

American Recovery and Reinvestment Act of 2009
(Enacted February 17, 2009)

<i>Item</i>	<i>Effective Date</i>	<i>New Law States</i>	<i>Prior Law States</i>
Special Depreciation — Claiming R & D credit and MTC Instead	Property placed in service during 2009 (or 2010 in some case)	<p>Corporations can elect to forgo the 50% special (bonus) depreciation allowance and instead use research and development (R&D) and minimum tax credit (MTC) carryovers equal to 20% of the foregone depreciation (subject to limits). This election is available for qualified assets (1) purchased after 3/31/08 (provided there was no binding purchase contract in effect before 4/1/08) and (2) placed in service by 12/31/09 (12/31/10 for certain long-production property and aircraft). The assets to which the election applies must be depreciated using the straight-line method.</p> <p>If the election was not made for the first tax year ending after 3/31/08, it can be made for the next tax year, but only for property placed in service in 2009 (2010 for certain long-production period property and aircraft). [IRC §168(k)(4)(H)]</p>	The election was available for assets placed in service after 3/31/08 and before 12/31/08 (12/31/09 for certain long-lived assets and transportation property). The election had to be made for the first tax year ending after 03/31/08.
Work Opportunity Tax Credit (WOTC)	Workers who began work during 2009 or 2010	<p>Under the WOTC, an employer can claim a tax credit for wages paid to members of certain “targeted groups.” Generally, the maximum credit is \$2,400 per employee (40% of up to a maximum of \$6,000 of qualified first-year wages).</p> <p>The following are added to the list of targeted groups for the WOTC:</p> <ul style="list-style-type: none"> • Unemployed veterans. • Disconnected youths (certain individuals age 16–24 who are not regularly attending school and who are not readily employable because they lack a sufficient number of skills). <p>[IRC§51(d)(14)]</p>	WOTC applied to 9 targeted work groups.