

## Murphy Supports Landmark Small Business Lending and Tax Cut Bill for Connecticut Businesses

Today, Congressman Chris Murphy (CT-5) touted the passage of a small business lending and tax cut bill that President Obama will sign quickly to aid Connecticut's and the nation's economic recovery. Murphy visited small businesses in towns across the Fifth District in recent weeks, and heard over and over again about the need for access to capital and tax relief.

September 23, 2010

Contact: Kristen Bossi

(202) 225-4476

WASHINGTON, D.C. - Today, Congressman Chris Murphy (CT-5) touted the passage of a small business lending and tax cut bill that President Obama will sign quickly to aid Connecticut's and the nation's economic recovery. Murphy visited small businesses in towns across the Fifth District in recent weeks, and heard over and over again about the need for access to capital and tax relief.

"The message came through loud and clear - downtown businesses in Thomaston, Plainville, Litchfield, and throughout the Fifth District need easier access to loans and tax relief to make it through this economy. This bill feeds the part of the economy that creates jobs the quickest - Connecticut's small businesses. It's too bad the Republicans held this bill up in the Senate all summer, and small businesses have waited until now for this help," said Murphy.

The legislation includes a new \$30 billion small business lending fund, to be administered by community banks, to free up capital for businesses in Connecticut and across the country, will double the maximum size of most SBA loans, and will extend successful American Recovery and Reinvestment Act (ARRA) provisions raising SBA loan guarantees and eliminating fees.

Tax relief in this economy will go a long way with Connecticut small businesses, and this bill includes a host of tax cut provisions, including:

• A five-year carryback of general business credits. Instead of allowing businesses struggling in this recession which have an income less than their tax deductions to only be able to carryback their losses 2 years, this bill allows them to carry it back 5 years, providing an instant tax break.

• A new deduction of health insurance costs for self-employed. The bill would allow 2 million self-employed to deduct the cost of health insurance in 2010 for themselves and their family members in calculating their self-employment taxes. This provision is estimated to provide over \$1.9 billion in tax cuts for these entrepreneurs.

• Zero taxes on capital gains from key small business investments for 1 million small businesses. Under the ARRA, 75 percent of capital gains on key small business investments were excluded from taxes. This bill temporarily puts in place for 2010 a provision eliminating all capital gains taxes on these investments.

President Obama is expected to sign this bill into law in the coming days. Murphy encouraged business owners who need assistance or think they may qualify for provisions in this new bill should call Murphy's office, 860-223-8412.

###