

Information from Financial Services and CFS\* to help keep your financial life in balance

## Consumer Sense

### The Stimulus Bill

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act. This marks a sweeping initiative to promote economic stability, move to modernize the nation's infrastructure, provide billions of dollars in tax relief to Americans and provide tax incentives to small business owners to help them create jobs.

### Small Business Tax Breaks

According to the Small Business Administration or SBA, the bill provides \$730 million to SBA and makes changes to the agency's lending and investment programs so that they can reach more small businesses that need help.

### Extension of Bonus Depreciation

The Act extends a provision allowing businesses to recover the cost of capital expenditures faster as opposed to over time according to a depreciation schedule. The bill would extend this temporary benefit by permitting businesses to immediately write-off fifty percent of the cost of depreciable

property acquired in 2008 for use in the United States. The Act would extend this temporary benefit for capital expenditures incurring in 2009.

### Small Business Expensing

In order to help small businesses recover expenses more quickly, the Act extends a temporary provision allowing businesses to write-off up to \$250,000 of new capital expenses. The \$250,000 amount was first established for 2008, nearly doubling the amount from 2007. The Act will apply to all of 2009 as well.

### Making Work Pay Credit

The *Making Work Pay Credit* could mean an additional \$400 for working individuals and \$800 for married couples filing jointly for 2009 and 2010. If you are currently receiving a paycheck and you have wage withholdings then you will not need to take any extra steps to claim your credit. The credit will typically be handled by your employer through

automated withholding changes in early spring. This tax credit will phase out for taxpayers with adjusted gross income in excess of \$75,000, or \$150,000 for married couples filing jointly, according to the Internal Revenue Service or IRS.

### Economic and Recovery Payment

The Act provides a one-time payment of \$250 for those individuals receiving certain Social Security Income, disabled individuals, Railroad Retirement and disabled veterans. The one-time payment will be sent out in a separate check.

### Reaching out to Your Credit Union's Investment Professionals

Talk to your investment professional about the financial matters affecting your life. To schedule an appointment with one of our investment representatives, ask a branch representative or go to our credit union website.

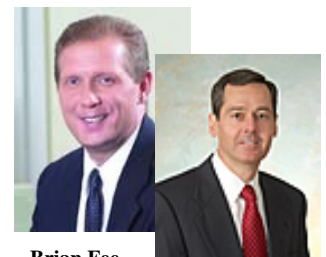
**\*For specific tax advice, please consult a qualified tax professional.**

#### Sources:

<http://www.socialsecurity.gov/payment/>;  
<http://www.irs.gov/newsroom/article/0,,id=204335,00.html>;  
[http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h1enr.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf)

### Interested in Learning More?

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!



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Do you have a topic you'd like to see covered in future *In Balance* newsletters? Email your questions and comments to us at: [investmentctr@fmfcu.org](mailto:investmentctr@fmfcu.org)

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