

# [***Taxpayers to Get Hundreds of Dollars Back Under New Bill***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BBP-93D1-DY68-117P-00000-00&context=1516831)

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**Highlight:** A new bill introduced in the House this week would see Americans get hundreds back in a tax credit.

**Body**

A new bill introduced in the House this week would see Americans get hundreds back in a [*tax credit*](https://www.newsweek.com/michigan-working-families-tax-credit-when-1869514?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships).

Representative Gabe Vasquez, a Democrat from New Mexico, has proposed H.R.7400, which calls for a one-time refundable tax credit equal to 10 percent of each taxpayer's federal taxes. Under the proposed credit, only single filers making $150,000 or less would qualify. Couples could score the tax credit if making $250,000 or under.

That means someone making $70,000 yearly would see around $900 back from the bill to help ease the burden of inflation.

"I am looking forward to unveiling my Lower Costs Plan next week in New Mexico," Vasquez told *Newsweek*. "We need to support working families by fighting inflation and creating good-paying jobs. It's time to put partisan ***politics*** aside and get back to delivering for the American people. That's exactly what my plan does."

It's currently unclear how likely a bill of this nature could get passed, as it would need to be first supported by a committee before being sent on to the House.

But with $900 extra that could potentially be saved for American families, many are hoping the bill passes without typical [*Congress*](https://www.newsweek.com/topic/congress?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) partisanship getting in the way.

"$900 may not seem like much, but [it] could make a real difference for some households," Michael Ryan, a finance expert and founder of michaelryanmoney.com, told *Newsweek.* "I believe legislators should approach this bill based on its potential to deliver tangible relief rather than partisan positioning."

While a tax credit like this would help Americans in a tough spot financially as they [*navigate inflation*](https://www.newsweek.com/filing-taxes-more-expensive-price-increase-1870092?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), financial literacy instructor Alex Beene said many might have a problem with the bill's timing.

"It's always difficult to tell in an election year whether bills proposed are for the genuine good, as a political ploy, or a mixture of both," Beene told *Newsweek*. "A tax credit would certainly ease the financial burden inflation has put on many American families, but a one-time credit could come across as 'too little, too late' to some and a 'why isn't this permanent?' to others."

Inflation currently stands at 3.4 percent after months of the Fed attempting to bring it down with [*interest rate hikes*](https://www.newsweek.com/chart-dramatic-change-fed-interest-rate-1815629?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) to no avail. Beene said while many Americans would be excited about any savings, it likely wouldn't be a saving grace for America's financial situation.

"The credit of this nature sounds good on paper, but the reality is most of the issues inflation entails will continue to persist until factors both in and outside of government's control ease its impact," Beene said.

Others argue it could, in fact, add to inflation instead of helping the problem at a larger scale.

"If this bill were passed, some Americans would be able to pay bills that they have needed to catch up on," Melanie Musson, a finance expert with Clearsurance.com, told *Newsweek*. "Other Americans would put the money into savings. But most people would use the refund on something they've been wanting. If passed, the credit could contribute to more significant inflation."

**Other Tax Credits**

The United States offers several other tax credits already enacted by the federal government. A few key ones include the child tax credit and earned income tax credit.

Families who have children under the age of 17 can take advantage of the child tax credit if they meet specific income requirements. For the 2023 taxes you file this year, you can expect $2,000 per child, with $1,600 of the credit being refundable.

The earned income tax credit, on the other hand, is available for low-income taxpayers, no matter if they have children or not. The exact credit ranges from $600 to $7,430 and relies on how many kids you have, your marital status and the amount of income you bring in.

You also may qualify for the lifetime learning credit, which offers 20 percent of the first $10,000 you paid toward tuition and fees, with a maximum of $2,000. Keep in mind that the credit doesn't consider living expenses or transportation as eligible fees, but textbooks do apply.

The Child and Dependent Care Tax Credit Enhancement Act of 2024 is another federal tax credit that could be approved.

Proposed by Democratic Senators [*Bob Casey*](https://www.newsweek.com/topic/bob-casey?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), Patty Murray and Ron Wyden, the bill would increase the maximum credit to $4,000 per child. The update would also ensure that the credit adjusts with inflation to better support low-income families.

Specific states have enacted their own tax credits as well.

In Michigan, Governor [*Gretchen Whitmer*](https://www.newsweek.com/topic/gretchen-whitmer?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) approved $550 checks to go to 700,000 families eligible for the Working Families Tax Credit.

"These checks that are starting to be mailed out this week will lift tens of thousands of people out of working poverty and directly benefit half the children in Michigan by helping their moms and dads pay the bills, put food on the table, and buy school supplies," Whitmer said in a statement.

"We got your back in Michigan as you work hard and support your family. Together, let's build a brighter future and a stronger economy."

[*Link to Image*](https://d.newsweek.com/en/full/2350415/taxes.jpg)

**Graphic**

Taxes

Scott Olson/Getty Images

CHICAGO - NOVEMBER 1: Current federal tax forms are distributed at the offices of the Internal Revenue Service November 1, 2005 in Chicago, Illinois. A presidential panel today recommended a complete overhaul of virtually every tax law for individuals and businesses.

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