

NEWS

From the Office of

Supervisor Neil Derry

County of San Bernardino, Third District

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Supervisor Neil Derry Issues Alert on Economic Stimulus Package Tax Credit

Warns seniors and others about overpayment of tax credits

SAN BERNARDINO, CA – Supervisor Neil Derry issued an alert today to his constituents regarding the recent implementation of President Barack Obama’s “Make Work Pay” tax credit that was included in his economic stimulus package. The credit appears via a modest increase in taxpayers’ paychecks each pay period.

Many single taxpayers will be eligible for a credit up to \$400, while married couples will receive \$800. However, many Americans are either ineligible for this credit or will receive a larger than allowed stimulus payment each pay period. This will result in them either receiving less money in their refund check at the end of the year or even worse, owing the government money.

“Many taxpayers count on their annual refunds and expect it to be a certain amount. I am concerned that some folks will be caught off guard and owe money to the IRS,” stated Supervisor Neil Derry. **“In these tough economic times, a few hundred dollars difference can really put a lot of stress on a family.”**

Dependents and nonresident aliens are ineligible for the tax credit. For singles, the tax credit amount is phased out if you earn between \$75,000 and \$95,000 in adjusted gross income. After, \$95,000, singles do not receive any credit. For households, the tax credit amount is phased out between \$150,000 and \$190,000 with any household earning above this amount denied the tax credit.

Those who are also likely to run into problems and receive a larger than allowed credit are couples with two working spouses, workers holding two jobs at one time, dependents, retirees having taxes withheld from their pension payments and people who are working and receiving Social Security.

“I am deeply concerned that some of our seniors might be in for a rude awakening at tax time,” Supervisor Derry stated. **“We need to educate and inform our seniors and single parents that might be working two jobs to keep food on the table.”**

Individuals with questions about their specific situation are encouraged to contact a tax professional or to contact the IRS information line at: (800) 829-1040.