

Update from Assemblyman Michael CUSICK



Assemblyman
**Michael
Cusick**

Dear Neighbor:

I thought this pamphlet may be helpful to you in determining if you are eligible to claim certain tax credits on your Federal and State Income Tax filings. In these tough financial times, it is my hope that this information will help you navigate the many Federal and State tax credits available. Many individuals and working families are eligible for some of the enclosed tax credits, but are not aware of them and therefore do not claim them on their returns. I strongly encourage you to look over this information to see if you qualify for any of the tax credits.

You may also access the IRS Web site at www.IRS.gov and the New York State Department of Taxation and Finance Web site at www.nystax.gov.

Please feel free to call my office at 718-370-1384 for additional assistance.

Sincerely,

A handwritten signature in blue ink that reads "Michael Cusick".

Assemblyman
Michael Cusick

■ **E-File and Direct Deposit:** All the mathematical calculations will be done by the computer if you use an electronic preparation method and E-File. This, paired with opting for direct deposit will get your refund in about half the time it takes when you file a paper return. If you made \$57,000 or less in 2009, you may be able to take advantage of free tax preparation software and electronic filing. Visit www.IRS.gov for more information.

■ Visit www.IRS.gov or Call: 1-800-829-1040.

■ Visit www.nyc.gov/OnlineFreeTaxPrep for New York City residents who earned \$58,000 or less. You may qualify for free tax preparation and electronic filing under the 8th Annual Tax Credit Campaign.

■ Visit www.nystax.gov or Call: For individual filers, call the Personal Income Tax Information Center at 1-800-225-5829. For business filers, call the Prompt Tax Customer Service Center at 1-800-338-0054. To order all forms, call 1-800-462-8100.

Earned Income Tax Credit

The Earned Income Tax Credit or the EITC is a refundable Federal and New York State income tax credit for low to moderate income working individuals and families. According to the IRS, to qualify you must:

■ Have earned income from employment, self-employment or another source and meet certain requirements.

■ The EITC has no effect on certain welfare benefits. In most cases, EITC payments will not be used to determine eligibility for Medicaid, Supplemental Security Income (SSI), food stamps, low-income housing or most Temporary Assistance for Needy Families (TANF) payments. There are special EITC requirements for members of the military, ministers, members of the clergy, those receiving disability benefits and those impacted by disasters.

To find out if you are eligible for the Earned Income Tax Credit, go to www.IRS.gov and use the EITC Assistant, or call at 1-800-829-1040. The Assistant also calculates the amount of EITC you may receive.

First-Time Homebuyer Credit

If you bought a home in 2009 or early in 2010, you may be eligible for the First-Time Homebuyer Credit. To claim this deduction you can be either a first-time homebuyer or a long-time resident purchasing a new home. Some eligibility requirements are:

- You must buy or enter into a binding contract to buy a principal residence in the United States on or before **April 30, 2010** and you must close on the home on or before **June 30, 2010**.

- To be considered a first-time homebuyer, you and your spouse – if you are married – must not have jointly or separately owned another principal residence during the three years prior to the date of purchase. The maximum credit for a first-time homebuyer is \$8,000.

For more information about these rules and details about documentation and eligibility requirements, contact the IRS website at: www.irs.gov/recovery, or call 1-800-829-1040.

New Vehicle Owners

If you bought a new vehicle in 2009, you may be entitled to a special tax deduction for the sales and excise tax on your purchase:

- State and Local sales and excise taxes paid on up to \$49,500 of the purchase price of each qualifying vehicle are deductible.
- Qualified motor vehicles generally include new cars and light trucks and motorcycles weighing 8,500 pounds or less and motor

homes, which are not subject to the weight limit.

- Purchase must have occurred after **February 16, 2009** and before **January 1, 2010**.

For more information about these rules and other eligibility requirements, visit www.irs.gov/recovery, or call 1-800-829-1040.

Members of the U.S. Armed Forces

The tax laws provide some special benefits for active members of the U.S. Armed Forces, including those serving in combat zones, including:

- First-Time Homebuyer Credit
- Economic Stimulus Payments Especially for Military Combat Personnel
- Differential Wage Payments to Active Duty Members of the Uniformed Services
- Free Online Tax Filing Available to Many Military Members

- Active Duty Reservists Get Relief on Retirement Plan Payments; Refunds of 10-Percent Tax Available Back to 2001

- Expanded IRA Options for Military; Many Can Still Contribute for 2004 and 2005

- Tax breaks related to military service, including two provisions that may require amended returns

For Tax Assistance for Military Families, please visit www.irs.gov, or call 1-800-829-1040.

NYS Veterans' Property Tax Exemption

This provides a partial exemption on real property taxes to veterans of defined periods of war, veterans who received expeditionary medals or certain family members, as allowed by law. There are three levels of benefits, depending on whether the veteran served in combat and/or was disabled. Exemptions are also subject to dollar limitations, pursuant to state and local law. To be eligible, an applicant must be a qualified veteran or the spouse of a qualified veteran (un-remarried surviving spouse). An Application for Veterans Exemption from Real Property

Taxation (Form RP458-A) must be filed with the local assessor. The Exemption and Abatement Application for Owners must be received by **March 15th** for benefits beginning on **July 1st** of that same year.

For Additional Information:

- **1-888-838-7697**

- <http://www.orps.state.ny.us>

Federal Tax Credits for Consumer Energy Efficiency

If you purchase an energy-efficient product or renewable energy system for your home, you may be eligible for a federal tax credit. For products placed in service in 2009, you need to file the 2009 IRS Form 5695 and submit it with your 2009

taxes by **April 15, 2010**.

For more information, visit www.irs.gov, or call 1-800-829-1040.

The Making Work Pay Tax Credit

For those who qualify, this tax credit established by the American Recovery and Reinvestment Act of 2009 can be worth \$400 for individual filers and \$800 for married couples. The amount may be reduced by Economic Recovery Payments

or Special Credit for Certain Government Retirees. *For More information, please visit the IRS web site at www.irs.gov, or call 1-800-829-1040.*

Additional New York State Tax Credits

- Child and dependent care credit
- College tuition credit
- Earned income credit
- Empire State child credit
- Household credit
- New York City credits
- Non custodial parent earned income credit
- Real property tax credit

For information on these and other New York State and New York City tax credits, visit the Web site at

<http://www.nystax.gov>, or call 1-518-457-5181.

STAR: School Tax Relief

New York State's School Tax Relief (STAR) Program includes the Basic and Enhanced STAR Property Tax Exemptions. The Basic and Enhanced STAR Property Tax Exemptions are homestead exemptions. Basic STAR is available to anyone who owns and lives in his or her own home. Enhanced STAR is available to senior homeowners whose incomes do not exceed the statewide standard.

■ **Basic STAR** is available to all resident owners of 1-, 2-, and 3-family houses, condominiums, and cooperative apartments. There is no income or age limit. Owners of 4-, 5, and 6-family homes, where the owner resides in the building, may also be eligible for Basic STAR. However, the exemption only applies to the portion of the building occupied by the owner.

■ **Enhanced STAR** (for Seniors, age 65 or over as of **December 31st** of the exemption year) with an annual adjusted gross income of \$74,700 or less, in the 2008 income tax year may be entitled to a higher tax reduction through Enhanced STAR.

If you own your own home and are not receiving STAR visit the New York City Finance Department on the internet at www.nyc.gov, or call (212) 504-4080.

Senior Citizen Homeowners' Exemption (SCHE)

Owners of 1-, 2-, and 3-family houses, condominiums, or cooperative apartments who are age 65 or older by December 31st, may qualify for a reduction to their assessed value for that property tax year. For example, an eligible senior with a birth-

day from **Jan. 1, 2010 to Dec. 31, 2010** will receive a property tax reduction for **July 1, 2010 to June 30, 2011**.

Visit www.nyc.gov, or call 1-212-504-4080.

New York's 529 College Savings Program Direct Plan

This program provides a flexible, convenient, and low-cost way to save for college. The Program features a wide range of investment choices, tax-free withdrawals when used for

qualified higher-education expenses, and contributions that are tax-deductible (up to certain limits) for New York State residents. *Visit www.nyc.gov, or call 1-518-457-5181.*

The Hope Credit: Students can claim a maximum annual tax credit of \$2,500 per student. The credit has been expanded to cover up to 4 post-secondary years instead of 2.

For more information visit www.irs.gov, or call 1-800-829-1040.

Disabled Homeowners' Exemption (DHE)

Low-income homeowners with disabilities may receive a tax reduction like the SCHE exemption described above. The applicant must have a disability, defined as a physical or mental impairment not due to current use of alcohol or illegal drugs. If a husband/wife, siblings, or registered domestic partners own the property, only one owner needs to have a disability

to qualify for DHE. All owners must qualify as disabled for other types of co-ownership. To be eligible the property must be the owner's primary residence. This means the house, condominium, or cooperative apartment you live in most of the year and the address where you are registered to vote. *For more information visit www.nyc.gov, or call 1-212-504-4080.*

The New York State Great Appliance Swap Out

Purchase an ENERGY STAR-rated refrigerator, clothes washer, freezer or dishwasher and receive a rebate. Rebate applications must be postmarked by April 30, 2010. This opportunity is only available until the funding runs out so be sure to check

on the remaining funding and program guidelines and rebate amounts and forms by visiting www.NYApplianceSwapOut.com, or call 1-877-NY-SMART.

The New York City Child Care Tax Credit (CCTC)

This program is designed to assist families with low incomes who are employed or underemployed with the cost of child care for children up to the age of 4. If the credit is more than the amount of New York City tax that is owed, a filer can claim a refund.

To claim the New York City Child Care Tax Credit, a filer must:

- Qualify to claim the New York State Child and Dependent Care Credit
- Have paid qualified expenses for the care of a qualifying child(ren) up to the age of 4 on or before December 31, 2009—and be able to provide supporting records/documentation for reported expenses
- Have federal adjusted gross income of \$30,000 or less
- Have been a full-year or part-year resident of New York City during 2009

For more information visit www.nyc.gov, or call 1-212-504-4080.

Save up to 80% of the penalty and interest on your New York State tax debts

The **PAID** (Penalty and Interest Discount) program gives taxpayers with older unpaid bills the chance to save up to 80% of the penalty and interest they owe. To take advantage of this program, you must make all payments by the program's expiration date, **March 15, 2010.**

New York City School Tax Credit

To claim the New York City (NYC) school tax credit, you must have lived in NYC for all or part of 2009. However, you cannot claim this credit if you can be claimed as a dependent on another taxpayer's federal return. If you qualify, use form NYC-210.

New York State Real Property Tax Credit

To Claim for Real Property Tax Credit for Homeowners and Renters, use form IT-214.

HELPFUL NUMBERS AND WEB SITES

AARP MEMBERS

AARP Tax-Aid program provides online tax counseling and can help you with federal tax questions. For assistance, please visit www.AARP.org

For those who need help preparing basic tax forms, including the 1040, 1040A, 1040EZ and other standard schedules, please call 1-888-227-7669.

Veterans and Senior Citizens

- New York State Division of Veterans Affairs (718) 447-8787
- Richmond County Senior Services (718) 816-1811

For Federal Refund Status, visit: <http://www.IRS.gov> For State Refund Status, visit: <http://www.nystax.gov>

NOTE: New York City law states that tax preparers provide customers with a Taxpayer Bill of Rights. To find out more, call 311.

CONTACT ASSEMBLYMAN MICHAEL CUSICK

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