

*State Residents Will Receive a Combined \$3.5 Billion in Tax Relief*

*Washington, DC* - Congressman Maurice Hinchey (D-NY) today announced that 7 million working families in New York are now benefiting from tax relief provided in the recently approved economic recovery package. Hinchey voted for the bill that will ultimately provide a combined \$3.5 billion in federal tax relief for New York residents over the next two years.

"This tax relief will help provide some much-needed relief to New York families during these very difficult economic times," Hinchey said. "I was pleased to support this measure, which will provide 7 million New York families with more money to take home each month to help pay for food, medicine, gas, and other necessities. By investing in working and middle class Americans today, we are providing a helping hand to those who need assistance while also helping to spur economic growth."

As a result of the economic recovery measure, a refundable tax credit of 6.2 percent of earned income up to \$400 for working individuals and \$800 for married couples will be issued in 2009 and 2010. Families should see at least a \$65 per month increase in their take home pay. The credit will phase out for taxpayers with adjusted gross incomes of more than \$75,000 for individuals and \$150,000 for married couples filing jointly. It will phase out completely for taxpayers with modified adjusted gross income of \$95,000 for individuals and \$190,000 for married workers.

Today, April 1, is the first day that employers are required to institute the new lower tax withholdings for their employees, though many employers have already instituted the lower tax rate. The tax credit, which is being spread out over the course of each year, is the tax reduction centerpiece of the economic stimulus package. The credit provides more than 110 million American families with tax relief.