



Congressman

**PATRICK J. MURPHY**

*Serving Pennsylvania's 8th District*



## **A Record of Cutting Taxes**

*Tax breaks are essential to helping families and small business succeed. I have always fought for broad tax cuts for hard working middle class families and small businesses. I am pleased to report that in 2009 and 2010, I voted for over \$300 billion in tax cuts for 95% of working families and tax relief for the 8<sup>th</sup> District's 60,000 small businesses.*

### ✓ **Supported \$288 billion in Tax Breaks for Hard Working Families**

*Voted for the American Recovery and Reinvestment Act of 2009*

- More than one-third of the Stimulus Act - \$288 billion - came in the form of tax cuts, making it one of the largest tax cuts in history. Under the bill, 129 million working households received a tax cut – the most significant expansion of tax cuts for working families ever.

### ✓ **95% of Working Families Will Receive a Tax Cut in 2009 and 2010**

*Voted for the Making Work Pay Tax Credit*

- Provides immediate tax relief for American working families. This refundable tax credit gives up to \$400 per worker earning under \$95,000 and up to \$800 per couple filing jointly earning under \$190,000.

### ✓ **Tax Rebate for Seniors and Veterans in 2009**

*\$250 tax rebate for Social Security recipients, veterans and railroad retirees*

- Congressman Murphy fought for many measures to reduce costs to seniors and provide them with financial relief, such as this \$250 tax rebate, which was administered by the Social Security Administration, Department of Veterans Affairs and the Railroad Retirement Board in 2009.

### ✓ **Expanding Important Tax Breaks for Families**

*Expanded the Child Tax Credit*

- 16 million more families and children are now able to claim the credit, since the income requirement has been reduced to \$3,000 under the Recovery Act.

*Expanded Earned Income Tax Credit by 10%*

- A 10% increase in this important tax break for 46 million low income families now means that the maximum credit for a qualifying family with children is over \$5,600.

*Expanded College Tax Credit by 40%*

- This credit will now cover up to \$2,500 in eligible expenses for those attending college. The credit is now partially refundable, so 4 million students are newly eligible to receive help in pursuing higher education.

*Expanded and Enhanced the First Time Home Buyers Tax Credit*

- Individuals across the country saved \$8 billion in 2009 with an \$8,000 tax credit for first-time homebuyers and a \$6,500 credit to repeat homebuyers; the repayment requirement was eliminated.

### ✓ **Stopping Costly Tax Increases**

*Stopped the Alternative Minimum Tax from hurting Middle Class families*

- Over 26 million middle class families would have been hit with an average tax increase of \$3,900 if Congressman Murphy had not voted to prevent this harmful tax hike.

*Voted to Prevent a Dramatic Increase in the Estate Tax*

- In 2011, the estate tax is set to increase from 45% to 55% and apply to all estates above \$1 million – hitting 37,000 more families and farmers with a huge tax increase. This vote ensures all estates under \$3.5 million remain untaxed, and that the rate on larger estates does not increase.

## ✓ **Supporting Tax Cuts for Small Businesses**

### *Extending Bonus Depreciation*

- Helps businesses quickly recover costs of new capital investments by extending the increased bonus depreciation for businesses in new plants and equipment.

### *Cancellation of Indebtedness*

- Provides assistance to companies looking to reduce their debt burdens by delaying the tax on businesses that have discharged indebtedness.

### *Expanding and Extending Small Business Expensing*

- Extends enhanced small business expensing, which doubles the amount small businesses can immediately write off their taxes for capital investments and purchases of new equipment made in 2009 from \$125,000 to \$250,000.

### *Increasing Small Business Loss Carryback Timeline*

- Increases cash flow by providing a 5-year carryback of net operating losses for small businesses.

### *Spurring Investments in Small Businesses*

- Spurs investments in small businesses by cutting the capital gains tax on investors in small businesses that buy stock in the next two years and hold it for more than five years.

### *Delaying 3% Government Withholding*

- Delays the mandate that federal, state, and local governments withhold 3 percent of payments to businesses for goods and services, which is supported by the National Small Business Association.

### *Tax Breaks for Providing Jobs to Unemployed Veterans and Youth*

- Provides businesses with a tax credit for hiring recently discharged unemployed veterans and youth that have been out of work and out of school for the 6 months prior to hire.

## ✓ **Fighting for New Tax Cuts**

### *Voted for an additional \$31 billion in tax cuts for 2010*

- The *Tax Extenders Act of 2009* will extend more than forty tax cuts, providing \$5 billion in individual tax relief and more than \$17 billion in business tax relief.

### *Co-sponsor of a Tax Credit for On-time Mortgage Payments*

- Responsible financial behavior should be rewarded. This bill will give a \$5,000 tax credit to households that pay their mortgages on time. [H.R. 1317]

### *Co-sponsor of the Property Tax Relief Act of 2009*

- Allows taxpayers who do not itemize their tax deductions to claim state and local property taxes paid on a principal residence as a deduction from their income tax bill.

### *Co-sponsor of the Adoption Tax Relief Guarantee Act of 2009*

- This legislation makes permanent the \$10,000 child adoption tax credit, which is set to expire in 2010.

### *Co-sponsor of the Telephone Excise Tax Repeal Act of 2009*

- This bill eliminates the 3 percent federal excise tax on local telephone service, toll telephone service, and teletype exchange services for the disabled, saving families money.

### *Co-sponsor of the Tax Relief for Educators Act of 2009*

- This bill improves the teacher tax deduction by doubling the amount to \$500, indexing it to inflation, extending it to other educators such as principals and aides, and making it permanent.

### *Co-sponsor of a Bill to Increase the Tax Deduction for Start-up Businesses*

- This bill increases the deduction for small business start-ups to \$20,000, up from \$5,000 [H.R. 1552].

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