

Tax Information Notice

Visit the UW Service Center Website for more information:
<http://www.bussvc.wisc.edu/uwpc/tax-information-notice-200903.html>

American Recovery and Reinvestment Act 2009

The 2009 Making Work Pay Tax Credit; Will You See a Bigger Paycheck?

University of Wisconsin implements the Making Work Pay Tax Credit provisions.

One of the provisions of the American Recovery and Reinvestment Act (Federal Stimulus Package) signed by President Obama on February 17, 2009 is the *Making Work Pay Tax Credit*. Under this provision, new tax tables have been issued by the Internal Revenue Service (IRS). **The University of Wisconsin is implementing the new federal tax tables effective with paychecks issued on and after April 1, 2009.**

Eligible taxpayers with adjusted gross income of less than \$75,000 may receive up to \$400, and married couples filing jointly with adjusted gross incomes of less than \$150,000 may receive up to \$800. The tax credit will phase out for taxpayers with adjusted gross income in excess of the above amounts. Non-resident aliens for tax purposes are not eligible.

The tax credit will be provided through the new tax tables. If you are eligible, tax withholdings will be reduced. Even if you are not eligible for the tax credit, your withholding may also be reduced under the new tax tables. You may want to consider changing your withholding allowances by filing a new W-4 form.

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Internal Revenue Service: <http://www.irs.gov/>

For Federal tax information, please visit the Internal Revenue web site.

Question & Answers

Q: Will the new Federal tax rate changes affect my State of Wisconsin tax rates?

A: No. You will not see any change in your State of Wisconsin tax rates.

Q: The new Federal tax rate will not meet my 2009 tax liability. How can I adjust my tax withholding?

A: Review IRS Publication 919 for guidance (see below).

W-4 Form - Employee's Withholding Allowance Certificate

An employee with multiple jobs/incomes or married couples whose combined incomes place them in a higher tax bracket may elect to submit a revised W-4 (<http://www.uwosh.edu/hr/pdf/w4.pdf>) to ensure enough withholding is held to cover the tax for the combined income.

Submit the completed form to Human Resources.

How Do I Adjust My Tax Withholding?

IRS Publication 919 provides guidance for tax withholding. This publication is also available as an online publication. <http://www.irs.gov/publications/p919/index.html>

For More Information

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If you have additional questions after reviewing the above information, please contact Human Resources at 424-1166.