



Who says you can't get a break these days? The Making Work Pay tax credit is a provision of the **American Recovery and Reinvestment Act** that increased paychecks for millions of taxpayers in 2009. You may be eligible for the credit again in 2010.

Here's what you should know.

Making Work Pay is a refundable tax credit of up to \$400, or up to \$800 if you're filing a joint return. It's automatically added to your paycheck through less tax withholding. But remember, you'll still need to claim the credit on your 2010 tax return by completing Schedule M and attaching it to your paper return. If you e-file, the software will do this for you. The credit amount starts phasing out if you make more than \$75,000, or \$150,000 if you're filing a joint return. If you're self-employed, you can get the credit by adjusting the amount of your estimated tax payment or when you file your 2010 tax return and Schedule M.

Just keep in mind that there are some circumstances where you may have too little tax withheld. This can include if you have more than one job, receive a pension, or you're married and both work. You also may have too little withheld if you're claimed as a dependent or you don't have a valid social security number. Remember, you can adjust your withholding to the correct amount for your situation. Go to **IRS.gov** and search for "withholding calculator" or check the recovery page to find out what's best for you.

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