

Shadegg	Sullivan	Upton
Shimkus	Tanner	Walden
Shuler	Taylor	Westmoreland
Shuster	Terry	Whitfield
Simpson	Thompson (PA)	Wilson (SC)
Smith (NE)	Thornberry	Wittman
Smith (NJ)	Tiahrt	Wolf
Smith (TX)	Tiberi	Young (FL)
Stearns	Turner	

## NOT VOTING—20

Barrett (SC)	Castor (FL)	Honda
Brown (SC)	Davis (IL)	Inglis
Brown, Corrine	Deutch	Miller (FL)
Brown-Waite,	Fallin	Myrick
Ginny	Gohmert	Pallone
Buyer	Hodes	Rahall
Cantor	Hoekstra	Wamp

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members have 1 minute remaining.

□ 1544

So (two-thirds not being in the affirmative) the motion was rejected.

The result of the vote was announced as above recorded.

□ 1545

### SMALL BUSINESS JOBS TAX RELIEF ACT OF 2010

Mr. LEVIN. Mr. Speaker, pursuant to H. Res. 1436, I call up the bill (H.R. 5486) to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 1436, the bill is considered read.

The text of the bill is as follows:

H.R. 5486

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### TITLE V—TAX PROVISIONS

##### SEC. 500. SHORT TITLE; ETC.

(a) SHORT TITLE.—This title may be cited as the “Small Business Jobs Tax Relief Act of 2010”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Sec. 500. Short title; etc.

Subtitle A—Small Business Tax Incentives

##### PART 1—GENERAL PROVISIONS

Sec. 501. Temporary exclusion of 100 percent of gain on certain small business stock.

##### PART 2—LIMITATIONS AND REPORTING ON CERTAIN PENALTIES

Sec. 511. Limitation on penalty for failure to disclose certain information.

Sec. 512. Annual reports on penalties and certain other enforcement actions.

##### PART 3—OTHER PROVISIONS

Sec. 521. Increase in amount allowed as deduction for start-up expenditures.

Sec. 522. Nonrecourse small business investment company loans from the Small Business Administration treated as amounts at risk.

Sec. 523. Benefits under the Small Business Borrower Assistance Program excluded from gross income.

##### Subtitle B—Revenue Provisions

Sec. 531. Required minimum 10-year term, etc., for grantor retained annuity trusts.

Sec. 532. Crude tall oil ineligible for cellulosic biofuel producer credit.

Sec. 533. Time for payment of corporate estimated taxes.

##### Subtitle A—Small Business Tax Incentives

##### PART 1—GENERAL PROVISIONS

##### SEC. 501. TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Subsection (a) of section 1202 is amended by adding at the end the following new paragraph:

“(4) SPECIAL 100 PERCENT EXCLUSION.—In the case of qualified small business stock acquired after March 15, 2010, and before January 1, 2012—

“(A) paragraph (1) shall be applied by substituting ‘100 percent’ for ‘50 percent’.

“(B) paragraph (2) shall not apply, and

“(C) paragraph (7) of section 57(a) shall not apply.”.

(b) CONFORMING AMENDMENTS.—Paragraph (3) of section 1202(a) is amended—

(1) by striking “after the date of the enactment of this paragraph and before January 1, 2011” and inserting “after February 17, 2009, and before March 16, 2010”; and

(2) by striking “SPECIAL RULES FOR 2009 AND 2010” in the heading and inserting “SPECIAL 75 PERCENT EXCLUSION”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after March 15, 2010.

##### PART 2—LIMITATIONS AND REPORTING ON CERTAIN PENALTIES

##### SEC. 511. LIMITATION ON PENALTY FOR FAILURE TO DISCLOSE CERTAIN INFORMATION.

(a) IN GENERAL.—Subsection (b) of section 6707A is amended to read as follows:

“(b) AMOUNT OF PENALTY.—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the amount of the penalty under subsection (a) with respect to any reportable transaction shall be 75 percent of the decrease in tax shown on the return as a result of such transaction (or which would have resulted from such transaction if such transaction were respected for Federal tax purposes).

“(2) MAXIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any reportable transaction for any taxable year shall not exceed—

“(A) in the case of a listed transaction, \$200,000 (\$100,000 in the case of a natural person), or

“(B) in the case of any other reportable transaction, \$50,000 (\$10,000 in the case of a natural person).

“(3) MINIMUM PENALTY.—The amount of the penalty under subsection (a) with respect to any transaction for any taxable year shall not be less than \$10,000 (\$5,000 in the case of a natural person).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to penalties assessed after December 31, 2006.

##### SEC. 512. ANNUAL REPORTS ON PENALTIES AND CERTAIN OTHER ENFORCEMENT ACTIONS.

(a) IN GENERAL.—The Commissioner of Internal Revenue, in consultation with the Secretary of the Treasury, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate an annual report on the penalties assessed by the Internal Revenue Service during the preceding year

under each of the following provisions of the Internal Revenue Code of 1986:

(1) Section 6662A (relating to accuracy-related penalty on understatements with respect to reportable transactions).

(2) Section 6700(a) (relating to promoting abusive tax shelters).

(3) Section 6707 (relating to failure to furnish information regarding reportable transactions).

(4) Section 6707A (relating to failure to include reportable transaction information with return).

(5) Section 6708 (relating to failure to maintain lists of advisees with respect to reportable transactions).

(b) ADDITIONAL INFORMATION.—The report required under subsection (a) shall also include information on the following with respect to each year:

(1) Any action taken under section 330(b) of title 31, United States Code, with respect to any reportable transaction (as defined in section 6707A(c) of the Internal Revenue Code of 1986).

(2) Any extension of the time for assessment of tax enforced, or assessment of any amount under such an extension, under paragraph (10) of section 6501(c) of the Internal Revenue Code of 1986.

(c) DATE OF REPORT.—The first report required under subsection (a) shall be submitted not later than December 31, 2010.

##### PART 3—OTHER PROVISIONS

##### SEC. 521. INCREASE IN AMOUNT ALLOWED AS DEDUCTION FOR START-UP EXPENDITURES.

(a) IN GENERAL.—Subsection (b) of section 195 is amended by adding at the end the following new paragraph:

“(3) INCREASED LIMITATION FOR TAXABLE YEARS BEGINNING IN 2010 OR 2011.—In the case of any taxable year beginning in 2010 or 2011, paragraph (1)(A)(ii) shall be applied—

“(A) by substituting ‘\$20,000’ for ‘\$5,000’, and

“(B) by substituting ‘\$75,000’ for ‘\$50,000’.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

##### SEC. 522. NONRECOURSE SMALL BUSINESS INVESTMENT COMPANY LOANS FROM THE SMALL BUSINESS ADMINISTRATION TREATED AS AMOUNTS AT RISK.

(a) IN GENERAL.—Subparagraph (B) of section 465(b)(6) is amended to read as follows:

“(B) QUALIFIED NONRECOURSE FINANCING.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘qualified nonrecourse financing’ means any financing—

“(I) which is qualified real property financing or qualified SBIC financing,

“(II) except to the extent provided in regulations, with respect to which no person is personally liable for repayment, and

“(III) which is not convertible debt.

“(ii) QUALIFIED REAL PROPERTY FINANCING.—The term ‘qualified real property financing’ means any financing which—

“(I) is borrowed by the taxpayer with respect to the activity of holding real property,

“(II) is secured by real property used in such activity, and

“(III) is borrowed by the taxpayer from a qualified person or represents a loan from any Federal, State, or local government or instrumentality thereof, or is guaranteed by any Federal, State, or local government.

“(iii) QUALIFIED SBIC FINANCING.—The term ‘qualified SBIC financing’ means any financing which—

“(I) is borrowed by a small business investment company (within the meaning of section 301 of the Small Business Investment Act of 1958), and

“(II) is borrowed from, or guaranteed by, the Small Business Administration under the authority of section 303(b) of such Act.”.

(b) CONFORMING AMENDMENTS.—Subparagraph (A) of section 465(b)(6) is amended—

(1) by striking “in the case of an activity of holding real property,”; and

(2) by striking “which is secured by real property used in such activity”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans and guarantees made after the date of the enactment of this Act.

**SEC. 523. BENEFITS UNDER THE SMALL BUSINESS BORROWER ASSISTANCE PROGRAM EXCLUDED FROM GROSS INCOME.**

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by adding at the end the following new section:

**“SEC. 139F. BENEFITS UNDER THE SMALL BUSINESS BORROWER ASSISTANCE PROGRAM.**

“(a) IN GENERAL.—Gross income shall not include any amount paid on behalf of a borrower by the Administrator of the Small Business Administration under the Small Business Borrower Assistance program established under section 402 of the Small Business Assistance Fund Act of 2010 (as in effect immediately after the date of the enactment of such Act).

“(b) DENIAL OF DOUBLE BENEFIT.—Notwithstanding any other provision of this subtitle, with respect to the person for whose benefit a payment described in subsection (a) is made—

“(1) INTEREST.—No deduction shall be allowed for interest to the extent the liability for such interest is covered by such payment.

“(2) PAYMENTS OF PRINCIPAL.—If any payment is applied to reduce the principal of the loan to which such payment relates—

“(A) ALLOCATION AMONG FINANCED EXPENDITURES.—Such payment shall be allocated pro rata among the expenditures financed with such loan.

“(B) CREDITS AND DEDUCTIBLE EXPENSES.—No deduction or credit shall be allowed for, or by reason of, any such expenditure to the extent of the amount of the payment allocated to such expenditure under subparagraph (A).

“(C) ADJUSTMENT OF BASIS.—The adjusted basis of any property acquired with such expenditure shall be reduced to the extent of the amount of the payment allocated to such expenditure under subparagraph (A).”.

(b) CLERICAL AMENDMENTS.—The table of sections for part III of subchapter B of chapter 1 is amended by adding at the end the following new item:

“Sec. 139F. Benefits under the Small Business Borrower Assistance Program.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

**Subtitle B—Revenue Provisions**

**SEC. 531. REQUIRED MINIMUM 10-YEAR TERM, ETC., FOR GRANTOR RETAINED ANNUITY TRUSTS.**

(a) IN GENERAL.—Subsection (b) of section 2702 is amended—

(1) by redesignating paragraphs (1), (2) and (3) as subparagraphs (A), (B), and (C), respectively, and by moving such subparagraphs (as so redesignated) 2 ems to the right;

(2) by striking “For purposes of” and inserting the following:

“(1) IN GENERAL.—For purposes of”;

(3) by striking “paragraph (1) or (2)” in paragraph (1)(C) (as so redesignated) and inserting “subparagraph (A) or (B)”;

(4) by adding at the end the following new paragraph:

“(2) ADDITIONAL REQUIREMENTS WITH RESPECT TO GRANTOR RETAINED ANNUITIES.—For purposes of subsection (a), in the case of an interest described in paragraph (1)(A) (determined without regard to this paragraph) which is retained by the transferor, such interest shall be treated as described in such paragraph only if—

“(A) the right to receive the fixed amounts referred to in such paragraph is for a term of not less than 10 years,

“(B) such fixed amounts, when determined on an annual basis, do not decrease relative to any prior year during the first 10 years of the term referred to in subparagraph (A), and

“(C) the remainder interest has a value greater than zero determined as of the time of the transfer.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made after the date of the enactment of this Act.

**SEC. 532. CRUDE TALL OIL INELIGIBLE FOR CELLULOSIC BIOFUEL PRODUCER CREDIT.**

(a) IN GENERAL.—Clause (iii) of section 40(b)(6)(E) is amended—

(1) by striking “or” at the end of subclause (I),

(2) by striking the period at the end of subclause (II) and inserting “, or”.

(3) by adding at the end the following new subclause:

“(III) such fuel has an acid number greater than 25.”, and

(4) by striking “UNPROCESSED” in the heading and inserting “CERTAIN”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to fuels sold or used on or after January 1, 2010.

**SEC. 533. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.**

The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act in effect on the date of the enactment of this Act is increased by 7.75 percentage points.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) and the gentleman from Michigan (Mr. CAMP) each will control 30 minutes.

The Chair recognizes the gentleman from Michigan.

**GENERAL LEAVE**

Mr. LEVIN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and insert extraneous material in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LEVIN. I yield myself such time as I may consume.

This bill, H.R. 5486, the Small Business Jobs Tax Relief Act of 2010, is, in a few words, a continuation of our work to spur job creation and to really improve the quality of life in all of our communities. Since the beginning of this year, our economy has created 982,000 jobs. That is a reversal of 22 straight months of job losses, a very long stretch indeed. But we all know that far too many people today are out of work and the unemployment rate remains at a very unacceptably high 9.7 percent. So something considerable has been done, but we have to do more.

According to the SBA—and I think we all know this—small firms created 64 percent of the net new jobs between

1993 and the third quarter of 2008. So small businesses help lead job creation in a recovery, but today, small firms are having difficulty accessing capital.

So what does this bill do? It provides a total of \$3.588 billion in tax cuts to help American small businesses. It is part of the partnership between the public and the private sector, relying on the private sector to do the job creation. And I want to emphasize, this bill does not add a dime to our deficit. It doesn't even add a penny to our deficit.

So let me explain the provisions in H.R. 5486. First of all, relating to business stock, small business stock, and capital gains, presently there's an exclusion of 75 percent because of the Recovery Act, and I emphasize that. This would increase the exclusion to 100 percent. It provides relief for small businesses from tax penalties when that is indeed appropriate. It also increases the deduction for startup costs for expenses not related to capital or equipment. It increases it from \$5,000 to \$20,000. So these are important stimuli for small business to help them create more jobs.

As I said earlier, this is offset. It will not add a dime or, indeed, a penny to the Federal deficit. It includes two provisions that have already passed this House. One relates to what is sometimes called a grandchild of black liquor. It relates to essentially a byproduct. What this does, building on the work that we did in earlier bills, is to prevent people from receiving a windfall from unintended application of renewable fuel credits.

The second part relates to what are called grantor retained annuity trusts, and I want to just say a quick word about this. This is clearly a loophole. This is clearly an abuse. Here's what happens, to try to put it in the simplest terms: A short-term trust usually is created by someone for a child. Then the person who created the trust takes back the value, let's say, in a few annual payments. So there's no gift tax for the grantor. The way it works today, all of the increase in the value of the stock is also outside of the gift tax.

So, essentially, what is happening here is a paper transaction that leads to escape of taxation, and this provides in our bill that there has to be a 10-year term for the trust to be sure that the trust has actual substance. This change raises \$5.297 billion over 10 years. So what this means, breaking it down in simple terms, is that about \$500 million per year from taxpayers is lost today through paper transactions, and we close the loophole. So, again, because of this, there is not any added cost.

We also, if I might say so and will be discussing this I guess tomorrow, it provides money for the small business lending package, H.R. 5297. So that is also budget neutral, and that provides some additional important small business loan help so badly needed. It's

hard to understand why people would vote against this. Plus, a provision that is \$2 billion worth, and it goes to States and local governments, and they have written us, urging that we provide some assistance so that they can increase the flow of loans to small businesses in their States.

So, in a word, we have a bill that is essentially a two-fer. It provides needed assistance for job creation by small business, and it's paid for. So I urge very much that somehow the other side can cross the bridge and join together instead of creating obstacles and vote for this bill and then its partner bill tomorrow.

I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Speaker, this bill contains many positive features but also some negative ones, and thus, I reluctantly plan to oppose it.

Like my friend on the other side of the aisle, I'm pleased to see that it does include some tax relief, albeit limited, for small businesses, including provisions championed by both Republicans and Democrats. I'm also pleased, unlike earlier versions of this legislation, the most objectionable revenue raiser, a provision that could provoke retaliation by other countries and that even the Obama administration officials warned would violate our international treaty obligations, has been dropped from this bill. But despite those positive features, I will be voting against this bill for several important reasons.

First, while the tax relief in here is welcome, it's not enough and won't actually help small businesses create the jobs we need to reduce our stubbornly high unemployment rate. While I would certainly support further lowering taxes on small businesses, the last thing they need is higher taxes, which is exactly what they are facing from this Congress.

Just last month, the majority pushed through an \$11.2 billion tax hike on certain small businesses that would subject their profits to employment taxes, and at the end of 2010, all individual income tax rates, as well as taxes on dividends and capital gains, are scheduled to rise dramatically. Because so many small businesses pay taxes at the individual level, the fear of these increases is chilling expansion and hiring and, therefore, job creation. So the majority's record on tax policy affecting small businesses is spotty at best.

Second, this bill, like others before it, provides a stark reminder of the majority's view of the Ways and Means Committee as an ATM machine to fund other spending. Here, the majority is seeking to generate \$7.1 billion in additional tax revenue but would only provide \$3.6 billion in tax relief over the next decade. The rest of the money

raised will be used to offset the cost of another bill, H.R. 4297, which was reported by the Financial Services Committee, that creates another TARP-like program. Some might call it TARP III.

While I'm glad the majority found offsets that are less economically damaging than some that have previously passed the House, the practice of using permanent changes in tax receipts to fund temporary spending is disappointing and portends further and larger tax hikes in the future, perhaps as soon as the end of this month when the majority hopes to complete action on a financial system reform bill.

Mr. Speaker, especially with the unemployment rate continuing to hover near 10 percent, our small businesses, the engine of economic growth and job creation, need help, but this bill isn't enough, and it takes us further down the dangerous road of higher spending our Nation cannot afford.

I reserve the balance of my time.

Mr. LEVIN. Before I yield, I just want to say to Mr. CAMP, I listened intently, and I can't understand your opposition. You like the provisions. You don't like what we once passed. If you don't like what we passed before—and I disagree with you—it's even more of a reason to vote for this bill.

You complain about permanent changes. We're closing a loophole permanently. You want us to close it temporarily? And we're preventing a provision coming into effect that should never come into effect.

So I just urge people to listen to the quality of this discussion, and I think, so far, it all points to everybody on both sides of the aisle voting for this bill. It helps small business. That's been acknowledged, and you don't challenge the tax cuts in terms of their merits. You talk about another tax cut in another bill you didn't like. I think you find it hard to find anything you like.

I now yield 2 minutes to another member of our committee, our distinguished colleague from Massachusetts (Mr. NEAL).

Mr. NEAL. I thank Mr. LEVIN for yielding.

Mr. Speaker, I stand in support of this small business bill before us today. In addition to the several tax breaks that Mr. LEVIN has pointed out, the bill will create a lending fund for our community banks to crop into. That's perhaps the most salient part of this proposal, to get capital flowing, to get capital back into the marketplace so that there's an opportunity for small businesses across the country to take advantage of what heretofore has become a dried up resource, and that is the availability of capital.

□ 1600

While the data tells us the economy is improving, our small businesses back home are still struggling, and much of that is due to the fact that lines of credit have tightened up or in many in-

stances simply gone away. Now, those businesses are doing their best to keep everyone on the payroll even though sales are slow in an attempt to climb back, but the regulators have kept a strong hand and hold on banks that otherwise might be lending.

Now, conceptually, I don't know how you can be opposed to this legislation. Community banks provide more than half of the small business loans in America that are less than \$100,000. In Massachusetts alone, commercial bank lending to small businesses through the SBA guarantee program has doubled over the last year. This legislation will help even more.

If you really care about small businesses and entrepreneurship and growing the economy, the essential argument here is how do we get these small business people back on their feet. The proposal here is to provide some tax relief. Greater lending possibilities with the prospect of encouraging small businesses to grow and invest is a very important part of what's incorporated in this very piece of legislation.

Now, always we would find amongst the 435 of us in this institution a different way to do it, but that's not the proposal in front of us.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

I just want to respond to my friend from Michigan, the chairman, and say it's really about the reality of this legislation, not just the rhetoric. And while excluding capital gains on the sale of small business stock is a great provision, the problem is this is drafted so narrowly that the small businesses have to be C corporations. And as we know, only a fraction of small businesses will be considered qualified small businesses to take advantage of this provision. This is the largest piece of this so-called "small business relief" bill. And while it's great to talk about, the reality of it is going to be very limited.

As I said in my statement, there are some positive things in this bill. Obviously, closing the Black Liquor 3 loophole is something I support, but on balance, because the bill isn't really going to do anything to create jobs, A, and, B, because there are, again, going to be temporary provisions that are paid for with permanent tax increases, and, third, the revenue raiser on the estate tax area on the Grantor Retained Annuity Trust is really one that ought to be reserved for when we have to deal with estate tax reform. As you know, the law has expired. There are bills moving through the Congress to reinstate the estate tax. This really is appropriate to that area.

I think it is absolutely unconscionable that we've gone all this time with no estate tax, with everyone understanding that the majority is going to create a retroactive death tax bill that's going to try to come back through the beginning of the year. This is where that provision should be.

So, again, I reluctantly oppose this bill. I think there are some good things

in it; unfortunately, they don't go far enough.

I now yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. I thank Mr. CAMP for yielding.

Chairman LEVIN said a minute ago that it's hard to find anything that the minority likes. I'll tell you a few things, Mr. Speaker, that we would like. We would have liked a stimulus that worked. We would have liked a stimulus where unemployment actually peaked at 8 percent as long as our children and grandchildren were being foisted with a \$1 trillion obligation. We would have liked it if last month's unemployment numbers weren't goosed up by simply census employees joining the ranks. We would have liked it, Mr. Speaker, if during the health care debate a thoughtful approach had been put forward that wasn't going to cost employers like Caterpillar in my home State \$100 million in the first year or John Deere \$150 million in the first year. We would have like those things, Mr. Speaker.

I think what the majority is laying out is kind of a happy life of low expectations. That's not a bad way to go through life, but I think that we can do so much more than this. And to Mr. CAMP's point, there are some things that are here that are decent and that are marginally okay and slightly better, but is that how dim the lights are in this Chamber that that's our expectation, that something is just sort of okay? I mean, this is an increase in government spending, after all, so I think we can do so much better. Why is it, Mr. Speaker, that we are halfway through the tax year and the research and development tax credit isn't resolved by this majority in this Congress? Why is it that the death tax is a complete ambiguity?

So in answer to the chairman, I have a lot of respect for him and for his work and his sincerity, but I think I want to echo Mr. CAMP's observation, that this is so narrowly crafted and so de minimus and being proclaimed by the same folks that promised us great things in the stimulus that I think we can do better.

Mr. LEVIN. You say do better; you won't vote for anything.

I yield 2 minutes to the distinguished gentleman from New York (Mr. RANGEL) to explain why this is more than de minimus, a bill that needs to be voted on on a bipartisan basis.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, sometimes when life gets rough for me, I try to put myself in the shoes of the other guy. What a rough time to be in the minority. We have so many people whose hopes and dreams have been shattered, they're out of work, they're angry, the economy has been blown wide open, and we find that the order

of the day with the opposition is that they just have to say no. It must be awkward to say what I would do if this bill was defeated. It must be terrible to talk about the past things that haven't worked when someone has just lost their home or can't pay their rent or put food on the table or get clothes for their kids.

It's a rough time for all Americans, and anybody who believes that Democrats always get it right, well, it's difficult to do, but for crying out loud, we have to do something. The \$787 billion we voted on trying to get us out of this economic mess, and all the money just floated on the top for the big banks. Now we're trying to see what really works. Listening to the calls of small business people, trying to make certain they have capital to get the inventory, to provide the goods and services, to hire people, and as everyone admits, this is where the major jobs come.

For crying out loud, sometimes the late John Kennedy said, The party just asks too much of you. These people are out of work. They're not Democrats and Republicans; they're American people. They work hard for their dignity. They're the ones that supported our country during good times. And now that times are rough, they've got to listen to debates between Republicans and Democrats as to, gee, this is what I would do if I was in charge? I don't think that's fair. And I really believe that the voters are not going to believe that all we can do is come up with ideas, have them ridiculed, and then just say no.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman 1 additional minute.

Mr. RANGEL. Thank you so much, Mr. Chairman.

I know from time to time when my party asked me to carry too much weight that morally I don't believe I can do it, that somehow there are people on our side of the aisle that take the risk and being able to say I did it not because my party asked me to do it, I did it not to be opposed, I did it because it's the right thing to do.

Now you have to find the issue; if it's not health care, if it's not education, if it's not national security, how about the opportunity to work, to make a living, to have the dignity, to have the pride, to raise your family, and indeed to pay taxes?

This is going to be our last opportunity for this year. Maybe next year there will be a change in the philosophy—if you want to call it that—of the minority and they will work together; but I do hope this idea that on everything we come up with to improve the quality of life for the people of this great Nation, that the opposition can come up with something except “just say no.”

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

This bill is going to spend taxpayers' money. I believe we have an obligation,

if we're going to spend taxpayers' money, that we do it effectively. On Friday night, the Treasury released a report that in 2015 our debt will exceed the gross domestic product of this country. We've had expert testimony before the Debt Commission that said when your debt gets to 90 percent of GDP, you lose 1 percent off economic growth, which translates into 1 million jobs.

This bill, because of how narrowly focused it is, how narrowly drafted it is, virtually no small businesses will take advantage of the exclusion of capital gains because they have to be C corporations. And if there is one trend we've seen, it's that businesses are being organized as passed-through entities now. That's how America, particularly small business America, is being organized. So while this is great rhetoric, this bill isn't going to be effective in doing anything.

And let me just say, I heard the former chairman say that Republicans just say no. On the health care bill, we had a viable alternative. In fact, I will say the vote on the health care bill was bipartisan opposition, only majority partisanship support for that legislation. Whether it's been stimulus or health care or energy, we have had viable alternatives on the floor that we have brought forward. On this particular bill, I think that better work could have been done, more effective work could have been done. And, frankly, in this era of the highest debt ever this country has seen, I think we have an obligation that if we're going to spend taxpayers' dollars, it's done in an effective way and a way that gets results, and this bill falls short.

I reserve the balance of my time.

Mr. LEVIN. I yield 2 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER), member of the Ways and Means Committee.

Mr. BLUMENAUER. Mr. Speaker, this legislation is personal for me. We've watched our country come back from the brink in the fall of 2008. In my State of Oregon, helped by Recovery Act funds of about \$6 billion, we've been able to stabilize and make some progress. Is it enough? Absolutely not. But I've had a steady parade of people coming to my office thanking me for the investment that was made in terms of infrastructure, in terms of health care, in terms of making sure that we didn't have layoffs of public employees.

Now we have a provision here that is an opportunity to focus on small business. It is a package, as the chairman mentioned, with two pieces. It's ironic that our friends are telling us that it's just not enough. These are small pieces, yet they were saying, on the other hand, the legislation we had that CBO has scored over 1.2 million jobs to as much as 2.8 million saved or created was too big. Well, we ought to be chipping away as we can on this. Having \$30 billion for a small business lending fund, being able to provide a couple billion dollars of tax exclusion for small

business capital formation are positive items.

□ 1615

You know, one of the things that strikes me as ironic is that our friends on the other side of the aisle ignore the fact that the Recovery Act legislation that we had previously, 42 percent of it, was for tax cuts and for preventing the impact of the alternative minimum tax from hitting middle and upper middle-income families. Every family in America which made under \$250,000 a year got tax cuts last year, and they are getting tax cuts this year. We have tried tax cuts to help move things forward. Now, this is small business lending.

The SPEAKER pro tempore (Mr. SERRANO). The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 2 minutes.

Mr. BLUMENAUER. This is part of an ongoing effort which is making a difference. The job losses peaked the month that President Obama took office—not his fault. They had been building for 22 months. Now we are making some progress. Is it enough? All of us agree that it is not, but I would suggest that dismissing this because they think it doesn't solve everything would be, I'm afraid, disingenuous. I don't think it's helpful.

I strongly urge the support of this legislation and then for us to continue with the task of rebuilding and renewing America, of reforming the Tax Code, and of coaxing the most out of these investments.

Mr. CAMP. At this time, I yield the customary 1 minute to the distinguished minority leader, the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. I want to thank my colleague for yielding.

Mr. Speaker, the bill before us today is supposed to be about helping small businesses. We do need to help small businesses as they are the engines of economic growth in our country. When you look at the jobs report that came out last month, there were only 41,000 private-sector jobs created.

Yet, if we really want this bill to work and if we really want small businesses to be able to begin hiring once again, what we really need to do is to repeal the job-killing health care law that was passed in this Chamber on March 21. The heart of that law is something that is called the "individual mandate." The individual mandate forces Americans to buy health insurance whether they want to or not, whether they can afford it or not. For small businesses, if they don't provide health insurance, guess what? The government is going to tax you. This is preventing small businesses from hiring additional people.

Twenty States and the Nation's leading small business organization agree that this law is unconstitutional, and they are fighting to overturn it. The Federal Government shouldn't be in

the business of forcing you to buy health insurance and of taxing you if you don't.

If we really want to help small businesses get back to creating jobs, we should repeal the job-killing health care law, and we should replace it with reforms that will lower the cost of health insurance and that will help protect American jobs.

My colleague from Michigan will be offering a proposal tonight to repeal the unconstitutional individual mandate, which is at the heart of this new law. His idea is posted right now on AmericaSpeakingOut.com. Americans are speaking out on it, and I hope my colleagues will get engaged and will see what the American people have to say about this individual mandate and about the taxes associated with it, but it is pretty clear.

When we get to the motion to recommend, we will offer a motion that will eliminate the individual mandate, and every Member of this House will have an opportunity to stand up for their constituents or to look the other way.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to a member of our committee, the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I rise in strong support of H.R. 5486.

That is exactly correct. We should stop looking away. Let's focus on what the subject really is.

The gentleman just left the floor, but in the final months of the last administration, on average, we had a loss of 725,000 jobs. This is the first increase that we have had in the private sector in over 2 years. So you are the party of "no." There are no two ways about it. Ever since we hit 750,000 in January of 2009, we have had an improvement every month, and now we are finally in the plus area. It took us 8 years to get into the mess. It is going to take us more than a year and a half to get out of it.

This legislation is incredibly important because it will help this country's small businesses, both new and already existing, by making the Tax Code work for them. After years of misguided tax policies from the previous administration, which only helped extraordinarily wealthy individuals, the Ways and Means Committee is focusing its efforts on the real engine of the American economy: one-third tax cuts in the stimulus, one-third investment in the infrastructure, one-third investment in informational technology, energy jobs, and tax credits. That record is unparalleled. The tax cuts of this year and last year are the largest in the history of this country for any 2-year period because we help the middle class. That is what our party is all about.

According to the Small Business Administration, small businesses have generated 64 percent of the new jobs over the past 15 years, and they must be at the forefront of the economic recovery today.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield an additional 1 minute to the distinguished gentleman.

Mr. PASCRELL. How dare someone come before this body and talk about their alternative to the health bill. Their alternative to our health bill would have started the dismantling of Medicare. Read the language of their alternative.

While our economy is growing stronger, unemployment is still too high, which is why we are directing aid to our small businesses. The bill assists already established small businesses by building on the Recovery Act's exclusion of 75 percent of business capital gains to now temporarily exclude 100 percent of capital gains from qualifying stocks, thereby encouraging investment in small businesses, which create jobs but which are encountering problems with restricted access to credit. The bill also helps people who want to start new businesses by quadrupling deductions and by increasing the cap for start-up expenses.

This legislation is imperative in recovery. I ask that we all vote for it.

Mr. CAMP. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. I yield 2 minutes to the distinguished gentlewoman from Pennsylvania, ALLYSON SCHWARTZ.

Ms. SCHWARTZ. I thank the chairman for his good work on small business and on the economic recovery.

Mr. Speaker, I rise in support of the Small Business Jobs Tax Relief Act, which, when merged with the Small Business Jobs Credit Act, will increase lending to small businesses, will expand entrepreneurship, and will put Americans to work.

The bill offers small businesses additional capital through capital gains tax cuts, relief from onerous tax penalties, and expanded deductions for start-up costs. It provides funding to create a small business lending pool which will make loans available to small businesses through our smaller community banks. This pool will provide small business access to much needed capital to acquire new equipment, to renovate, to make energy-efficiency improvements or for other business growth opportunities. It is hard to overstate how important access to capital is for small business, so this action is critically important.

Last week, during a Budget Committee hearing, Ben Bernanke responded to me when I outlined our actions to help our small businesses. He said he was "glad the Congress is exploring these different programs for making credit available to small businesses." He talked additionally about the need to be particularly attentive to new and start-up companies, all critical to our economic recovery and job growth.

All of these comments demonstrate the wisdom of the action that we are taking today to support small business growth. I urge my colleagues to vote "yes" on this latest initiative to work with business owners in the private

sector to strengthen our economy, to spur innovation, and to create jobs.

Mr. CAMP. Mr. Speaker, I continue to reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the very distinguished Member from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. I thank the chairman for yielding.

Mr. Speaker, it is axiomatic in American politics and on this floor that Members come to the floor and praise small business to the heights. People frequently cite statistics which state that small businesses create most of the new private-sector jobs. They're right. They praise small business men and business women, and they are right to praise them. Though, I think, after all the words, it is time that we took some action that actually benefits small business people in the country. This bill provides such action.

It provides access to credit for small businesses which desperately need it. I think Americans are frustrated—and small business people share in the frustration—that, after advancing hundreds of billions of dollars to banks, many of those dollars haven't seemed to find their way into loans to small businesses. The underlying bill begins to address that problem in a very significant way. It extends a practice that this chairman and his predecessor began of extending tax cuts to small businesses. A small business that buys a laptop or a truck or some other piece of equipment can expense that. Businesses can, in effect, cut their taxes by investing their businesses in the economy.

Then we have the ironic statement by the minority leader that, in order to help small businesses, he wants to repeal a law that helps small businesses, for the first time, buy health care. What the new health care law says is that a person running a small software company or a restaurant or a delicatessen should be able to buy health insurance with the same volume discount that Lockheed Martin or General Electric gets. Small business people have been asking for that opportunity for a very long time. The law the President signed provides that.

It is very important to understand that, with all due respect, the minority leader did not correctly state the impact of the bill on small business, so let the record correctly reflect the state of the new law.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional minute.

Mr. ANDREWS. If a small business person has 50 or fewer full-time employees, there is no mandate on that business to do anything. Businesses which choose to provide health insurance to their employees will have the same abilities that huge companies

have to buy health insurance at a discount if they choose. Companies with fewer than 50 full-time employees don't have to do anything. Many of the small businesses which do choose to insure their employees will get significant tax cuts to help them do that.

After all of these words, isn't it time we had some loans for small business? Isn't it time we had some tax cuts for small business and some affordable health care for small business? If you want words, take the minority's approach. If you want action, support this bill.

Mr. CAMP. Mr. Speaker, I continue to reserve the balance of my time.

The SPEAKER pro tempore. The Chair will note the gentleman from Michigan has 10 minutes remaining, and the gentleman from Michigan has 6 minutes remaining.

Mr. LEVIN. I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON LEE).

□ 1630

Ms. JACKSON LEE of Texas. I thank the gentleman for his leadership, and I thank the full Committee on Ways and Means for being a lifeline for small businesses. And I ask my colleagues on the floor of the House to join them.

Without this effort, small business doors across America will close. And, frankly, I believe it is important. As my colleague just said, let us walk the walk and talk the talk. For it is now time to invest in small businesses, which, in actuality, create the backbone of the economy of America and provide for employment in our rural and urban areas across this Nation. In fact, I think it is important to note this bill is paid for. By closing the black liquor loophole and the gift loophole, it will create \$8 billion to ensure that we can do the right thing for our small businesses.

I come from an area that is now being impacted by a major oil spill. I visit businesses whose doors are closing for lack of assistance. And I'm glad that we have a President who realizes who is important and is ready to sign this bill.

Small businesses are in need. And so what we have here is an opportunity for banks to refocus their lending policies and give startup credit and access to dollars to help build these small businesses.

Many of us heard of the redirection of the moneys that we lent to big banks in order to help them help America. Well, unfortunately, they couldn't find the doors of small businesses, many of my constituents. And so I am eager to have this legislation passed that's paid for to provide startup costs for small businesses that always have had a major impediment in getting in the door of these banks. Therefore, any relief for small startups is a plus by increasing the amount allowed to be deducted from the bottom line. And the capital gains issues as well that will be very important.

I believe, finally, we need to hold these banks accountable by asking them to provide a plan to ensure that they are providing lending to these businesses. I ask for support of this legislation.

I rise in support of the Small Business Jobs Tax Relief Act of 2010, H.R. 5486. I also want to thank Chairman SANDY LEVIN and the members of the Committee on Ways and Means for their hard work on this legislation. The bill amends the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

This bill provides targeted relief for the Nation's small businesses. Without this relief, many small businesses will close, adding to the U.S. unemployment rate, still historically high at 9.7 percent. The tax relief in this bill will begin to address a number of issues confronting the owners of small businesses:

(1) Start-up costs for small businesses have always been a major impediment to their success. Therefore, any relief for small businesses start-ups is a plus. By increasing the amount allowed to be deducted from the bottom line, a small business can then use the additional resources to grow and to expand his or her business. The bill would increase the deductible amount for start-up costs from the current \$5000.00 to \$20,000.00 for 2010 and 2011.

(2) The bill also eases restrictions on real estate holdings where qualified Small Business Investment Company (SBIC) loans are involved.

(3) This bill will increase, from 50 percent to 100 percent, the exclusion from gross income of the gain from the sale or exchange of qualified small business stock acquired after March 15, 2010, and before January 1, 2012. By reducing the tax liability related to gains on the sale of small business stock, this will free resources to be used for other business purposes in this tight economy.

(4) Another important provision in the bill will exclude from gross income any amount paid under the small business borrower assistance program. Again, tax relief in any shape or form for small businesses is critical to sustained economic growth and economic recovery.

In addition to these tax reliefs, the bill also requires the Commissioner of the Internal Revenue to provide annual reports to Congress on penalties relating to tax shelters and other transactions. Any additional measure designed to promote transparency and accountability must be supported. Again, this bill is a timely measure that will grant relief to a major segment of the Nation's business sector, suffering from the lasting effects of the worst recession in our history. I urge my colleagues to support H.R. 5486.

Mr. CAMP. I yield myself such time as I may consume, Mr. Speaker.

I agree with much of what some of the speakers have said today about the importance of small business and the job creation that small business has been responsible for. You can see statistics where 80 percent of the job creation in recent years has been because of small business. Certainly, if we're going to recover as an economy, small business will lead the way, and needs to recover. And we've seen over the past few years the way small business has been organized. Increasingly,



they're pass-through entities. The vast majority of small businesses are pass-through entities.

So what does the majority do? They pass a small business bill that doesn't apply to the majority of small businesses. This provision here, which is the bulk of the bill that excludes capital gains on the sale of certain small business stocks, only applies to qualified small businesses. Well, what is a qualified small business? A C corporation. That's how most large businesses are organized. So this bill won't do anything.

Again, while we have record debt, the largest in the history of this country, well over \$13 trillion and an estimate from the Treasury Department that, in 2015, the debt will exceed the size of the entire economy of the United States for the first time in history—before we spend taxpayer dollars, we ought to do it in a way that's effective.

There are things that we could do for small business. I will say the majority has made this bill better than it was the first time by dropping some of the controversial provisions that would have potentially caused our trading partners to retaliate against us. Obviously, closing the black liquor provision is something that I think every Republican supports as well. That's a good thing. But the fact that this legislation is not where it should be doesn't mean that we should just look the other way and pass it, because it doesn't meet the standard that this Congress should be meeting in this difficult economic time.

I yield 1 minute to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman for yielding.

I know that our leader was just down here speaking a moment ago with regard to what is going to be coming shortly, which is the MTR, and I just want to take a moment in regard to that as well, a motion to recommit that will reduce the uncertainty and reduce the regulatory burdens facing who? The small businesses, by repealing the so-called individual mandate from the recently passed health care bill.

Why do we talk about that now? Well, I have a bill that basically does the exact same thing. I introduced H.R. 4999, the Reclaiming Individual Liberty Act, which would also repeal that mandate. Because as we come to the floor right now, it's granted the authority to regulate various aspects of our economy is broad but is not that broad to be able to impose an individual mandate on what we know is, by doing so, we will hurt not only the individual and the family but also the economy of this country as well.

So I commend the gentleman for his work in this regard. I commend the gentleman for the MTR that we're about to see in a few moments. Because in that MTR, just as in the Reclaiming Individual Liberty Act, we recognize that the Constitution prohibits the ex-

pansion of government authority in those areas. If we had that ability to do that here, wouldn't we have already done that last year with regard to the auto industry and said, we can mandate people to buy automobiles in that area? We can't do it in that area. We can't do it in this area. And I commend the gentleman for it.

Mr. CAMP. I thank the gentleman for those comments. He makes a very important point.

In closing, I just want to say that we look at the costs that the individual mandate particularly is going to hit hard on small businesses and how difficult that's going to make it for them to continue to be able to expand and hire workers. And we know that the small business health care tax credit is virtually a fraud; that 90 percent of small businesses won't be able to qualify for that because, again, that's so narrowly drafted that there's the rhetoric of being able to say, Aren't we doing all these great things? But the reality is there's nothing there.

Let me just say that at the end of 2010, when all the individual income tax rates increase, as well as on dividends and capital gains, that's going to hit small business particularly hard because most small businesses file as individuals. And that's going to make it much more difficult for them to expand. It's going to make it much more difficult for them to hire and much more difficult for job creation to occur.

Also, I would say that another difficult problem is that this bill, while it generates \$7 billion in tax revenue, it only provides about \$3.5 billion in tax relief. So, again, taxes are being raised permanently for temporary spending in other parts of our economy, and it's my understanding that most of that extra revenue will be used to help pay for another TARP-like program—TARP III as some call it—that's going to be coming our way.

So, again, with our unemployment rate continuing to be at a lingering 10 percent, the difficulty our small business, the engines of economic growth and job creation are facing, the help they need, this bill is not enough. Again, it takes us down a road of higher spending that our Nation cannot afford at this time.

With that, I yield back the balance of my time.

Mr. LEVIN. I think anybody who has listened to this debate, if they're at all objective, will be completely puzzled by the arguments of the minority. They say this bill won't do anything. But then they say there are tax increases to pay for it that are permanent. That's worse than a lame argument. It's completely without merit and is vacuous. The bill is scored for small business in terms of the exclusion from capital gains tax over 10 years at almost \$2 billion. That's nothing. It provides relief from penalties. Over \$175 million to small business. That's nothing. It provides an increased deduction for startup expendi-

tures that provides over half a billion dollars, as scored. That's nothing.

Now what's nothing are your arguments. And so you come here, I think, afraid to vote "yes" because it will blur your political message. You say you agree with these provisions, but then you're going to vote "no." You just don't apparently want to be caught being bipartisan. It's going to blur a political message.

I don't understand your argument that the tax provisions are permanent. You don't argue these aren't loopholes. They're loopholes. And you criticize us for closing a loophole permanently, and then you say it's for spending, but you don't really challenge the validity of the spending. We do pay for some monies for the second bill that's coming up because it provides loans to small businesses, and it also provides States that have written us supporting this bill, including your State, Mr. CAMP, saying that they will use this money well to help collateral support for small businesses.

So it's worse than puzzling. I think it's a pathetic effort to find an excuse to vote "no." So then you come up with the argument you have a motion to recommit.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to direct their comments to the Chair and not to other Members.

Mr. LEVIN. I'll be glad to do that, Mr. Speaker.

So then there's a motion to recommit to repeal an individual mandate. All I can say is that the individual mandate was the basis of the Republican health care proposal in 1993 and 1994. And now you come up and say you want to eliminate it. This is another entangled position of yours. You're tying yourselves into knots trying to oppose a bill that will provide help for small business. Maybe it's useless to appeal for bipartisanship to the other side.

I close asking for support.

Mr. Speaker, in conjunction with today's consideration in the U.S. House of Representatives of H.R. 5486, the "Small Business Jobs Tax Relief Act of 2010," I have asked the non-partisan Joint Committee on Taxation to make available to the public a technical explanation of the provisions included H.R. 5486. This technical explanation reflects the Ways and Means Committee's understanding and legislative intent behind those provisions. It is available on the Joint Committee on Taxation website at [www.jct.gov](http://www.jct.gov) and is listed under document number JCX-31-10.

Mr. DAVIS of Illinois. Mr. Speaker, as we rebound from the greatest recession that has ever plagued this nation, it is important that we continue to support legislation that creates jobs and refurbishes the economic stability of American families—supporting small businesses, taxpayers and building a solid foundation for economic recovery.

Small businesses are the life blood of American communities, creating two-thirds of the new jobs over the last 15 years. However, these entrepreneurs are stifled in their efforts

to boost the American economy in that they are frequently denied loans and face tight lending standards. Some of the most impoverished citizens in this nation live in the 7th Congressional District of IL. While the national unemployment rate in October 2009 rose to 9.8 percent, these communities experienced unemployment rates of up to 40 percent. We must do all that we can to provide jobs for American citizens and boost the economic stability of this nation. For this reason, I strongly support H.R. 5486—spurring investment in small business, providing for small business penalty relief, and increasing the deduction for business start-up expenses.

These provisions are critical. They provide performance-based incentives to make sure that banks lend to small businesses and avoid what happened in 2009 when 45 percent of small businesses seeking loans were denied credit. Most importantly, as the nation continues its effort to create jobs and overcome high rates of unemployment, these provisions increase the deduction for start-up expenditures and allow entrepreneurs to focus on hiring workers and strengthening the economic stability of their businesses.

Mr. ETHERIDGE. Mr. Speaker, I rise in support of H.R. 5486, Small Business Jobs Tax Relief Act. Small businesses form the backbone of our economy, and this bill helps them grow and create jobs.

H.R. 5486 incentivizes people to invest in small business by increasing the capital gains tax cut. In addition, this bill would make it easier for entrepreneurs looking to start their own small business. H.R. 5486 would quadruple the tax deduction for your start-up and allow more businesses to qualify for the maximum deduction. These entrepreneurs can recover more startup expenses, and then work towards growing, expanding, and hiring new workers.

I have always been a supporter of budget discipline, and the investments we make in this bill are fully paid for. These small business tax measures are paid for by tightening rules for claiming the biofuels tax credit and the estate and gift tax rules. I am pleased that we are able to help grow our economy and reduce the national budget deficit.

While there is solid evidence that the economy is beginning to rebound, the recovery is on shaky footing. Across North Carolina, unemployment is still in the double digits and some counties in the Second District still have unemployment rates of up to 13 percent. Helping private industry create jobs needs to be our top priority, and small businesses are responsible for as many as two out of every three jobs created in our country. This bill provides tax relief to help small businesses create the jobs that we desperately need, and helps them help Main Street America.

As a Member of the House Committee on Ways and Means, I support tax cuts that help small businesses contribute to our economic recovery. This should be a bipartisan effort, and I urge my colleagues to join me in voting for its passage.

Mr. VAN HOLLEN. Mr. Speaker, for every American seeking a job, and every small business trying to expand so they can hire them, I rise in strong support of the Small Business Jobs and Credit Act of 2010 and the Small Business Jobs Tax Relief Act of 2010. These two pro-growth initiatives illustrate very clearly that jobs continue to be job one in the 111th Congress.

Small businesses are the engines of our economy, and timely, affordable credit is very often the fuel that helps them grow. Since 45 percent of small businesses currently report inadequate credit to support their needs, the Small Business Jobs and Credit Act establishes a new \$30 billion fund for community banks, which will leverage up to \$300 billion in new private sector lending to small businesses. Importantly, this new lending facility includes performance-based incentives to encourage near term lending by reducing borrowing costs to participating banks that increase their lending over 2009 levels and increasing borrowing costs when lending activity is reduced. The result will be a timely infusion of fresh credit to cash-strapped small businesses looking to create jobs in our growing economy.

To make it easier for entrepreneurs to attract capital and launch new companies, today's legislation also provides a zero capital gains rate on equity investments in qualifying small businesses made between March 15, 2010 and the end of the year—and it quadruples from \$5,000 to \$20,000 the deduction small businesses can take for start-up expenditures in their first year of operation.

Mr. Speaker, this legislation is broadly supported by the National Small Business Association, the Small Business Majority, the Conference of State Bank Supervisors, the Independent Community Bankers of America, the American Bankers Association and the National Bankers Association. It is fully paid for and deserves my colleagues' support.

Mr. BLUMENAUER. Mr. Speaker, I rise today in support of H.R. 5486, the Small Business Jobs Tax Relief Act and H.R. 5297, the Small Business Lending Fund Act of 2010. These bills will help small businesses grow, create wealth in our communities, and create new jobs. As we often hear, small businesses drive our economy and create the most jobs.

I have heard from businesses across my district that have had trouble accessing capital to expand their businesses, to weather this economic storm that Oregon faces, and to add to their workforces. Thousands of jobs have been lost, millions of dollars of savings have evaporated, and dreams have been cast aside or deferred for far too many Oregon families.

The legislation that we will pass today will ease these challenges. The legislation establishes a \$30 billion fund to boost lending to small businesses by community banks. To ensure that the additional funding is deployed, the recipient community banks will owe the US Treasury a variable dividend. The more they lend to small businesses, the less they will owe to the Treasury. If they fail to lend, then the dividend obligation increases.

The legislation also makes important tax changes that will benefit the small business community.

The legislation reduces capital gains taxes on the small business community. Under the Recovery Act, Congress excluded seventy-five percent of capital gains tax on the sale of small business stock during 2009 and 2010. This legislation continues and expands that policy by increasing the exclusion to one hundred percent for 2010 to 2012.

The legislation also improves the ability of small businesses to deduct start up costs. Under current law, a start up may deduct \$5,000 of start up costs; this legislation will expand that deduction to \$20,000. These costs

include market surveys, initial advertisements, training costs and other costs associated with starting up a business.

Oregon is still struggling with a near record unemployment rate of 10.6 percent, a percentage point above the national average. In April 2010, over two hundred thousand Oregonians remained unemployed. It is imperative that we do all that we can to improve the economy and to put Oregonians back to work.

Mr. LEVIN. I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to House Resolution 1436, the previous question is ordered on the bill.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 5486 is postponed.

#### RECOGNIZING CONTRIBUTIONS OF FATHERS

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on a motion to suspend the rules previously postponed.

The unfinished business is the vote on the motion to suspend the rules and agree to the resolution (H. Res. 1389) recognizing the immeasurable contributions of fathers in the healthy development of children, supporting responsible fatherhood, and encouraging greater involvement of fathers in the lives of their children, especially on Father's Day, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WOOLSEY) that the House suspend the rules and agree to the resolution.

The vote was taken by electronic device, and there were—yeas 416, nays 0, not voting 16, as follows:

[Roll No. 361]

YEAS—416

Ackerman	Blumenauer	Capps
Aderholt	Blunt	Capuano
Adler (NJ)	Bocieri	Cardoza
Akin	Boehner	Carnahan
Alexander	Bonner	Carney
Altmire	Bono Mack	Carson (IN)
Andrews	Boozman	Carter
Arcuri	Boren	Cassidy
Austria	Boswell	Castle
Baca	Boucher	Castor (FL)
Bachmann	Boustany	Chaffetz
Bachus	Boyd	Chandler
Baird	Brady (PA)	Childers
Baldwin	Brady (TX)	Chu
Barrow	Braley (IA)	Clarke
Bartlett	Bright	Clay
Barton (TX)	Brown (GA)	Cleaver
Bean	Brown-Waite,	Clyburn
Becerra	Ginny	Coble
Berkley	Buchanan	Coffman (CO)
Berman	Burgess	Cohen
Berry	Burton (IN)	Cole
Biggert	Butterfield	Conaway
Billbray	Buyer	Connolly (VA)
Bilirakis	Calvert	Conyers
Bishop (GA)	Camp	Cooper
Bishop (NY)	Campbell	Costa
Bishop (UT)	Cao	Costello
Blackburn	Capito	Courtney