

The Economic Recovery and Assistance for American Workers Act of 2001

	Cost (billions)*	
	2002	2002 - 2011
Tax Provisions	\$37	\$25
<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). Provide partial checks for 17 million taxpayers who received less than \$300 this summer. (Bring total for each tax filer up to max amount.)	\$14	\$14
<u>Business Relief</u>		
2 - 10% Bonus Depreciation - allow 10% immediate expensing for investments in capital, leasehold improvements, software, and property subject to the income forecast method of accounting placed in service over next 12 months. Other 90% depreciated under current rules.	\$14	\$2
3 - Expensing - increase from \$25,000 to \$35,000 the amount that small businesses may expense under Section 179 for 2002.	\$1	\$0
4 - 5-Year Net Operating Loss (NOL) Carrybacks - extend from 2 to 5 years the carryback period for losses incurred in 2001.	\$5	\$1
5 - New York Stimulus and Distressed Area Package - allow an employer wage credit of up to \$4,800 per employee per taxable year in the New York Recovery Zone; authorize tax-exempt private activity bonds for rebuilding in the area; provide incentives for reinvestment in New York City; extend authority for Indian Tribes to issue tax-exempt private activity bonds.	\$2	\$5
<u>Extenders</u>		
6 - Extenders - extend expiring tax and trade provisions by one year.	\$1	\$3
Non-Tax Provisions	\$31	\$20
<u>Unemployment Insurance</u>		
7 - Temporarily Extend and Expand Unemployment Insurance - provide 13 weeks of extended benefits to workers whose regular Unemployment Compensation has expired; require states to use most recent earnings data to determine UI eligibility and provide benefits to certain part-time workers; and supplement the amount of benefits paid to UC recipients.	\$14	\$0
<u>Health Coverage</u>		
8 - COBRA Subsidy - provide a 75% subsidy for purchase of COBRA continuation coverage.	\$6	\$9
9 - Medicaid - give states the option to cover displaced workers and their families through Medicaid. Fund at the enhanced CHIP match rate. 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.	\$1	\$3
<u>State Stimulus Package</u>		
10 - Federal Medical Assistance Percentage ("FMAP") - Increase the rate at which the federal government matches state spending on Medicaid by 1% for all states and 2% for high-unemployment states.	\$3	\$4
<u>Agriculture Relief</u>		
11 - Emergency Assistance Programs - re-establish the Natural Disasters, Quality Loss, and Livestock Assistance Programs for fiscal 2002; provide that not more than \$12 million of the amounts made available under the program are for the American Indian Livestock Feed Program; provide approximately \$200 million for commodity purchases.	\$3	\$3
12 - Rural Development - provide \$3 billion to clear the backlog of pending rural development loan and grant applications.	\$3	\$3
TOTAL	\$67	\$45

* Note: Details may not sum to totals due to rounding.