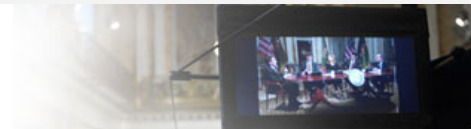


U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Department Statement on House Passage of Tax Cut, Unemployment Insurance Package

12/17/2010

Geithner Calls The Bill "Good for Growth, Good for Jobs, Good for Working and Middle Class Families"

WASHINGTON – The U.S. Department of the Treasury today released the following statement from Treasury Secretary Tim Geithner regarding the passage of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 by the House of Representatives:

"We had a responsibility to protect middle class families from a tax increase that would have hit their paychecks and harmed the recovery. And while we do not agree on everything in this legislation, I applaud members of both parties in the House and Senate for coming together to pass a bill that includes tax relief for working families, extends unemployment insurance for Americans looking for work and provides a powerful boost to job creation. This legislation is good for growth, good for jobs, good for working and middle class families, and good for businesses looking to invest and expand their workforce."

This legislation delivers vital tax relief that will accelerate economic growth by ensuring that middle class families don't see their taxes increase and providing strong incentives for businesses to invest. In addition to the extension of lower income tax rates for middle-class Americans, this legislation includes the following provisions that the Administration fought for:

- **A Two Percent Employee Payroll Tax Cut:** The legislation includes an employee-side payroll tax cut for over 155 million workers – providing tax relief of about \$112 billion next year.
- **Extension of Unemployment Benefits:** The legislation extends emergency unemployment benefits at their current level for 13 months, preventing an estimated 7 million workers from losing their benefits over the next year as they search for jobs.
- **The Child Tax Credit:** The \$3,000 refundability threshold established in the Recovery Act for the Child Tax Credit will be extended, ensuring an ongoing tax cut to 10.5 million lower-income families with 18 million children.
- **The Earned Income Tax Credit:** The legislation continues a Recovery Act expansion of the Earned Income Tax Credit worth, on average, \$600 for families with 3 or more children, and reduces the "marriage penalty" faced by working married families. Together, these enhancements to the EITC will help 6.5 million working families with 15 million children.
- **The American Opportunity Tax Credit:** The new American Opportunity Tax Credit – a partially refundable tax credit worth up to \$2,500 per student per year that helps more than 8 million students and their families afford the cost of college – would be continued under the agreement.
- **100 Percent Expensing:** The agreement includes the President's proposal to temporarily allow businesses to expense 100 percent of certain investments in 2011, potentially generating more than \$50 billion in additional investment in 2011, which will fuel job creation.
- **1603 Renewable Energy Grants:** The agreement extends the 1603 program, which provides payments in lieu of renewable energy tax credits and is helping to support tens of thousands of jobs in the wind and solar industries.

