

April 15th Baltimore Sun Op-Ed

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By Congressman Elijah E. Cummings

“When I find a man who is not willing to bear his share of the burdens of the government which protects him, I find a man who is unworthy to enjoy the blessings of a government like ours.” – William Jennings Bryan

April 15 has come far too quickly for many Americans. Especially as we recover from a deep recession, tax time is a pain.

However, this year, thanks to President Barack Obama and Congress, things will be just a little easier for millions of middle-class people throughout Maryland.

Their tax burden will be lighter, and bigger refund checks will await them.

The American Recovery and Reinvestment Act that passed last year reduces taxes this year by \$220 billion this year. American families will see significantly lower taxes and larger refunds. Refunds are already up 10 percent this year, to an average of \$3,036.

Why is that?

Because, when America teetered on the verge of another Depression, Congress passed the Recovery Act to help our economy start creating jobs again.

Americans invested in roads, bridges, buildings and other projects across the nation, helping those hardest-hit by the recession, while keeping police officers, firefighters, and teachers on the job. More than a third of the Recovery Act went to cutting taxes, helping businesses to start hiring again and providing relief to middle-class families struggling through the recession.

Now, with our economy creating jobs again, it is clear that those investments and tax cuts helped put America back on the right track.

Thanks to the new credits and deductions created by the Recovery Act, you might be eligible for these benefits:

- Making Work Pay credit: 95 percent of working families are receiving this credit, which means \$400 less in taxes for individuals and \$800 less for married couples. You have probably already seen the effects of this credit in your paycheck.
- College expenses: Families and students can claim up to \$2,500 to pay for college expenses.

- First home purchase: If you buy your first home by April 30, you can claim an \$8,000 deduction.
- Energy-efficiency incentives: If you made your home more energy efficient through steps like adding insulation or energy-efficient windows, you are probably already saving money on your energy bills. Now, you can also claim a \$1,500 tax credit.
- New vehicle purchases: If you bought a new vehicle between Feb. 17 and Dec. 31, 2009, you can deduct state and local sales taxes from your federal tax return.
- Family tax credits: If you are a moderate-income family, the Recovery Act increased your tax credits (the Earned Income Tax Credit is now \$5,657). It is also easier to claim the Child Tax Credit.
- Tax-free unemployment benefits: Unemployment benefits are normally taxable, but if you were looking for work last year, the Recovery Act made the first \$2,400 in unemployment benefits tax-free.

As tax season ends and Americans continue returning to work, Congress also returns to Washington. Along with President Obama, we will continue leading the way toward lower taxes, more small business jobs and the rebirth of our economy.

We remain in the economic downturn President Obama inherited. It was one of the worst in decades. America has a long way to go before our economy is fully back to health.

Some elected officials called the Recovery Act a “failure” almost as soon as it was signed. However, in slightly more than a year since the Recovery Act was signed into law, we have made real progress. The significant tax cuts in the Recovery Act are part of the reason why.