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FINAL SENATE SPENDING BILL INCLUDES WAGE HIKE, SMALL BUSINESS TAX HELP

Senate action should kick-start process to get pay increase to America's workers

Washington, DC – The Senate has passed emergency spending legislation including a minimum wage increase for American workers and tax relief for small businesses. Tax provisions spearheaded by Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Republican Chuck Grassley (R-Iowa) were added to the Senate's original minimum wage and tax incentives legislation, which was attached to the spending bill by unanimous consent. Adding the Senate measure to the supplemental spending bill should kick-start negotiations with the House on a final wage and tax package.

“America’s workers are waiting for their pay raise. The supplemental spending bill may hit some hurdles, but it’s the fastest train rolling through Dodge right now and it’s the place to move forward on minimum wage,” said Baucus. **“This should move the House and Senate to hammer out a final agreement that’s right for workers and fair to the small businesses that employ them. Bottom line, this should help us get a pay hike on the ground for workers soon.”**

New tax provisions in the Grassley-Baucus amendment to the supplemental spending bill include extended depreciation and cost recovery provisions to help businesses recoup costs for new equipment, expansion of the Work Opportunity Tax Credit for employers in rural U.S. counties where the workforce is declining, and additional tax relief for businesses in areas affected by Hurricane Katrina. A summary of these additional provisions, which are fully offset and total \$3.9 billion, is available at <http://finance.senate.gov/press/sitepages/leg/032807lega.pdf>.

Minimum wage increase legislation passed the Senate in February after Baucus and the Senate Finance Committee approved tax incentives targeted toward small businesses that employ minimum wage workers. Details of the \$8.3 billion in tax provisions in the original Senate bill are posted in a summary of the Small Business and Work Opportunity Act at <http://finance.senate.gov/press/Bpress/2007press/prb011807legb.pdf>.

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