



Instant Impact Legislative Update for Week Ending July 23, 2010

1) Senate Continues to Consider Small Business Jobs Bill; Over 100 Amendments Proposed

The Senate began considering a comprehensive bill aimed at stimulating small business growth last week and continues to work on the bill this week. The bill, informally referred to as the small business jobs bill (H.R. 5297), contains a number of provisions that are crucial to small businesses.

The bill:

- increases Small Business Administration (SBA) loan limits and available capital for small businesses;
- provides tax incentives for small business owners, such as extending business tax credits, increasing the tax write-off for machinery and equipment, and allowing for a health insurance tax deduction for self-employed individuals and their families;
- restores parity to SBA small business contracting programs;
- addresses contracting bundling and subcontracting for federal contractors.

Last week, an amendment that provides for the establishment of a \$30 billion lending fund for small businesses was restored to the bill. The amendment was offered by Senators Landrieu (D-LA) and LeMieux (R-FL). It establishes a Treasury program available to banks with less than \$10 billion in assets. The interest rate at which the federal government will charge the banks will vary depending on the bank's increased lending to small business, with a rate as high as 9%, to a low rate of 1%.

Another amendment, filed by Senator Johanns (R-NE) but not yet been voted on, would repeal the new 1099 tax requirement that was buried in the healthcare law. Under the new tax law, small businesses must issue an IRS 1099 form for any goods and services that are over \$600. Previously, reporting was restricted to only services over \$600. There are also separate, stand-alone bills that are pending in Congress (S. 3589 and H.R. 5141), which are identical to this amendment.

WIPP told the Senate of its support for many components of the bill, citing repeal of the 1099 requirement and expressing support for changes to the federal contracting rules which would allow small businesses to better compete for contracts.

To read WIPP's Letter of Support for H.R. 5297, please [click here](#).

To read a coalition letter expressing support for the repeal of the 1099 requirement, please [click here](#).

To read the text of H.R. 5297, please [click here](#).

2) Census Data Shows Significant Increase In Women-Owned Businesses

The U.S. Census Bureau released preliminary results from the 2007 Survey of Business Owners, and the results verify what the women's business community already knew. The data shows the growth and strength of women-owned businesses and their significant contribution to the U.S. economy. The full report is due to be released later this year.

Here are some key numbers:

- Between 2002 and 2007, the number of women-owned businesses (51% or more owned by women) has **increased by 20.1%** since 2002.
- The total number of women-owned, nonfarm businesses is **7.8 million**.
- Women-owned businesses accounted for **28.7%** of all nonfarm businesses in the U.S.
- Women-owned businesses employ **6.4% of the total U.S. workforce**.

To view the preliminary results for women-owned business from the 2007 Survey of Business Owners, please [click here](#).

To read a press release by National Women's Business Council (NWBC), please [click here](#).

3) Unemployment Bill Signed into Law, But Does Not Include Tax Extensions

The unemployment benefits bill recently signed into law originally included extension of many tax credits and deductions but were dropped in order to ensure final passage. Many of the taxes breaks aimed at small businesses. Below is a list of tax extensions have expired due to inaction in the Senate.

Expiring Tax Credits/Deductions Affecting Energy:

- Alternative motor vehicle credit for new qualified hybrid motor vehicles other than passenger automobiles and light trucks.
- Incentives for biodiesel and renewable diesel.
- Credit for electricity produced at certain open-loop biomass facilities.
- Extension and modification of credit for steel industry fuel.
- Credit for producing fuel from coke or coke gas.
- New energy efficient home credit.
- Excise tax credits and outlay payments for alternative fuel and alternative fuel mixtures.
- Direct payment of energy efficient appliances tax credit.
- Modification of standards for windows, doors, and skylights with respect to the credit for nonbusiness energy property.

Expiring Tax Credits/Deduction Affecting Individuals:

- Additional standard deduction for state and local real property taxes.
- Deduction of state and local sales taxes.
- Contributions of capital gain real property made for conservation purposes.
- Above-the-line deduction for qualified tuition and related expenses.
- Tax-free distributions from individual retirement plans for charitable purposes.

Expiring Tax Credits/Deductions Affecting Businesses:

- Research credit.
- New markets tax credit.
- Employer wage credit for employees who are active duty members of the uniformed services.
- 5-year depreciation for farming business machinery and equipment.

- 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
- Enhanced charitable deduction for contributions of food inventory.
- Enhanced charitable deduction for contributions of book inventories to public schools.
- Enhanced charitable deduction for corporate contributions of computer inventory for educational purposes.
- Expensing of environmental remediation costs.
- Basis adjustment to stock of S Corps making charitable contributions of property.
- Small business loan guarantee enhancement extensions.

To read the text of H.R. 4213, please [click here](#).