



Representative Louise M. Slaughter
Chairwoman, House Committee on Rules
Representing New York's 28th District

P R E S S R E L E A S E

FOR IMMEDIATE RELEASE

Tuesday, January 29, 2008

House Passes Bi-Partisan Economic Stimulus Package

Washington, DC – Rep. Louise M. Slaughter (D-NY-28), Chairwoman of the House Rules Committee, today joined her colleagues in passing the Recovery Rebates and Economic Stimulus for the American People Act of 2008, an economic stimulus package that uses tax rebates for families, tax breaks for small businesses, and targeted reforms to the mortgage lending market to boost the economy. The bill passed today by a vote of 385-35.

“While this legislation is only a first step on the long road to economic recovery, I am glad that the House was able to quickly come together in a bi-partisan way to pass a plan to jolt our staggering economy,” said Rep. Slaughter. **“With skyrocketing gas prices, health care costs, and college tuition rates, working families in Western New York and across the country are feeling the pinch of a slowing economy.”**

“In our home state of New York, nearly 7.3 million households will receive rebates, with an average of \$863 per check,” continued Slaughter. **“This targeted, temporary measure that combines tax rebates for over one hundred million working families, small business tax breaks, and mortgage lending reform, is a positive start to getting our nation’s economy back on track. I am hopeful that the Senate will act and the President will sign this legislation quickly so we can get this money into the hands of people who need it as fast as possible.”**

BACKGROUND:

Broad-Based Relief for Individuals and Working Families

- The package contains tax rebates ranging from \$300 up to \$600 for individual taxpayers and up to \$1,200 for households, plus \$300 per child. These rebates will phase out at income levels of \$75,000 for individuals and \$150,000 for households. Rebates will be issued as early as this May and a total of 117 million families will receive a check.

- Tax rebates will be extended to anyone who pays into the federal income tax or employment tax pool, or who has an earned income of over \$3,000. Seniors who rely on Social Security but do not have an earned income of over \$3,000 would not be eligible for a tax rebate. The same is true for those on disability. If a retiree has investment returns or a pension in which the income exceeds the deductions, then the difference would be subject to income tax, making them eligible for a tax rebate. If the income from the investment return or the pension does not exceed the deductions then the individual would not be paying into the income tax pool, and if they do not have an earned income of over \$3,000 then they would not be eligible for a tax rebate.

Boosting America's Small Businesses

- This package doubles the amount that small businesses can write off for expensing investments from \$125,000 to \$250,000. This will encourage investment in new technology and equipment and help fortify our nation's small businesses. The revenue level for businesses eligible for small business tax relief was also increased from \$500,000 to \$800,000.

- This package also increases bonus depreciation deduction for businesses for the 2008 calendar year from 30% to 50% of newly acquired property. This depreciation is allowable for regular and alternative minimum tax purposes. "Bonus Depreciation" was first enacted in 2002 as part of the Job Creation and Worker Assistance Act.

Helping Families Avoid Foreclosure through Mortgage Lending Reform

- This package adds a 12 month expansion of Fannie Mae and Freddie Mac conforming loan limits to add liquidity to and help boost the housing market. The plan would increase the loan limit from \$417,000 to as high as \$729,750. The package also includes an increase in the Federal Housing Administration loan limit from the current \$367,000 up to a maximum of \$729,750 for the year 2008.

More Reform is Needed

- While this is an important first step towards turning our economy around, Congress must move forward with a second, more permanent economic stimulus package that focuses on social welfare programs and improving our nation's infrastructure. It is important that future stimulus plans include expanding unemployment insurance and the Food Stamp program, thereby providing additional financial security for lower and middle class Americans. Investments in our nation's infrastructure will also help create jobs while addressing our pressing public safety concerns with regards to bridge fatigue, and highway and airport safety.

###