COMMITTEE ON FINANCE
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Max Baucus, Chairman
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Floor Statement of Senator Max Baucus (D-Mont.)
Regarding the HIRE Act

Mr. President, the Senate returns today to creating jobs. Today, we return to the HIRE Act.

This bill provides incentives for businesses to hire new employees. And it encourages businesses to invest in building their operations.

It has a payroll tax exemption for newly-hired employees. It provides continued funding for the vital federal highway program. It expands the successful Build America Bonds program. And it extends the tax incentive in section 179 of the tax code, which allows small businesses to expense capital expenditures, instead of depreciating them over time.

These proposals will help to get Americans back to work.

The Senate passed the HIRE Act last month, with strong bipartisan support.

Since then, the House of Representatives considered the legislation, and returned it to the Senate with some modifications.

The HIRE Act includes the Schumer-Hatch payroll tax exemption for newly-hired employees. This is a straightforward tax cut: if you hire a person who has been unemployed for 60 days, you don't have to pay your share of the Social Security payroll taxes for that person for the rest of the year.

And if you keep the newly-hired person employed for one year, you get an additional income tax credit.

The House modified the Schumer-Hatch payroll tax exemption to allow employers to receive the exemption if they pay the Railroad Retirement tax instead of the Social Security payroll tax.

The House also included modifications to ease implementation of the payroll tax exemption.

This payroll tax exemption provides a simple and immediate tax incentive for businesses to employ new workers, right away. A business can use the cash that it saves from the payroll tax cut to help pay the wages of the new employee. Or it can invest in equipment. Either way, the incentive will help boost hiring and help businesses.

The HIRE Act will also create jobs in the transportation sector, by extending the 2009 highway funding level through the end of 2010.

Highway construction plays a vital role in our economy. The Department of Transportation estimates that every $1 billion in federal highway spending — when coupled with the state or local matching share — creates or sustains 34,500 jobs. These are jobs in construction, engineering, manufacturing and other sectors hard-hit by the recession.

The HIRE Act keeps the program working.

The HIRE Act also expands the successful Build America Bonds program. Last month, Treasury Secretary Geithner testified before the Finance Committee that the Build America Bonds program is the most successful stimulus program based on jobs per dollar.

And the HIRE Act extends the enhanced expensing provision in section 179 of the tax code. This valuable tax incentive allows small business taxpayers to write off up to $250,000 of certain capital expenditures in 2010, instead of depreciating those costs over time.

This helps small businesses to pay less in taxes now, and thus meet their needs for cash in this difficult time.

The American economy has lost more than seven million jobs. And the unemployment rate is near 10 percent.

We need to help people to get jobs. We need to do more to help businesses to hire more workers. The HIRE Act does just that.

And so, let us help America's businesses to create more jobs. Let us complete our work on this common-sense legislation. And let us send the HIRE Act to the President, so that this law can start creating jobs right away.

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