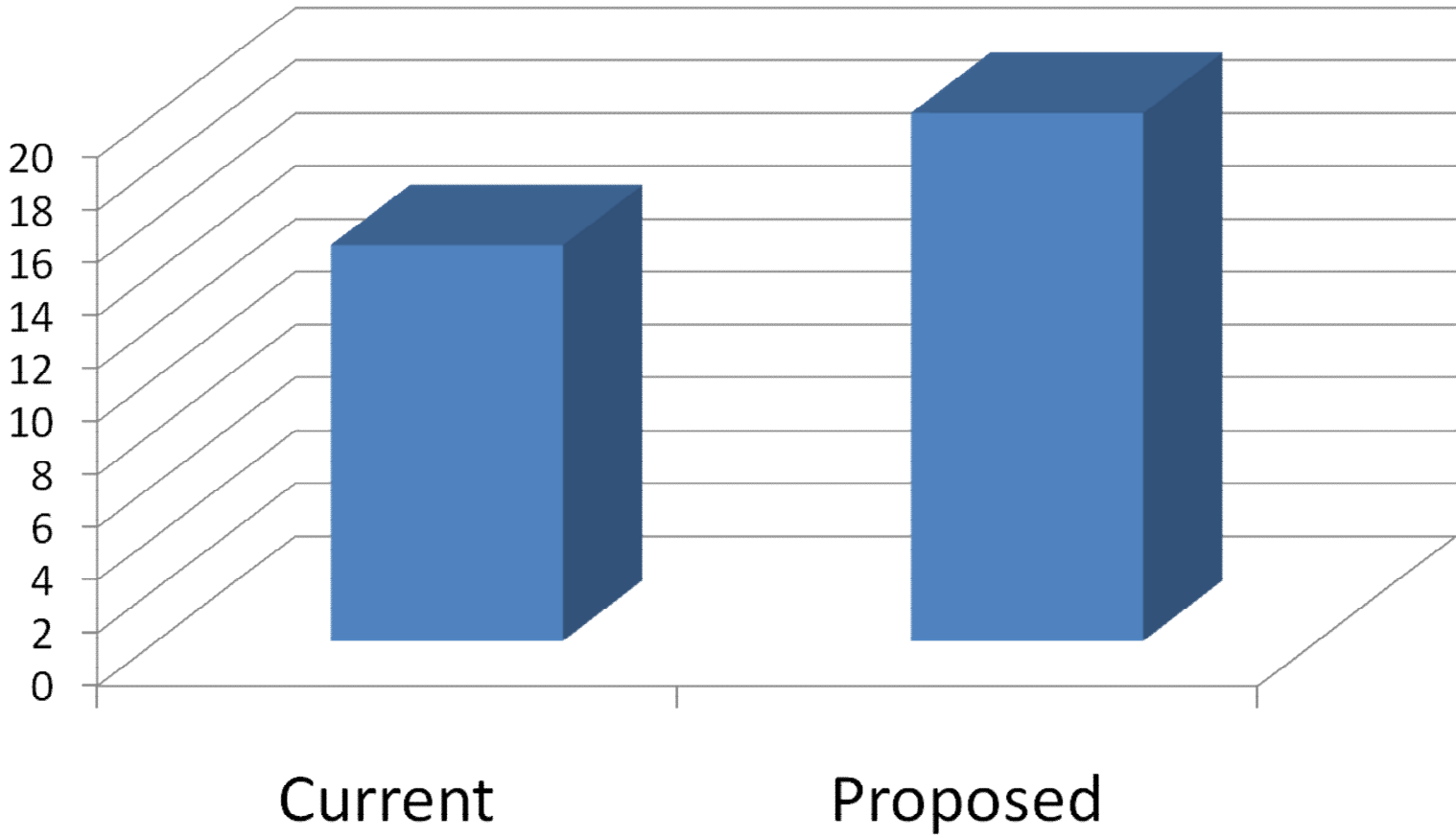
- Plug-in vehicles
- Energy-efficient home improvements
- Energy-efficient business property



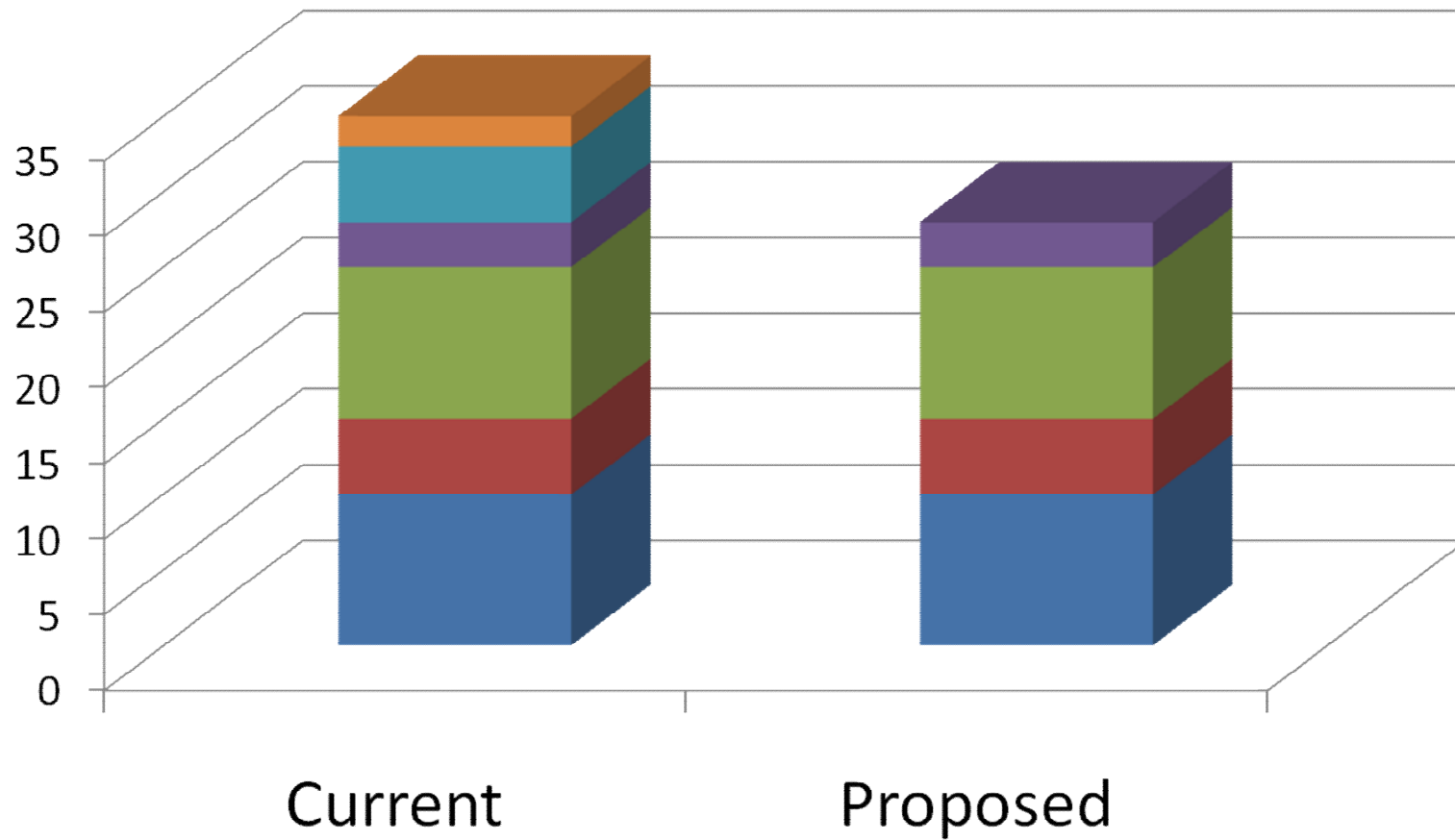
# Ordinary Income Rates



# Capital Gains Rates



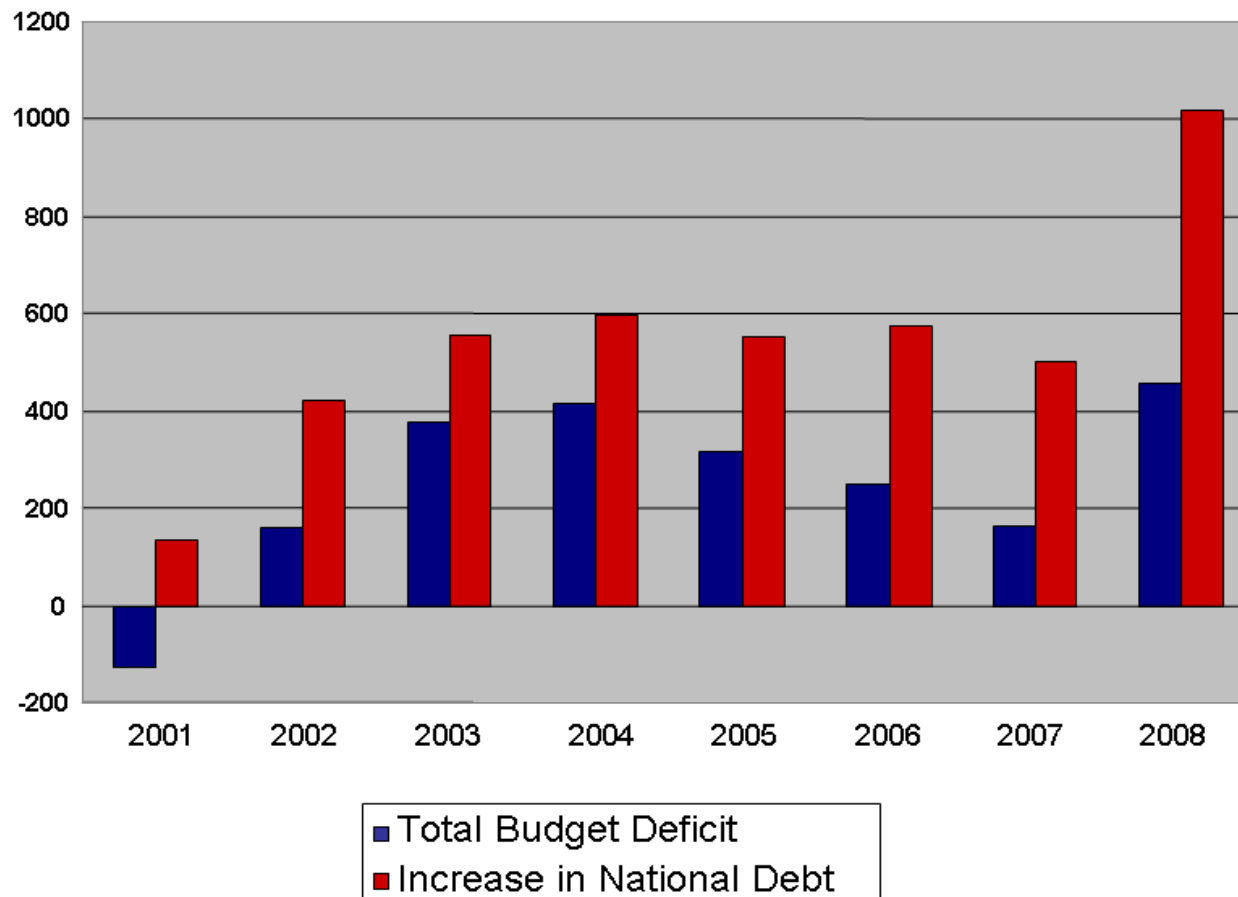
# Itemized Deductions



# Reality Check

Total Deficits vs. National Debt Increases (\$ Billions)

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# What Now?

