

Murphy Announces Tax Cut for Over 1.3 Million Connecticut Families to Take Effect Today

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As families across Connecticut continue to deal with this economic downturn, Congressman Chris Murphy (CT-5) announced that starting today, middle-class families will see an increase in their take-home pay.

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WASHINGTON, DC - As families across Connecticut continue to deal with this economic downturn, Congressman Chris Murphy (CT-5) announced that starting today, middle-class families will see an increase in their take-home pay. As a component of the American Recovery and Reinvestment Act (ARRA) of 2009, individuals earning less than \$95,000 per year will have less federal taxes withheld from their paychecks, reducing taxes for over 1.3 million Connecticut families and putting more money in their pockets each pay period.

"The recovery law not only will help keep and create jobs across Connecticut, it also provides a tax break that will put money into your pocket now. With families looking for ways to stretch their funds, this tax cut will provide a boost to their income, every pay period," said Murphy.

This tax break, known as the "Making Work Pay Tax Cut," provides immediate and sustained tax relief to 95 percent of American workers, including over 1.3 million families in Connecticut, through a tax credit of up to \$400 per worker (\$800 per couple filing jointly), for workers making less than \$75,000 (\$150,000 for couples filing jointly). The credit phases out for workers who make more than \$75,000 for an individual and \$150,000 for a couple; phasing out completely at \$190,000 for couples filing jointly and \$95,000 for single filers. These tax cuts will be distributed, starting today, to millions of families by reducing tax withholding from workers' paychecks.

For workers who receive a paycheck and are subject to withholding, the credit will typically be handled by their employers through automated withholding changes made today. Because the tax change is retroactive to January 1, some workers may have already seen the increase in take-home pay because the Internal Revenue Service (IRS) withholding tables were already updated to reflect the new credit.

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