

The American Recovery and Reinvestment Act (H.R. 1)

Passed the House today by a vote of 246 to 183.

The \$787 billion package provides \$311 billion in new spending, including:

Infrastructure

- **\$7.2 billion for Broadband** to increase broadband access and usage in unserved and underserved areas.
- **\$2.75 billion for the Department of Homeland Security**, including \$1 billion for airport baggage and checkpoint security, \$430 million for construction of border points of entry, \$210 million for construction of fire stations, \$300 million for port, transit, and rail security, \$280 million for border security technology and communication, and \$240 million for the Coast Guard.
- **\$4.6 billion in funding for the Corps of Engineers.**
- **\$1.2 billion for VA hospital and medical facility construction and improvements**, long-term care facilities for veterans, and improvements at VA national cemeteries.
- **\$3.1 billion for repair, restoration and improvement of public facilities** at on public and tribal lands.
- **\$4.2 billion for Facilities Sustainment, Restoration and Modernization** to be used for energy efficiency projects.
- **\$2.33 billion for Department of Defense Facilities** including quality of life and family-friendly military improvement projects.
- **\$2.25 billion through HOME and the Low Income Housing Tax Credit program.**
- **\$1 billion for the Community Development Block Grant** program for community and economic development projects.
- **\$1 billion for the Bureau of Reclamation** to provide drinking water to rural areas and to ensure adequate water supply to western areas impacted by drought.

Transportation

- **\$27.5 billion for highway spending.**
- **\$8.4 billion for public transportation spending.**
- **\$1.5 billion for competitive grants to state and local governments for transportation.**
- **\$1.3 billion for investments air transportation.**
- **\$9.3 billion for investments in rail transportation**, including Amtrak, High Speed and Intercity Rail.

Public Housing

- **\$4 billion to the public housing capital fund**, with an emphasis on improving energy efficiency.
- **\$2 billion for full-year payments to owners receiving Section 8 project-based rental assistance.**
- **\$2 billion for the redevelopment of abandoned and foreclosed homes.**
- **\$1.5 billion for homeless prevention activities.**
- **\$250 million is included for energy retrofitting and green investments** in HUD-assisted housing projects.

Environmental Clean-Up/Clean Water

- **\$6 billion for environmental cleanup of former weapon production and energy research sites.**
- **\$6 billion for local clean and drinking water infrastructure improvements.**
- **\$1.2 billion for EPA environmental cleanup programs, including Superfund.**
- **\$1.28 billion to support \$3.8 billion in loans and grants for rural water and waste disposal facilities.**

Science

- **\$1 billion total for NASA.**
- **\$3 billion total for National Science Foundation (NSF).**
- **\$2 billion total for Science at the Department of Energy including \$400 million for the Advanced Research Projects Agency—Energy (ARPA-E).**
- **\$830 million total for the National Oceanic and Atmospheric Association (NOAA).**

Healthcare

- **\$87 billion in additional federal Medicaid funds.** Would be held harmless against any decline; would receive an across the board increase of 6.2 %; and states with large increases in unemployment would receive an additional increase in FMAP.
- **\$24.7 billion for federal subsidies to cover 65% of the cost of health insurance premiums under COBRA** for as long as nine months
- **\$19 billion, including \$2 billion in discretionary funds and \$17 billion for investments and incentives through Medicare and Medicaid for adoption and use of interoperable health information technology (IT).**
- **\$1 billion for prevention and wellness programs.**
- **\$10 billion to conduct biomedical research** in areas such as cancer, Alzheimer's, heart disease and stem cells, and to improve NIH facilities.
- **\$1.1 billion to the Agency for Healthcare Research and Quality, NIH and the HHS Office of the Secretary** to evaluate the relative effectiveness of different health care services and treatment options.

Education and training spending

- **\$53.6 billion for the State Fiscal Stabilization Fund**, including \$39.5 billion to local school districts using existing funding formulas, \$5 billion to states as grants for meeting certain measures, and \$8.8 billion to states for other needs such as public safety and other services.
- **\$13 billion for Title 1** to help close the achievement gap and support disadvantaged students.
- **\$12.2 billion for Special Education/IDEA** for added resources for disabled children.
- **\$15.6 billion to increase the maximum Pell Grant by \$500.**
- **\$3.95 billion for job training** including State formula grants for adult, dislocated worker, and youth programs.

Energy

- **\$4.5 billion for repair of federal buildings** to increase energy efficiency.
- **\$3.4 billion for Fossil Energy research and development.**
- **\$11 billion for smart-grid related activities**, including work to modernize the electric grid.
- **\$6.3 billion for Energy Efficiency and Conservation Grants.**
- **\$5 billion for the Weatherization Assistance Program.**
- **\$2.5 billion for energy efficiency and renewable energy research.**
- **\$2 billion in grant funding for the manufacturing of advanced batteries systems** and components and vehicle batteries that are produced in the United States.
- **\$6 billion for new loan guarantees** for standard renewable projects such as wind or solar projects and for electricity transmission projects.
- **\$1 billion for miscellaneous energy efficiency programs** including alternative fuel trucks and buses, transportation charging infrastructure, and smart and energy efficient appliances.

Other Spending

- **\$19.9 billion for additional Supplemental Nutrition Assistance Program (SNAP)**, formerly Food Stamps, to increase the benefit by 13.6 percent.
- **Child Care Development Block Grant:** \$2 billion to provide child care services for an additional 300,000 children in low-income families.
- **Head Start/Early Head Start:** \$2.1 billion for an additional 124,000 children to participate in this program.
- **State and Local Law Enforcement:** \$4 billion total to support law enforcement efforts.
- **\$555 million to expand the Department of Defense Homeowners Assistance Program (HAP).**

TAXCUTS

Additionally, the \$787 billion economic stimulus includes a range of tax cuts totaling more than \$280 billion.

Individual Tax provisions include:

- President Obama's signature "Making Work Pay" tax credit, while pared from \$500 per person or \$1,000 per married couple, remains. The bill sets the cut at \$400 and \$800, respectively, which workers should start seeing as an increase in their take-home pay by the middle of the year. The credit phases out at \$75,000 for individuals and \$150,000 for couples. The total cost of the provision is \$116.2 billion.
- For prospective homebuyers, the bill raises the \$7,500 first-time homebuyer tax credit to \$8,000, removes its existing repayment requirement, and extends the credit until Dec. 1, 2009, at a cost of \$6.6 billion.
- In a move to spur auto sales, the bill creates a new tax deduction for the state and local sales taxes paid on new car purchases, with a phaseout beginning at \$125,000 in adjusted gross income for individuals and \$250,000 for couples, at a cost of \$1.7 billion.
- The legislation temporarily suspends taxes on the first \$2,400 of unemployment benefits, at a cost of \$4.7 billion.
- Eligibility for the refundable portion of the child tax credit expands by dropping the income floor for eligibility from \$8,500 to \$3,000 for two years, at a cost of \$14.8 billion.
- The alternative minimum tax (AMT) is blunted in 2009 at a cost of \$69.8 billion.

Business Tax provisions include:

- The temporary bonus depreciation is extended through 2009, at a cost of \$5 billion, and also small-business expensing is extended through 2009.
- The net operating-loss carryback provision is limited to small businesses with gross receipts of \$15 million or less, at a cost \$947 million. The much more expansive original provisions in the House and Senate would have cost about \$17 billion.
- The bill expands a proposed tax break for companies that purchase their own debt at a discount. Companies who buy back their own debt in 2010 and 2011 will be allowed to recognize the income for tax purposes over the course of 10 years. The provision would cost \$1.62 billion.
- For future transactions, the bill repeals a Treasury ruling that made it easier for banks to take advantage of losses during mergers, a provision that would raise \$7 billion.
- The bill includes a 30 percent investment tax credit for companies that build "advanced energy" production facilities, a provision that would cost \$1.65 billion.
- The package includes a raft of other renewable-energy provisions, including a three-year, \$13 billion extension of the renewable-energy credit for all but solar and coal-fueled energy. For marine energy, it is extended for two years.
- The bill provides extensive use of bonds and tax credit bonds aimed at helping state and local governments fuel development. For instance, the final bill includes a provision from both the House and Senate bills that ends a decades-old tax law that makes interest on private activity municipal bonds subject to the alternative minimum tax. State and local governments sought that repeal as a way to increase demand for the bonds. The provision would cost \$555 million.