

<b>TAX PROVISIONS</b>	
<b>Individuals</b>	
Provision/Program	Brief Summary
"Making Work Pay" Tax Credit	This provision offers a refundable tax credit for 2009 and 2010 of \$400 for individuals and \$800 for families; the credit is calculated at a rate of 6.2% of earned income, and phases out at \$75,000 or \$150,000 for married couples filing jointly. Taxpayers have the option of receiving this benefit through a reduction in the amount of income tax that is withheld from their paychecks or through claiming the credit on tax returns.
Increase in Earned Income Tax Credit	This tax credit temporarily increases the earned income tax credit for working families with three or more children. This provision increases the earned income tax to 45 percent of a family's first \$12,570 of earned income for families with three or more children and increases the beginning point of the phase-out range for married couples filing a joint return by \$1,880.
Refundable First-Time Home Buyer Credit	The stimulus package increases the maximum value of the tax credit for first-time home buyers to \$8,000, extends the availability until December 1, 2009, and eliminates the repayment obligation for taxpayers that purchase homes after January 1, 2009.
Sales Tax Deduction for Vehicle Purchases	H.R. 1 provides all taxpayers with a deduction for State and local sales and excise taxes paid on the purchase of new cars, light truck, recreational vehicles, and motorcycles through 2009.
<b>Business</b>	
Provision/Program	Brief Summary
Extension on Bonus Depreciation	The stimulus extends the temporary benefit to 2009 the provision Congress passed last year which allows businesses to recover the costs of capital expenditures made in 2008 faster than the ordinary depreciation schedule would allow by permitting businesses to write-off 50 percent of the cost of depreciable property.
5-Year Carryback of Net Operating Losses for Small Businesses	The American Recovery and Reinvestment Act extends the maximum net operating loss carryback period from two years to five years for small businesses with gross receipts of \$15 million or less.
Small Business Capital Relief	This provision allows a 75 percent exclusion for individuals on the gain from the sale of certain small business stock held for more than five years. This change is only for stock issued after the date of enactment of H.R. 1 and before January 1, 2011.
Delayed Recognition of Certain Cancellation of Debt Income	This tax credit allows certain businesses to recognize cancellation of debt income (CODI) over 10 years for specified types of business debt repurchased by the business after December 31, 2009 and before January 1, 2011.
Incentives to Hire Unemployed Veterans and Disconnected Youth	H.R. 1 creates two new targeted groups of prospective employees: (1) unemployed veterans; and (2) disconnected youth.

