

Murphy Votes for Job-Boosting Tax Cut Bill

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WASHINGTON, D.C. - To boost Connecticut's economy and help small businesses struggling in this recession, today Congressman Chris Murphy (CT-5) voted for a tax cut bill in the U.S. House of Representatives aimed at job creation and economic growth. The centerpiece of the legislation, the Hiring Incentives to Restore Employment Act, is payroll tax relief for businesses that hire new workers, and an income tax credit for businesses that retain these employees.

"We've got to cut the cost of doing business in Connecticut, and as small businesses are the economic engine of our state, it makes sense to lower their tax burden. Coming out of this recession is going to take time, but this effort will incentivize the hiring of unemployed people and cut taxes at the same time," said Murphy.

The Hiring Incentives to Restore Employment Act:

- Creates a new payroll tax exemption, a common-sense, targeted, and effective way to encourage employers to begin hiring unemployed workers today;

- Provides businesses with an exemption from Social Security payroll taxes for every worker hired in 2010 who has been unemployed for at least 60 days. The longer that a business has a new qualified worker on its payroll, the greater the tax benefit; and

- Provides an additional \$1,000 income tax credit for every new employee retained for 52 weeks.

The legislation also includes extensions of the Highway Trust Fund to pay for road projects in Connecticut, the Build America Bonds program to provide state and local governments capital for local priorities, and doubles the expense deductions for small businesses. The Highway Trust Fund provision is particularly important to Connecticut because it gives the state over \$700 million in contract authority for transportation projects.

"As spring arrives in Connecticut, one of the first places we should look to put people back to work is on transportation projects. And anyone that drives on I-84 knows that we aren't short on places that could use a little attention," said Murphy.

The Hiring Incentives to Restore Employment Act will not add to the deficit, as it follows House PAYGO rules, which require that any new spending or tax cuts be offset with revenue increases or spending cuts elsewhere in the federal budget.

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