



MITCHELL J. LANDRIEU
LIEUTENANT GOVERNOR

State of Louisiana
OFFICE OF THE LIEUTENANT GOVERNOR
DEPARTMENT OF CULTURE, RECREATION & TOURISM
MANAGEMENT AND FINANCE

PAM BREAUX
SECRETARY

DESIRÉE W. HONORÉ¹
UNDERSECRETARY

HUMAN RESOURCES MEMORANDUM NO. 09-014

TO: All CRT Employees

FROM: Jan Ramezan *JR*
Human Resources Director

SUBJECT: American Recovery and Reinvestment Act (ARRA), Federal Withholding Table Changes

DATE: April 2, 2009

The American Recovery and Reinvestment Act (ARRA) signed into law February 19, 2009, contains a provision reducing federal tax withholdings for most employees for calendar years 2009 and 2010. The "Making Work Pay Tax Credit" provides a refundable credit through a reduction in payroll taxes of up to \$400 for working individuals and \$800 for married couples filing jointly. The revised tables were implemented in ISIS HR for the pay date of 3/27/09. Most employees will receive a tax refund in either their pay check of 3/27/09 or 4/10/09 for tax rate changes back to the effective date of the Act (2/19/09).

Employees do not have to submit a new Form W-4 to get the automatic withholding change. If employees do not want their withholdings reduced in subsequent pay periods, they may file a new Form W-4 or change their withholdings through LEO. This tax credit may place some individuals in an "under withheld" situation by year's end. In particular, married couples with both spouses earning wages or individuals working multiple jobs concurrently. In addition, non-resident aliens that are subject to federal withholding and workers who can be claimed on another person's return (dependents) are ineligible for the tax credit. Employees are encouraged to consult with a tax professional.

Please make this information available to all of your employees.

JR:cm

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