



A BETTER DEAL FOR AMERICA'S SMALL BUSINESSES - TAX RELIEF IN H.R. 2206

Tax provisions in the supplemental spending bill are tailor-made to help small businesses meet the challenges of a long-overdue increase in the minimum wage. From rewarding the hiring of those who desperately need jobs to recognizing the extra challenges some small businesses face, this tax package does right by the small businesses that fuel America's economy. Provisions will:

Help employers hire those who need jobs the most

This bill extends the **Work Opportunity Tax Credit** through August of 2011. Businesses that hire economically disadvantaged workers – including disabled veterans and workers in places where population is declining – will get a tax credit for paying those folks their much-needed wages.

Stretch the dollars small businesses spend to grow

A one-year extension of **Section 179 Small Business Expensing** will let small business owners buy and write off more equipment each year for use in their trade or business. The bill immediately increases the amount that may be written off each year from \$112,000 to \$125,000.

Give extra help to businesses still rebuilding from hurricanes

Gulf Opportunity Zone ("GO Zone") tax incentives will help businesses rebuild and low-income housing rise again in areas hit by Hurricanes Katrina, Rita, and Wilma. Tax incentives include a one-year extension of enhanced Section 179 expensing (see above) – up to \$225,000 – for GO Zone businesses, and an extension of the time allowed to build eligible low-income housing through 2010.

Keep family businesses financially strong

When a married couple jointly owns a small business, this bill makes sure they both get credit for paying Social Security and Medicare taxes.

Help entrepreneurs hit by the AMT

Entrepreneurs who owe the alternative minimum tax will still get to take deductions for doing the right thing at their places of business - hiring disadvantaged workers and paying Social Security taxes on employees' tips.

Additional provisions like the enhanced tip credit will make sure employers don't lose current tax benefits when the minimum wage goes up. The "S-corp" provisions will help small businesses keep the tax benefits of being a small business – even as they grow.