

## EMPOWERMENT ZONES

Ms. LINCOLN: Mr. Chairman, Senator Snowe and I had hoped to offer an amendment today that would have extended and modernized the tax tools that are intended to give a chance to create jobs and attract investment capital in some of our most challenged neighborhoods – neighborhoods designated as empowerment zones, renewal communities and enterprise communities.

The existing empowerment zones and renewal communities face expiration at the end of 2009, and local and state governments that financially support the administration of many are faced with budgetary pressures which could lead them to shutter operations early in anticipation of the 2009 sunset of benefits. These zones and communities are engines of job creation and economic recovery, and it is vital in this serious recession that we give them better tools and more time to accomplish their mission.

The impending sunset also is complicating the ability of the zones and communities to attract new job creating investments that may be unable to be placed in service by year-end. Moreover, the rural enterprise communities expired at the end of 2008, though some have modest funds the USDA is allowing them to spend into 2009.

These entities have dedicated staff who are ready to continue, during a time of serious economic recession, their mission of boosting job growth and addressing poverty, unemployment and economic development in these areas that by definition had higher unemployment and poverty rates to qualify – but we very much need to extend their designations earlier rather than later this year.

But it is more than time that they need. Senator Snowe and I have been working since 2005 on a set of refinements that will help these zones and communities accomplish their economic recovery goals – these are refinements that came from the people that run these entities on a day-to-day basis. Some of the existing incentives have not worked as intended or are not as effective as they could be – these refinements help address some of those issues. The refinements will expand access to lending and credit, help address financing challenges for businesses, and include other changes to make these programs more effective at creating jobs. .

Mr. Chairman, we have very good support in the Senate and on the Senate Finance Committee for this package. I hope we can get a commitment that we will act as soon as possible this year to both extend and refine these incentives, allowing these zones and communities the tools and time to create jobs and expand opportunity.

Mr. BAUCUS: I very much appreciate and understand the need to provide targeted relief for low income communities throughout the country. Many of the Members of the Finance Committee have one or more of these entities in their state. I would like to work with you on these programs to ensure that Congress is providing the right set of incentives to facilitate job creation and economic growth. With that in mind, I appreciate that you and Senator Snowe have stepped forward with a set of refinements intended to make these targeted tax provisions better tools for addressing poverty and unemployment.. It is my sincere intention that we act as soon as possible this year to consider these programs. .