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Contents:

Amendments to H.R. 1—American Recovery and Reinvestment Act of 2009

H.R. 1, the American Recovery and Reinvestment Act of 2009 (sponsored by *Rep. Obey, D-WI*), is scheduled for continued consideration on the House floor on Wednesday, January 28, 2009.

Amendment consideration is subject to a structured rule ([H.Res. 92](#)), making in order the following amendments (all debatable for 10 minutes, except the Camp/Cantor Amendment which debatable for 60 minutes).

The rule waives all points of order against consideration of the bill and against consideration of amendments (except for clause 9 of Rule XXI concerning earmarks), and allows the Chair to postpone consideration of the legislation at any time during its consideration. The rule allows one motion to recommit with or without instructions.

Of note, the rule also allows the Chairman of the Committee on Appropriations to insert in the Congressional Record, no later than February 4, 2009, such material as he may deem explanatory of appropriations measures for fiscal year 2009. The rule also allows the Chairman of the Ways and Means Committee to file a supplemental report on the tax portion of this bill.

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AMENDMENTS MADE IN ORDER UNDER THE RULE

1. **Oberstar (D-MN).** The amendment makes H.R. 1’s “use it or lose it” provisions, which apply to transportation funding spending, apply after 90 days instead of the 120 days in the underlying bill. The “use it or lose it” provision requires recipients to enter into contracts for at least 50% of the funds within the set time period.
2. **Markey (D-MA).** The underlying bill contains this requirement with regard to funding for smart grid demonstration funds: “the Secretary shall require as a condition of receiving funding under this subsection that grant recipients utilize open Internet-based protocols and standards if available.” The Markey amendment adds to end of this requirement the qualifier—“if appropriate.” In other words the requirement is weakened to if “available and appropriate.”

3. **Shuster (R-PA).** The underlying bill requires, for all funding in Title XII (all of the Transportation –HUD funding), that a governor certify that the “state will maintain its efforts with regard to State funding for the types of projects that are funded by the Appropriation.” This amendment would strengthen this requirement by requiring a governor to also certify that federal funds will not supplant non-federal funds. NTU has expressed support for this amendment.
4. **Nadler (D-NY).** The amendment would increase transportation spending by \$3 billion. Specifically, funding for Federal Transit Administration would increase from \$6 billion to \$7.5 billion, and funding for Capital Investment Grants would increase from \$1 billion to \$2.5 billion.
5. **Neugebauer (R-TX).** The amendment strikes Division A from the bill, which includes the \$358 billion of discretionary budget authority over the 2009-2019 period. NTU has expressed support for this amendment.
6. **Waters (D-CA).** The underlying bill provides \$750 million for a program of worker training and job placement in high growth and emerging industry sectors. This amendment would include the broadband deployment projects in Division B-Title VI of the bill as qualifying for the \$750 million.
7. **Flake (R-AZ).** The amendment strikes the \$800 million for capital grants to Amtrak. NTU has expressed support for this amendment.
8. **Kissell (D-NC).** The amendment generally prevents the Department of Homeland Security from using funding made available by H.R. 1 on clothing unless the item is “grown, reprocessed, reused or produced in the United States.”
9. **Platts (R-PA)/Van Hollen (D-MD).** The amendment inserts the text of [H.R. 985](#) from the 110th Congress (the Whistleblower Protection Enhancement Act) into the underlying bill.
10. **Teague (D-NM).** The amendment requires the Recovery.gov website to list information on job opportunities (by entities receiving funding in the bill), including links to local employment agencies, local, state, or other public agencies receiving funding under the bill, as well as private firms contracted to do work in the bill. The Recovery.gov website created by the bill is intended to provide accountability about how funds in the bill are spent.
11. **Camp (R-MI)/Cantor (R-VA).** *Republican Amendment in the Nature of a Substitute.* The amendment would substitute the underlying bill with an amendment that consists primarily of tax relief. Specifically, the legislation would provide \$444 billion of tax relief (\$232 billion more than the tax relief contained in H.R. 1) and provides \$34 billion of spending (**\$570 billion less** than the underlying bill). Overall, the bill provides \$232 billion more of tax relief while reducing the legislation’s impact on the deficit by \$338 billion. *Highlights* of the Republican Substitute:

Income Rate Reductions: The amendment reduces the 15% income tax rate to 10%, and reduces the 10% tax rate to 5%. Both reductions would be effective for 2009 and 2010.

AMT Relief: The amendment extends the AMT patch for two years (through 2010) and indexes its value for inflation.

5-year Carryback of Net Operating Losses: A business incurs a net operating loss when its tax liability is negative in a given year. Under current law, there is a two-year carryback period for

businesses to receive refunds on previously paid taxes. In other words, a business may receive a refund equal to their negative tax liability up to the amount of taxes paid over the previous two years. This amendment would extend this period from two years to five years, but only apply for 2008 and 2009 net operating losses.

Extension of Enhanced Small Business Expensing: In 2008, small businesses were able to write-off up to \$250,000 in capital expenditures at a phase-out threshold of \$800,000. The amendment would extend this provision to 2009.

Exclusion of Unemployment Compensation from Taxable Income: The amendment would exclude unemployment benefits received in 2008 and 2009 from the federal income tax.

Repeal of Withholding Tax on Government Contractors: The legislation repeals the three percent withholding tax on government contractors that under current law is effective after December 31, 2010.

Social Security Trust Fund Transfers: The amendment would transfer money from the general fund to the Social Security Trust Fund to the extent that the Social Security Trust Fund's balance is negatively impacted by the other provisions of the amendment. This is an inter-governmental transfer, and thus has no effect on the federal government's bottom line balance.

Unemployment Compensation Benefits: The amendment extends unemployment compensation benefits through the end of 2009.

“No Tax Increase to Pay for Spending”: The amendment would state that it is the policy of the United States that marginal tax rates should not increase while the unemployment rate is above the level of 2008, and taxes should not be increased to “pay for” the impact of H.R. 1 on the deficit.