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KAGEN SECURES TAX CUTS FOR MIDDLE CLASS FAMILIES

You may not have seen it on TV or heard it on the radio, but I have cut taxes for thousands of families in Wisconsin by voting to reduce taxes on the middle class.

That's not my opinion; it's a fact stated by the former economic advisor to Presidents Reagan and G.H.W. Bush, Bruce Bartlett, when he said, "**Federal taxes are very considerably lower by every measure since Obama became president according to the JCT, last year's \$787 billion stimulus bill, enacted with no Republican support, reduced federal taxes by almost \$100 billion in 2009, and another \$222 billion this year.**" (Source: [Bruce Bartlett](#). *For an antitax group, they don't know much about taxes.* Forbes. March 19, 2010)

Here are 8 tax cuts I helped to secure for you and your family. For some families, this means thousands of dollars in tax savings coming back into your own pockets.

1. Making Work Pay Tax Credit - \$400 (Single) \$800 (Filing Jointly)

Over 110 million working Americans qualify for the Recovery Act's Making Work Pay Tax credit, which saves individuals up to \$400 per year, and married couples up to \$800 per year. Qualifying Americans should have received the credit incrementally in paychecks in 2009, and will continue to collect it throughout 2010. If your employer did not adjust your withholding to collect Making Work Pay in 2009, simply fill out Schedule M on the 1040 individual tax return form to collect it. Learn more about the Making Work Pay credit at www.irs.gov.

The Recovery Act also provided \$250 Economic Recovery Payments for many retirees, veterans, and disabled individuals. To find out more about this Economic Recovery Payment, call 1-866-234-2942 and select Option 1 or click [HERE](#).

2. American Opportunity Credit - up to \$2,500

College students and their parents are eligible to collect an American Opportunity Tax Credit of up to \$2,500 through the Recovery Act to pay for college tuition and other expenses. Only the parent or student can claim this credit - not both. To collect the American Opportunity Credit, fill out Form 8863 on the 1040 individual tax return form. Learn more about the American Opportunity Tax Credit at www.irs.gov

3. First-time Homebuyer Credit - up to \$8,000

First-time homebuyers who purchased in 2009 can collect a credit of up to \$8,000 with no payback requirement. To collect the First-Time Homebuyer Credit, fill out Form 5405 on the 1040 individual tax return form. Learn more about the First-Time Homebuyer Credit at www.irs.gov.

4. Residential Energy Credits - up to \$1,500

Americans who made some types of energy-efficient upgrades to their homes in 2009 can get 30% of what was spent back - up to \$1,500 - this tax season. You may have made some home improvements that qualify for these Residential Energy Credits. To collect the Residential Energy Credits, fill out Form 5695 on the 1040 individual tax return form. Learn more about the Residential Energy Credits at www.irs.gov or www.energysavers.gov.

5. Sales Tax Deduction for Vehicle Purchases

The Recovery Act's New Sales Tax Deduction for Vehicle Purchases provides a tax deduction for state and local taxes or other fees paid on up to \$49,500 of the purchase price of that vehicle in 2009. To collect the Sales Tax Deduction for Vehicle Purchases, fill out Schedule A (itemizers) or Schedule L (non-itemizers) on the 1040 individual tax return form. Learn more about the Sales Tax Deduction for Vehicle Purchases at www.irs.gov.

6. Unemployment Benefits - up to \$2,400 tax-free

Americans who collected unemployment benefits in 2009 can take advantage of a special Recovery Act tax exemption that makes the first \$2,400 of those benefits tax-free. That means a larger refund check or a smaller tax payment, thanks to the Recovery Act. The exemption for unemployment benefits is part of the 1040, 1040A and 1040EZ individual tax return forms and does not require a separate form. Learn more about the unemployment benefit tax exemption at www.irs.gov.

7. Child Tax Credit - up to \$1,000 per child

The Recovery Act expanded eligibility for credit to additional families and increased the credit for other families with dependent children up to \$1,000 per child. To collect the Additional Child Tax Credit, fill out Form 8812 on the 1040 individual tax return form. Learn more about the Child Tax Credit at www.irs.gov.

8. Earned Income Tax Credit - up to \$5,657

The Recovery Act has expanded eligibility for the Earned Income Tax Credit to additional families, and increased the credit for other families of up to \$5,657. To collect the Earned Income Tax Credit, fill out Schedule EITC on the 1040 individual tax return form. Learn more about the expanded and increased Earned Income Tax Credit at www.irs.gov.

I hope these tax cuts that I helped to secure are helpful to you and your family.

Steve Kagen, M.D.