The Honorable Charles B. Rangel, Chairman

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Chairman Rangel Outlines Economic Recovery Package

Bill would provide critical tax, health, job training benefits for families, incentives to create jobs

WASHINGTON, D.C. – Ways and Means Committee Chairman Charles B. Rangel (D-NY) today released details of the economic recovery package falling under the jurisdiction of the Committee. This groundbreaking plan will provide critical tax, health and job-training benefits to American families, incentives for businesses to grow and create jobs and assistance for those who have lost their jobs or are economically disadvantaged.

"The critical state of our economy calls for swift, comprehensive action and this package will provide relief to all communities and all sectors of the American economy," said Chairman Charles B. Rangel (D-NY). **"This recovery package will provide tremendous tax relief, health care and job training benefits for families struggling to make ends meet, while also giving businesses the boost they need to create new jobs. We have also designed specific provisions to help State and local governments fund critical infrastructure projects to improve our roads, schools, bridges and airports, while also maintaining and creating good-paying jobs for working families. This package was developed with strong coordination between the House and Senate leaders, President-elect Obama and his economic team. I look forward to working with all parties involved toward a swift passage."**

The Recovery legislation will be formally introduced in the coming days, and is expected to receive consideration in the Ways and Means Committee next week.

An outline of the provisions under the Ways and Means Committee's Jurisdiction included in the Economic Recovery package follows:

Tax Relief for Individuals

- "Making Work Pay Credit"
- Expand Earned Income Tax Credit (EITC)
- Increase in child tax credit, $0 floor

Education

- Simplification of education credits w/ $2,500 credit for first four years of higher education expenses (increase income limitations), with credit partially-refundable (40% refundable)

Housing

- Remove repayment requirement on $7,500 first-time home buyer credit for homes purchased after 2008 and before termination of credit (June 30, 2009)
- Coordination provisions with new grant program for low-income housing being designed by the Financial Services Committee

Business

- Bonus depreciation
- 5-year carryback of net operating losses (excluding companies receiving TARP benefits, Fannie Mae, Freddie Mac)
- Extension of increased small business expensing
- Expand work opportunity tax credit for disconnected youth and unemployed, recently-discharged veterans
- Prospectively repeal Treasury Section 382 ruling

State and Local Governments

- Allow financial institutions to purchase State and local bonds and other changes
- Repeal AMT limits on new private activity bonds
- Taxable bond option for governmental bonds
- School construction bonds
- One year deferral of withholding tax on government contractors

Distressed Areas

- Provide tax exempt bonds and tax credit bonds to "recovery zones." These tax exempt bonds and tax credit bonds can be used for a wide array of purposes to stimulate economic development, including job training and education. A "recovery zone" would be an area within a State, city or county that has exhibited high unemployment, foreclosures or poverty.

These bonds would be allocated automatically to States and large municipal governments based on the number of unemployed individuals within that area.

Energy Tax Incentives

- Long-term extension of renewable energy production tax credit
- Temporary election to claim the investment tax credit in lieu of the production tax credit
- Coordination provisions with new grant program for renewable energy projects being designed by the Energy and Commerce Committee (sections 45 and 48 projects)
- Clean Renewable Energy Bonds ("CREBs")
- Qualified Energy Conservation Bonds
- Energy efficiency and conservation tax incentives under sections 25C, 25D and 48
- Smart energy conservation, energy efficiency, and renewable energy R&D credit
- Refueling property credit expansions

Trade Adjustment Assistance (TAA)

- Updates, modernizes and expands TAA to cover service workers, and substantially improves and extends coverage to manufacturing workers

- Triples funds for job training

Unemployment Insurance (UI)

- Encourage UI Modernization
- Continue the Emergency Unemployment Compensation Program
- Increase UI checks by $25/week

Additional Temporary Assistance for Needy Families (TANF)

- Provide additional TANF Contingency Funds to serve needy families

Supplemental Security Income (SSI)

- Provide a one-time additional SSI Payment to Low-Income elderly and disabled recipients

Child Support Enforcement Funding

- Restore federal funding for Child Support Enforcement for 2 years

COBRA Healthcare for the Unemployed

- Provides temporary subsidies for health insurance coverage to those who have lost their jobs.
- Extends the availability of unsubsidized COBRA coverage for older and tenured workers beyond the 18 months provided under current law

Health Information Technology (HIT)

- Establishes standards, payment incentives and privacy protections to encourage the widespread adoption of health information technology.

Extends Moratorium on Selected Medicare Regulations through October 1, 2009

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