



2009 Economic Stimulus Where Small Business Stands

Proposal	House	Senate	Final
Taxes			
Earned income tax credit - temp. increase for households with three or more children	x	x	x
For 2009 and 2010, a higher education \$2,500 tax credit	x	x	x
Homebuyers tax credit of \$8,000 - waive repayment requirement for those earning less than \$75,000 (\$150,000 joint filers) per year			x
Clean energy production and usage tax credits	x	x	x
For 2008, extends NOL carry back periods from two to five years for small businesses with gross receipts of \$15 million or less.			x
Extend 50 percent bonus depreciation through 2009 for investing in new plants and equipment	x	x	x
Extend by two years the increased level (\$250,000 for 2008) for small-business expensing—currently only \$125,000.	x	x	x
For 2009 and 2010, "Making Work Pay" credit of \$400 for individuals and \$800 for couples			x
Withholding on contracts - one-year delay on the requirement that federal, state, and local governments withhold three percent on all contracts		x	x
AMT one-year patch designed to be a "hold harmless" patch		x	x
Allow businesses to defer tax payment—spread out over ten years—on income resulting from debts that have been forgiven			x
For 2009, temporarily suspends federal income tax on the first \$2,400 of unemployment benefits per recipient.			x
Under prior law, estimated tax payments were required to be at least 100 percent of the tax liability for the prior year in order to escape penalty. In 2009, estimated tax payments for individuals with a majority of income derived from a small business will be allowed a "safe harbor" of 90 percent of the 2008 liability.			x
Allows a 75 percent—currently set at 50 percent—exclusion for individuals on the gain from the sale of certain small business stock held for more than five years.			x
Lending/SBA/Programs			
\$630 million for fee reductions and new loan guarantee authorities, specifically the 504 program and the new Business Stabilization Program			x
\$375 million for reimbursements, loan subsidies, and loan modifications for 7(a) and 504 loans - specifically the temporary reduction of 7(a) fees and the temporarily elimination of 504 fees			x
\$255 million for loan subsidies and loan modifications under the new Business Stabilization Program			x
Authorize SBA to guarantee "up to" 90 percent of its small-business loans			x

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Lending/SBA/Programs, cont'd			
SBA's Microloan Program - \$24 million for technical assistance and \$6 million for direct lending		x	x
Temporarily increased SBA's surety bond guarantee limit from \$2 million to \$5 million and appropriates \$15 million for surety bond revolving fund			x
SBA Inspector General - \$10 million for oversight			x
Authorizes SBA to carry out Business Stabilization Program to provide loans on a deferred basis to "viable" small business concerns that have a qualifying and existing small-biz loan and are experiencing immediate financial hardship			x
Authorizes SBA to refinance community development loans under its 504 program			x
Authorizes SBA to make "transition" leverage available to commonly-controlled Small Business Investment Companies (SBICs), which will allow successful SBICs to operate a second or third fund			x
Secondary Market Guarantee Authority established under SBA to provide guarantees for pools of first lien 504 program loans that are to be sold to third-party investors	x		x
Health Provisions			
Provides a nine month subsidy for COBRA coverage for individuals laid off between Sept. 1 2008 and Dec. 31 2009. The subsidy is delivered by authorizing individuals who elect COBRA continuation to pay only the unsubsidized portion of their premium and their former employer would pay the remaining portion of the premium (65%).	x		x
Gives funding to HHS and Medicare for possible implementation of comparative effectiveness programs as well as broad implementation of health IT standards.			x