

SENATOR MAX BAUCUS

Economic Stimulus Package for 2003

	Cost (billions)*	
	2003	2003 - 2012
<u>1. General Revenue Sharing with States</u>		
Distributes \$75 billion to states and territories on a one-time basis as close to enactment as possible. No restrictions are placed on how the new funding may be used.	\$75	\$75
<u>2. Unemployment Insurance (UI) Extension</u>		
Continue Temporary Extension of Unemployment Insurance through June 30, 2003 -- Provides an additional 13 weeks of federal extended benefits to those who have "exhausted" regular and initial extended benefits; provides retroactive benefits for those impacted by current cut-off; and temporarily requires states to use most recent earnings data to determine UI eligibility and provide benefits to certain part-time workers (at federal expense).	\$17	\$12
<u>3. No Income Tax on the First \$3,000 of Wages</u>		
Eliminates the income tax for the first \$3,000 of taxable wage income. Most taxpayers will have larger paychecks due to decreased withholdings. Low-income individuals will be eligible for a rebate equal to 10% of the first \$3,000 in wages.	\$45	\$45
<u>4. Highway Construction</u>		
Instructs U.S. Treasury to sell \$4 billion in tax credit bonds immediately. Proceeds from bonds will be deposited in the Highway Trust Fund and then sent out to the states as FY03 apportionments.	\$4	\$7
<u>5. Corporate Governance</u>		
Requires disclosure of questionable tax transactions to the IRS and imposes penalties for non-disclosure. Requires that transactions have economic substance. Mandates CEO signatures on tax returns.	\$0	-\$13
<u>6. Health Insurance Tax Credit for Businesses</u>		
Provides a tax credit of up to 50% towards the employer cost of health insurance premiums (for employers with 50 or fewer employees).	\$3	\$4
<u>7. Small Business Investment</u>		
Allows small businesses to deduct up to \$75,000 of investment in equipment during 2003.	\$2	\$1
<u>8. Bonus Depreciation</u>		
Enhances the current bonus depreciation incentive to 40% through September 10, 2004.	\$14	\$4
<u>9. Promote Long-Term Fiscal Discipline</u>		
Extend 60-vote points-of-order through December 31, 2004 or longer.	\$0	\$0
TOTAL	\$160	\$135