

Baucus Economic Recovery Proposal

	Cost (billions)	
	2002	2002 - 2011
Tax Provisions	\$35	\$21
<u>Individual Relief</u>		
1 - Stimulus Checks - provide a rebate of \$300 per individual, \$500 per head of household, and \$600 per couple for taxpayers not receiving checks in summer of 2001 (excluding dependents). Partial checks for 17 million taxpayers who received less than \$300 this summer.	\$14	\$14
<u>Business Relief</u>		
2 - 10% Bonus Depreciation - allow 10% immediate expensing for investments in capital and software placed in service over next 12 months. Remaining 90% depreciated under current rules.	\$15	\$3
3- Expensing - increase from \$25,000 to \$35,000 the amount that small businesses may expense under Section 179 for the next 12 months.	\$1	\$0
4 - 5-Year Net Operating Loss (NOL) Carrybacks - extend from 2 to 5 years the carryback period for losses for next 12 months.	\$4	\$1
<u>Extenders</u>		
5 - Extenders - extend all expiring provisions by one year.	\$1	\$3
Non-Tax Provisions	\$35	\$19
<u>Unemployment Insurance</u>		
6 - Temporarily Extend and Expand Unemployment Insurance - 1) provide 13 weeks of extended benefits to workers whose regular Unemployment Compensation has expired; 2) require states to use most recent earnings data to determine UI eligibility and provide benefits to certain part-time workers; and 3) supplement the amount of benefits paid to UC recipients.	\$16	\$0
<u>Health Coverage</u>		
7 - COBRA Subsidy - provide a 50% subsidy for purchase of COBRA continuation coverage.	\$17	\$17
8 - Medicaid - give states the option to cover displaced workers and their families through Medicaid. Fund at the enhanced CHIP matching rate, which pays 70 percent of the cost, on average. Give states the option to use Medicaid funds at the CHIP match rate to subsidize the remainder of the COBRA premium for low-income individuals.		
<u>Agriculture Spending</u>	\$2	\$2
TOTAL	\$70	\$40