



Senate Jobs Bill Summary

Senator Baucus (D-MT), Chairman of the Senate Finance Committee, and Senator Grassley (R-IA), Ranking Member, released their bipartisan agreement on an \$84 billion package of tax incentives, safety net provisions and a seven-month delay in Medicare physician payment cuts called the *Hiring Incentives to Restore Employment (HIRE) Act*. Infrastructure funding provisions are not included in this jobs bill, but are slated for inclusion in a yet-to-be introduced Dorgan-Durbin Jobs Bill.

Baucus-Grassley HIRE Act (tax portion) – introduced on 2/11/10:

- Hiring tax credits - Exempts businesses hiring unemployed workers in 2010 from the 6.2 percent Social Security payroll tax for those hires and provides an additional \$1,000 tax credit for workers retained for a full year. Cost: \$13 billion.
- Highway programs - Reauthorizes the highway trust fund to use gasoline taxes to help state and local governments pay for highway and transit projects. Deposits an additional \$20 billion into the trust fund. The bill also will repeal an \$8.7 billion rescission of states' highway contract authority that took effect on September 30, 2009 and was passed in the 2005 SAFETEA-LU legislation, which expired at the end of September.
- Equipment write-offs - Permits businesses to write off equipment purchases as a business expense.
- Build America Bonds - Expands the Build America Bonds program, subsidizing interest costs for bonds issued by states and local governments for large infrastructure projects. Cost: \$2 billion.
- Tax extenders - Extending through 2010 a variety of popular tax breaks that expired at the end of 2009, including an income tax deduction for sales and property taxes and a business tax credit for research and development. Cost: \$31 billion.
- Unemployment assistance - Extending through May 31 unemployment assistance for the long-term jobless and a 65 percent health insurance subsidy for the unemployed. Cost: \$3 billion.
- Medicare payments - Giving doctors a seven-month reprieve from a 21 percent cut in Medicare payments that would otherwise go into effect March 1. Extends several other Medicare provisions. Cost: \$10 billion.
- Patriot Act - Extending for a year several provisions of the USA Patriot Act slated to expire Feb. 28. The act, which is the nation's primary anti-terrorism tool, authorizes law enforcement and intelligence agencies to conduct court-ordered surveillance and seizure of records and property in counterterrorism operations.
- Farm aid - Help for farmers affected by heavy rains, floods and other weather-related disasters. Cost: about \$1.5 billion.

Rumored Dorgan-Durbin Jobs Bill (Infrastructure/funding portion):

- Transportation Investments (including TIGER grants);
- Water Infrastructure Investments for both drinking water and wastewater;
- Regional Economic Development Grants through the Economic Development Administration;
- Affordable Housing Preservations and Energy Efficiency Renovations; and,
- Dislocated Worker Training Programs to retrain unemployed workers in new skills and trades.