

THE WHITE HOUSE

Office of the Press Secretary

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**Fact Sheet: The Worker, Homeownership, and Business Assistance
Act of 2009**

Creating Jobs, Strengthening the Recovery, and Helping Workers Who Cannot
Find Jobs

Today, President Obama signed legislation to help create jobs by providing tax cuts for homebuyers and businesses, while providing much-needed support for workers who are still struggling to find jobs. These three steps are part the President's strategy to help the economy grow.

Last year, our economy was in a freefall. Some economists were predicting that we were headed into a second Great Depression. The Obama Administration took aggressive steps to stem the spread of foreclosure, get credit flowing for families and businesses, and enact the most sweeping recovery package in history. Those steps have succeeded in pulling our economy back from the brink and putting us on a path to recovery. Our economy has returned to growth, which is a critical first step to getting job growth going again.

Today's legislation builds on the successes of the American Recovery and Reinvestment Act to help spur job creation and help struggling workers. It is fiscally responsible, paid for by postponing tax provisions benefiting U.S. multinational corporations and other measures. The Administration will

continue working to create jobs, boost the economy, and lay a new foundation for growth.

TODAY'S STEPS TO CREATE JOBS AND HELP WORKERS

While we have pulled the economy back from the brink and there are signs of a recovery underway, there is an enormous amount of work that remains to be done. There are still too many Americans without jobs and too many families in pain. This bill:

- **Strengthens the Safety Net for Workers Who Cannot Find Jobs - Immediately Helping 700,000 People and Eventually Helping Over a Million.** There are millions of workers who want and need a job but cannot find one. There are 5.6 million workers who have been unemployed for at least 27 weeks. These long-term unemployed workers make up 36 percent of unemployed workers, the highest share in history. Today's legislation will allow up to 20 additional weeks of unemployment insurance, with the most weeks going to workers in states with the highest unemployed rates. It will give immediate help to 700,000 people who have already exhausted their benefits but still cannot find work. In total, over a million workers will benefit and receive an average of \$300 per week. In addition to helping struggling families, economists say unemployment benefits are one of the best ways to strengthen the economy and create jobs because they are often spent quickly on needs like rent and groceries.
- **Creates Jobs by Cutting Taxes for Struggling Businesses.** The bill provides an expanded tax cut to tens of thousands of struggling businesses, providing them with the immediate cash they need to pursue an expansion or avoid contracting or furloughing their workers. The Economic Recovery Act included a provision that allowed small businesses to count their losses this year against the taxes they paid in previous years. Today, the President extended that benefit for an additional year and expanded it to medium and

large businesses as well. Business losses incurred in 2008 or 2009 can now be used to recoup taxes paid in the prior five years. This provision is a fiscally responsible economic kick-start, putting \$33 billion of tax cuts in the hands of businesses this year when they need it most, while enabling Treasury to recoup the majority of that funding in the coming years as these businesses regain their strength and resume paying taxes.

- **Extends and Expands the Homebuyer Credit with Strong Anti-Fraud Measures.** The Homebuyers Tax Credit is a temporary but important measure to continue economic recovery. Today, the President is signing a one-time extension of the credit for homes purchased or under contract by April 30, 2010. A credit of up to \$8,000 will apply to qualifying first-time buyers, and a smaller credit of up to \$6,500 will now apply to families that have lived in their homes for at least five years and wish to step up to a new home. The new law extends a similar credit until May, 2011 for members of the uniformed services whose duty takes them overseas. The new law also contains important measures to combat tax fraud and protect responsible homebuyers, including setting a minimum age for home purchase and requiring documentary proof of the purchase in order to receive the credit.
- **Other Steps to Close the Deficit and Strengthen the Economy.** The legislation pays for these new steps, principally by postponing tax provisions benefiting U.S. multinational corporations. It also helps military families by clarifying that military base realignment and closure payments – added as part of the recovery act – are tax exempt.

BUILDING ON THE SUCCESSES OF THE RECOVERY ACT

Today's steps build on the successes of the American Recovery and Reinvestment Act, signed by President Obama last February. The ARRA:

- **Modernized and Expanded Unemployment Insurance:** The recovery act included an unprecedented investment in unemployment benefits, including up to 79 weeks of benefits in the hardest-hit areas, a \$25-a-week supplement to benefits, and incentives for states to expand coverage to part-time workers and take other steps to modernize their unemployment systems. The law also cut taxes on up to \$2,400 in unemployment benefits and created a tax credit that pays 65 percent of health insurance premiums for unemployed workers. These provisions helped keep 800,000 people out of poverty, according to estimates developed by the Center on Budget and Policy Priorities.
- **Created Jobs by Cutting Taxes on Businesses:** The ARRA allowed small businesses to use the 2008 operating losses to get a refund of taxes paid in prior years. Like today's provision, much of the revenue would be recouped in future years. The ARRA provision was projected to provide \$5 billion in tax relief for small businesses in 2009 at a ten-year cost of only \$1 billion.
- **Expanded the First-Time Homebuyer Credit:** The \$8,000 first-time homebuyers tax credit enacted in ARRA has brought many new families into the housing market. Those buyers, in turn, have reduced the inventory of unsold homes and contributed to three months in a row of increases in home prices nationwide. Residential housing investment grew 23 percent in the third quarter, one of the contributors to positive economic growth.