

Washington, D.C. - Rep. David Price (D-NC) released a statement today applauding House passage of H.R. 2847, the Hiring Incentives to Restore Employment (HIRE) Act. The legislation creates a payroll tax holiday for businesses that hire unemployed workers, establishes an income tax credit of \$1,000 for businesses that retain those employees long-term and extends infrastructure investments that are vital to job creation. Rep. Price's statement is below:

"Small businesses are the primary engine of job creation in this country. That's why they are absolutely essential to our economic recovery. I hope \$15B in payroll tax cuts and income tax credits will go a long way in helping small businesses hire new employees and getting Americans back to work."

The House action follows the Senate's 70-28 passage of similar legislation last week. It is one of several in a series of job creation and consumer protection measures that Congress is taking to accelerate the economic recovery. A summary of the legislation follows.

H.R. 2847 – The Hiring Incentives to Restore Employment Act

New Tax Incentives for Businesses to Hire Unemployed Workers

- Tax incentives for businesses to spur immediate job growth. A new payroll tax exemption would create a common-sense, targeted, and effective way to encourage employers to begin hiring unemployed workers today and is estimated to spur about 300,000 new jobs, according to economist Mark Zandi of Moody's Economy.com.

- Payroll Tax Exemption. Provides businesses with an exemption from Social Security payroll taxes for every worker hired in 2010 who has been unemployed for at least 60 days. (The maximum value of this incentive is \$6,621, which equals to 6.2 percent of wages paid in 2010 up to the FICA wage cap of \$106,800.) The longer that a business has a new qualified worker on its payroll, the greater the tax benefit. The House amendments incorporate an IRS fix to make sure that small businesses can take advantage of the payroll tax holiday.

- **Bonus for Keeping Employees Long Term.** Provides an additional \$1,000 income tax credit for every new employee retained for 52 weeks. Estimated cost of these provisions: \$13 billion over 10 years.

Spur Small Business Investments to Grow

- **Small Business Expensing.** Extends Recovery Act provisions that double the amount small businesses can immediately write off their taxes for capital investments and purchases of new equipment made in 2010 from \$125,000 to \$250,000. This will help small business make the investments they need to grow and hire more workers. Estimated cost: \$35 million over 10 years.

Highways and Infrastructure

- **School Construction, Energy Conservation and Renewable Energy.** Allows qualified school construction bonds, qualified zone academy bonds, clean renewable energy bonds, and qualified energy conservation bonds to take advantage of the Build America bonds direct payment program. TIME magazine calls the Build America Bonds "one of the economic recovery efforts biggest successes." The House will act later to expand the Build America Bonds program. Estimated cost: \$4.6 billion over 10 years.
- **Transportation Extension.** Extends surface transportation programs through December 31, 2010 to provide states and localities with the certainty they need to make decisions on capital-intensive projects and allow for billions more to be invested in infrastructure throughout the United States. It includes language continuing the application and enforcement of the minority-owned business enterprise contracting requirements for surface transportation projects.
- **Avoiding a Highway Shortfall & Bolstering the Trust Fund.** Transfers approximately \$20 billion from the General Treasury and to the Highway Trust Fund (HTF), as the HTF is estimated to run short of funds in June. This transfer will reimburse the HTF for interest it should have collected in the past and will allow the federal government to support existing federal highway and transit programs through the end of this year at the levels authorized for Fiscal Year 2009. Under the bill, the HTF will be more financially healthy as it will be able to accrue interest going forward, just like other federal trust funds. The bill also restores \$8.7 billion that was rescinded

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