



President Obama's: The American Jobs Act

On September 8, 2011, President Barack Obama spoke to a Joint Session of Congress and presented his outline of the "American Jobs Act of 2011." That Act looks at five areas; tax cuts to help small businesses hire and grow, putting workers back on the job while rebuilding and modernizing America, pathways back to work for Americans looking for jobs, tax relief for every American worker and family.

Many of these proposals include policies to provide needed capital to American businesses and families and will be carefully considered by N.G.A. and N.G.A.'s tax committee. Please take a moment to read this summary and provide N.G.A.'s Government Affairs team with your thoughts on the impact (good or bad) these proposals could have on your businesses.

Moreover, this summary includes the broadest proposals and many of the details have not been made available at this point. We have a number of specific on many of the President's proposals that we are working to find additional details on. The President will deliver specific legislation to the Congress in the coming week.

Below are bullets outlining specifics in the proposal important to your business, broken down into the five areas listed above:

Tax Cuts to Help America's Small Businesses Hire and Grow:

- **The proposal will cut in half (to 3.1%) FICA taxes paid by businesses on their first \$5 million in payroll,**
- **A payroll tax holiday (FICA rate currently 6.2 %) for newly added workers or increased wages. This would eliminate payroll taxes on NEW HIRES and current workers whose wages increase. (benefit is capped at \$50 million in payroll increases,)**
- **Extend 100 percent bonus depreciation for 2012.**

Putting Workers Back on the Job While Rebuilding and Modernizing America:

- **A "Returning Heroes" hiring tax credit for veterans. Provides tax credits from \$5,600 (for veterans) to \$9,600 (for wounded veterans) to encourage the hiring of veterans,**
- **\$10 Billion for National Infrastructure Bank -- modernize roads, railways, airports and waterways,**
- **A New "Project Rebuild," which would put people to work rehabilitating homes, businesses and communities, leveraging private capital and scaling land banks and other public-private partnerships,**
- **Expanding access to high-speed wireless as part of a plan for freeing up the nation's spectrum.**

Pathways Back to Work for Americans Looking for Jobs:

- **\$4,000 tax credit to employers for hiring long-term unemployed workers,**
- **Expanding job opportunities for low-income youth and adults through a fund for successful approaches for subsidized employment, innovative training programs and summer/year-round employment for youth.**

Tax Relief for Every American Worker and Family:

- **Plan expands payroll tax cut passed in 2010, cutting workers payroll taxes in half in 2012, providing a \$1,500 tax cut to the "typical" American family.**

The American Jobs Act has not been sent to Congress; however, it is supposed to be sent on September 19. According to reports, the "pay fors" will include tax reforms for the middle class earners as well as tax increases on the wealthy. During last night's speech, the President asked the Debt Commission to find additional savings which will pay for these proposals; thereby, increasing needed savings from an estimated \$1.2 trillion to \$1.67 trillion. Committee members stated that this makes their task more difficult.