

Senate passes \$15 billion jobs bill

By Sara Wyant

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Washington, Feb. 24. In what Majority Leader Harry Reid promises to be the first of several job creating measures, the U.S. Senate approved a scaled down jobs package this morning by a 70-28 margin, with 13 Republicans joining 57 Democrats in support of the package. Only one Democrat, Sen. Ben Nelson of Nebraska, voted against the measure. The measure now moves to the House, where Democrats are trying to decide whether to pass the Senate version or go to conference to reconcile it with the much larger, \$154 billion House version.

Earlier this month, the U.S. Senate seemed poised to pass a package of incentives blessed by the Senate Finance Committee and designed to create jobs, extend unemployment benefits and restore important tax credits. But facing intense intra-party pressure, Majority Leader Harry Reid (D-NV) opted for a scaled down, \$15 billion version, dubbed the Hiring Incentives to Restore Employment (HIRE) Act. With a 70-28 margin of passage today, the question now turns to how many of those Senate Finance Committee provisions, including ag disaster aid and the biodiesel tax credit, will eventually resurface?

For now, our sources say it is too soon to tell. Republicans and some Democrats, who were miffed that Reid dumped about \$70 billion worth of tax breaks and other provisions that had been included in the Finance package, are hoping many of those provisions resurface. However, the majority leader has not offered many details, other than to say that he want to include an extension of unemployment benefits that was in the Finance bill.

For now, some call the new Senate jobs bill an important first step, designed to get a “win” after weeks of inaction---even though Reid’s \$15 billion proposal is a far cry from the \$154 billion jobs measure that House Democrats passed in December. The bill would exempt businesses hiring the unemployed from the Social Security payroll tax through December and provide an additional \$1,000 credit if new workers stay on the job a full year. It would also extend the federal highway programs through the end of the year and make a \$20 billion cash deposit into the highway trust. In addition, the bill would extend a tax break for small businesses buying new equipment, allowing them to write off up to \$250,000 in capital investments in 2010 and expand an initiative that helps state and local governments finance infrastructure projects.

