

Note to Subscribers:

After we went to press, Obama announced a new policy proposal to subject earned income over \$250,000 to the 6.2% Social Security tax. Thus, in 2009 Obama wants the tax to apply up to the Social Security wage base, expected to be around \$106,500. The tax would take a break until the taxpayer's earnings are more than \$250,000, and would be imposed on all earnings over that level. The 1.45% Medicare payroll tax would continue to apply to all earned income, as it does now.