

REINVEST, REIMBURSE, REFORM AN IMPROVED ECONOMIC RESCUE PLAN

- **REINVEST** in the troubled markets ... to stabilize our economy and insulate Main Street from Wall Street
- **REIMBURSE** the taxpayer ... requiring a plan to guarantee they will be repaid in full
- **REFORM** how business is done on Wall Street ... no golden parachutes and sweeping oversight

CRITICAL IMPROVEMENTS

This Congress insisted from day one on substantial changes to make the Bush-Paulson plan acceptable—protecting American taxpayers and Main Street—and these elements are included in the new legislation.

PROTECTION FOR TAXPAYERS, REQUIRING A PLAN TO BE REPAYED IN FULL

- Requiring Congressional review after the first \$350 billion is disbursed
- Gives taxpayers a share of the profits of participating companies, or puts taxpayers first in line to recover assets if a company fails
- Requires a President five years from now to submit a plan to ensure taxpayers are repaid in full, with Wall Street making up any difference
- Allows the purchase of troubled assets from pension plans, local governments, and small banks

LIMITS ON EXCESSIVE COMPENSATION FOR CEOs AND EXECUTIVES

- For companies publicly auctioning over \$300 million:
 - No multi-million dollar golden parachutes for top 5 executives after auction
 - No tax deduction for executive compensation over \$500,000
 - Penalizes golden parachutes for CEOs who are fired or have run the company into the ground
- For companies from which the government makes direct purchases:
 - No multi-million dollar golden parachutes
 - Limits CEO compensation that encourages unnecessary risk-taking
 - Recovers bonuses paid to executives who promise gains that turn out to be false or inaccurate

STRONG INDEPENDENT OVERSIGHT AND TRANSPARENCY

- 4 separate independent oversight entities or processes to protect the taxpayer
 - A strong oversight board appointed by bipartisan leaders of Congress
 - GAO oversight and audits at Treasury to ensure strong controls; prevent waste, fraud, and abuse
 - An independent Inspector General to monitor the Treasury Secretary's decisions
 - Transparency—requiring online posting of transactions—to jumpstart private sector demand
- Meaningful judicial review of the Treasury Secretary's actions

HELP TO HOMEOWNERS AND SMALL BUSINESSES

- Provides property tax relief to up to 30 million homeowners -- extending a new \$1,000 property tax deduction for non-itemizing couples through the end of 2009
- Increases from \$100,000 to \$250,000 the amount of bank deposits insured by the FDIC
- The government can work with loan servicers to change mortgage terms (reduce principal or interest rate, lengthen time to pay back the mortgage) to reduce 2 million projected foreclosures in next year
- Extends provision (enacted earlier in this Congress) to stop tax liability on mortgage foreclosures
- Helps save small businesses that need credit by aiding small community banks—allowing these banks to deduct losses from investments in Fannie Mae and Freddie Mac stocks

CRITICAL TAX CUTS FOR FAMILIES & TO CREATE JOBS

To strengthen the economy, the measure includes over \$100 billion in tax cuts that will create and save over 500,000 American green jobs, provide tax relief to middle-class families struggling to make ends meet in the face of the rising energy, health care, and grocery costs, and spur business investment and innovation.

SPUR AMERICAN ENERGY INDEPENDENCE & CREATE GREEN JOBS

(\$18 billion Tax Incentives for Renewable Energy)

- Eight-year extension of the investment tax credit (ITC) for solar energy
- Two-year extension of the production tax credit (PTC) for energy derived from biomass, geothermal, hydropower, waves and tides, landfill gas and solid waste
- One-year extension of the PTC for energy derived from wind
- Eight year-extension and significant expansion of the residential solar tax credit
- New clean renewable energy bonds for electric cooperatives and public power providers to finance facilities that generate electricity from renewable resources (\$800 million)
- Incentives for carbon capture and sequestration demonstration projects
- Incentives for the production of homegrown renewable fuels, such as biodiesel and renewable diesel, and for the installation of E-85 pumps for consumers to fill up flex-fuel vehicles
- Tax credits of \$2,500 or more toward the purchase of fuel-efficient, plug-in hybrid vehicles
- Incentives for energy conservation in commercial buildings, residential structures, and energy efficient appliances
- Tax credit bonds to State and local government to make energy conservation investments in public infrastructure and invest in research (\$800 million)

Fully Paid for:

- Stops an increase in taxpayer-funded subsidies for oil companies (Freeze Sec. 199)
- Closes foreign tax loophole for large oil companies (FOGEI, FOREI)
- Basis reporting by brokers on sales of stock

RELIEF FOR MIDDLE-CLASS FAMILIES, AMERICAN BUSINESSES AND COMMUNITIES

- AMT tax relief for 25 million middle-class families (\$64 billion)
- Extending tax cuts for American businesses and families (2 year extension through 2009; \$53 billion)
 - Ensures the competitiveness of American businesses by extending the R&D tax credit
 - Provides up to 30 million homeowners with property tax relief (extension through 2009)
 - Benefits 11 million families through the State and local sales tax deduction
 - Helps 4.5 million families better afford college with the tuition deduction
 - Saves 3.4 million teachers money with a deduction for classroom expenses
 - Helps families of 13 million children by expanding the child tax credit to those earning \$8,500 a year (from \$12,050 in current law) and
 - Closes tax loophole for deferred compensation paid by offshore companies.
- Disaster Tax Relief for the Midwest, for Hurricane Ike, and for future disasters (\$8.8 billion)
- Mental Health Parity to end discrimination against patients seeking treatment for mental illnesses (\$3.9 billion)
- Secure Rural Schools and Roads by extending payments to counties with national forest lands for four years (\$3.3 billion)