



MAIN STREET

Small Business Jobs Act

Provides \$12 Billion in Tax Cuts

- Temporarily increases the maximum deduction for business start-up expenditures in 2010 and 2011 from \$5,000 to \$10,000, subject to a \$60,000 threshold;
- Allows small businesses to immediately expense up to \$500,000 of the cost of tangible personal property, including up to \$250,000 of the cost of improvements to leasehold property, restaurant property, and retail property;
- All taxpayers will be eligible to deduct health care costs for payroll tax purposes on their 2010 tax returns;
- Extends *Recovery Act* provisions, allowing businesses to immediately write-off 50 percent of the cost of capital expenditures for 1 additional year for qualifying property purchased and placed into service in 2010;
- Expands bonus depreciation to allow long-term contractors that use the percentage-of-completion method of accounting to elect bonus depreciation on property whose depreciation term is less than seven years;
- Allows small businesses to use all types of general business tax credits to offset AMT liability; and
- Allows small business with less than \$50 million in average gross annual receipts for the prior 3 years to carryback unused credits for 5 years.

Eases Access to Credit

- SBA's loan programs will see their capacity increase, specifically there will be increases of,
 - \$2 million to \$5 million for 7(a) loans;
 - \$1.5 million to \$5.5 million for 504 loans;
 - \$35,000 to \$50,000 for microloans.
- *Recovery Act* provisions providing 90 percent guarantees on 7(a) loans and fee waivers for borrowers on 7(a) and 504 loans will be extended until December 31, 2010.

Incentivizes Small Business Lending

- Establishes the Small Business Lending Fund, which will provide much-needed capital, an estimated \$30 billion leveraging up to \$300 billion in new lending, to community and smaller banks who hold under \$10 billion in assets;
- Creates a performance-based scale which decreases the dividend rate that banks pay as they increase lending

Supports Innovative Small Business Lending Initiatives

- Establishes the State Small Business Credit Initiative, requiring states to demonstrate at least \$10 in new lending for every dollar in federal funding, encouraging at least \$15 billion in additional lending through state initiatives;
- Builds upon successful models for state small business programs, including collateral support programs, Capital Access Programs, and loan guarantee programs, including those targeted at rural and agricultural small businesses.

Boosts Export Opportunities

- Improves the SBA's trade and export finance programs;
- Elevates the SBA's Office of International Trade and adds export finance specialists to the SBA's trade and counseling programs;
- Establishes the State Export Promotion Grand Program, designed to increase the number of small businesses that export goods and services.

Enhances Contracting Opportunities

- Improves small businesses' access to federal contracts, creating approximately 100,000 jobs and infusing billions of dollars into local economies with just a 1 percent increase in federal contracts;
- Ensures prompt payment to small business subcontractors.

Increases the Client Base for Women Business Centers and Microloan Intermediaries

- Waives or reduces the non-federal share of funding for WBCs and Microloan Intermediaries, which provide assistance to underserved communities that are starting or growing a business, creating or saving an estimated 10,000 jobs for Fiscal Year 2011.