



For Immediate Release  
March 10, 2010

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## **BAUCUS LAUDS SENATE PASSAGE OF BILL TO PROVIDE TAX CERTAINTY FOR BUSINESSES, STABLE BENEFITS FOR OUT-OF-WORK AMERICANS**

*Finance legislation extends tax cuts, emergency unemployment benefits, COBRA health care coverage, small business loans through this year*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the Senate’s passage of legislation to extend tax cuts, unemployment insurance benefits and eligibility for unemployment benefits and health care for unemployed workers through the end of 2010. Baucus introduced this bill last week, along with Majority Leader Harry Reid (D-Nev.), to provide the tax certainty and benefit stability American families, communities and businesses need to get back on their feet in this tough economy.

**“This recession shook the foundation of our economy, leaving many Americans without work and many business owners questioning their future. Extending these tax cuts and the critical safety-net programs in this bill will give businesses the tax certainty they need to move forward and families the support they need to make ends meet,”** said Baucus. **“When businesses know they can count on the tax cuts in this bill, they know they can add an extra shift or hire a new worker. When families know they can count on unemployment and COBRA benefits in this bill, they know they can put food on the table while they continue to look for work. Getting Americans back to work is a critical priority and extending the tax cuts and benefits in this bill will help build the stable environment we need for job creation.”**

The American Workers, State and Business Relief Act, passed today, extends unemployment insurance benefits and eligibility for the 65 percent COBRA health care tax credit through December 31, 2010. The COBRA tax credit helps workers who have lost their jobs continue to afford health insurance through the Consolidated Omnibus Budget Reconciliation Act. In today’s economy, families and communities depend on these benefits more than ever to make ends meet. Baucus has been a leader in the Senate in his work to ensure unemployed workers do not lose the support they need.

The American Workers, State and Business Relief Act also retroactively extends tax cuts for middle-class families and businesses that expired at the end of 2009. American businesses depend on these tax cuts when calculating their ability to pay their employees and hire new workers, and middle-class families depend on these tax cuts to plan their budgets and determine how much money they can save or invest. Extending these tax cuts creates the stability and certainty that our economy needs to create jobs.

Tax cuts extended in this bill include:

- A tax cut for research and development to help American businesses spur innovation and grow;
- A tax cut to allow restaurant owners to depreciate new construction and improvements and retail store owners to depreciate improvements over 15 years rather than 39.5 years, which supports construction jobs and saves these businesses money they can use to reinvest in their companies and hire new workers;
- A tax cut for small businesses that continue to pay employees who have been called to active duty, so these businesses can continue to support these jobs and hire new workers;
- A tax cut to incentivize the use of biodiesel and renewable energy, which supports energy independence and jobs in this growing industry;
- A tax cut for teachers who buy classroom supplies out of their own pockets, so they can continue to provide quality education for tomorrow's workforce;
- A tax cut to help families afford college tuition, so our young people can get the world-class education they deserve without going broke;
- A tax cut to help families make homes more energy efficient and save money on utility bills while supporting jobs in the growing energy sector;
- A tax cut to allow taxpayers to continue to deduct state sales tax on their federal tax returns, so families can continue to use the tax deductions they count on; and
- A tax cut to encourage businesses to invest in low-income communities to support jobs where they are needed the most.

The bill also extends other vital safety-net services and provides relief for pension plans that were hit hard by the economic downturn to help employers meet their promises to their employees for the retirement benefits they deserve.

The legislation prevents a reduction in the federal poverty level (FPL) from taking effect through 2010. The scheduled reduction is caused by a decrease in the average cost of goods resulting from the economic downturn. Preventing this reduction ensures that low-income families struggling to stay afloat in this tough economy may continue to qualify for programs such as Supplemental Nutrition Assistance Program (SNAP) or food stamps, Medicaid and home heating assistance.

Likewise, the legislation allows individuals living below the poverty level to continue to disregard refundable tax credits and refunds as part of their income for twelve months after receipt. This provision ensures that families living in poverty are not penalized for receiving tax cuts by losing their eligibility for important safety-net programs.

The bill also extends the increased federal assistance for state Medicaid programs, made available through the American Recovery and Reinvestment Act, for six months. Without this additional federal support, many states would be unable to fund their Medicaid programs and families would lose the health care coverage they need.

In addition, the legislation continues funding for loan programs that provide small businesses with the capital they need to succeed and grow. The bill extends funding to reduce or eliminate fees under the Small Business Administration's 7(a) loan guarantee program and the 504 loan program through the end of this year.

And, the legislation reverses a scheduled 21 percent payment cut for doctors who provide services through Medicare and TRICARE, ensuring that America's seniors and military families will continue to have access to their physicians. The legislation also extends several other important Medicare protections, including the exceptions process for Medicare beneficiaries who exceed their cap on therapy services and provisions impacting doctors and other health care providers who serve rural communities.

The American Workers, State and Business Relief Act passed the Senate today by a vote of 62 to 36.

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