

COMMITTEE ON FINANCE
NEWS RELEASE



Max Baucus, Chairman
<http://finance.senate.gov>

This chart indicates notable differences between the Senate-passed and the House-passed versions of the American Recovery and Reinvestment Act of 2009. This chart includes amendments accepted by the Senate, including the Collins-Nelson (NE) compromise amendment. Additional minor differences, such as the commissioning of various studies in the two bills, may exist

Policy	Senate Bill	House Bill
Tax Policy		
<i>Tax Relief For Individuals And Families (Subtitle A)</i>		
One-time payment for Social Security beneficiaries, veterans	\$300 one-time payment distributed to social security beneficiaries, disabled veterans, SSI beneficiaries, and retired rail-road workers	Payment distributed to SSI beneficiaries only
Alternative minimum tax patch	AMT patch for 2009	Not included
Temporary suspension of taxation of unemployment benefits	Temporarily suspends federal income tax on the first \$2,400 of unemployment benefits	Not included
Making work pay credit	Phased out at \$70,000 (\$140,000 for couples)	Phased out at \$75,000 (\$150,000 for couples)
Refundable child tax credit	Increase eligibility for the refundable tax credit by lowering the income threshold from \$8,500 to \$8,100	Increase eligibility for the refundable tax credit by lowering the income threshold from \$8,500 to \$0
Homeownership Tax Credit	Expands credit to \$15,000 and allows the credit for all home purchases (not just first-time home purchases); effective on the date of enactment for one year	Eliminates the repayment requirement
American Opportunity Tax Credit	\$2,500 higher education credit is 30% refundable up to \$750	\$2,500 higher education credit is 40% refundable up to \$1,000
Expand the definition of expenses for 529 education savings plans	Expands the definition of qualified expenses to include computer technology and equipment	Not included
Transit parity	Equalizes tax-free transit and parking benefits	Not included

Senate Finance Committee comparison of Finance provisions in the Senate-passed and the House-passed versions of American Recovery and Reinvestment Act of 2009. Updated 02/10/2009.

Policy	Senate Bill	House Bill
<i>Tax Policy (cont.)</i>		
Above-the-line deduction for automobiles	Above-the-line deduction for interest expenses and State and local sales taxes paid on the purchase of a new automobile	Not included
<i>Energy Incentives (Subtitle B)</i>		
Advanced energy investment credit	Establishes a new 30% investment tax credit for manufacturing of advanced energy property	Not included
Department of energy grant program for renewable electricity projects	Not included	Renewable electricity projects eligible for production tax credit may instead elect to participate in Department of Energy grant program
Consumer vehicle incentives	Creates new tax credit for 2 and 3 – wheeled vehicles and low speed vehicles; increases plug-in electric vehicle cap to 500,000 vehicles; provides new credit for converting hybrids to plug-in hybrids	Not included
Plug-in manufacturing and retooling incentive	Provides temporary expensing for domestic plug-in vehicle and component manufacturing	Not included
Depreciation for smart meters	Temporarily modifies the depreciation schedule for smart meters, reducing the recovery period for this property from ten years to five years	Not included
Energy-efficient existing homes	Extends and expands credit; modifies standards	Extends and expands credit
<i>Tax Incentives For Business (Subtitle C)</i>		
Extension of monetization of accumulated AMT and R&D credits in lieu of bonus depreciation	Allows some AMT and loss taxpayers in 2009 to receive 20% of the value of their old AMT or research and development credits	Not included
Delayed recognition of certain cancellation of debt income	Allows certain businesses to recognize cancellation of indebtedness income over eight years	Not included

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Policy	Senate Bill	House Bill
Tax Policy (cont.)		
Incentives to hire unemployed veterans, disconnected youth	Expands Work Opportunity Tax Credit to veterans released from active duty between 2001 and 2010, and disconnected youth	Expands Work Opportunity Tax Credit to veterans discharged from active duty between 2008 and 2010, and disconnected youth
Small business capital gains	Increases the exclusion for individuals on gain from the sale of certain small business stock	Not included
S-Corp holding period modification	Temporarily shorten the holding period of assets subject to built-in gain from 10 to 7 years	Not included
Low-income housing tax credits	Accelerated to permit investors to claim 20% of the allowable credits in each of the first three years and the remaining 40% of the next seven years	Not included
Low-income housing grant option	Not included	HUD grant option for low-income housing investment
Repayment of bonuses under the Troubled Asset Relief Program (TARP)	Institutions participating in TARP that awarded bonuses greater than \$100,000 to directors and officers for services rendered during 2008 must buy back stock from the government in an amount equal to excess bonuses; failure to timely repurchase stock will result in a 35% excise tax on excess bonus amounts	Not included
Manufacturing Recovery Provisions (Subtitle D)		
Industrial development bonds	Amends the definition of manufacturing facility, clarifies which physical components of a manufacturing facility qualify	Not included
Advanced energy investment credit	Clarifies criteria and qualifications for advanced energy investment credit	Not Included
Economic Recovery Tools (Subtitle E)		
Recovery zone bonds	\$10 billion in private activity bonds and \$5 billion in refundable credit bonds	\$15 billion in private activity bonds and \$10 billion in cash-out tax credit bond for distressed economic areas
New markets tax credit	\$3 billion dollars in additional funding for the credit	Not included

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Tax Policy (cont.)		
Infrastructure Financing Tools (Subtitle F)		
Three percent withholding on government contracts	Delay implementation of the law by one year	Full repeal
School construction bonds	\$5 billion for new school construction	\$11 billion for new school construction
New tax credit bonds for government infrastructure projects (Build America Bonds)	Provided for two years; increased credit for small issuers	Permanent

Health Policies		
COBRA - premium subsidies	50% subsidy for 12 months; gives employers more time to administer subsidy; allows COBRA-eligible individuals to change coverage options	65% subsidy for 12 months
COBRA - health benefits extension for older and long-term workers	Not included	Benefits available to workers age 55+ and long-term workers until they are eligible for Medicare
Medicaid – temporary option for the unemployed	Not included	Medicaid option for unemployed who are not eligible for COBRA with 100% Federal match
Medicaid – extension of reg. delays	Not included	6 month extension
FMAP bonuses	Distributes \$87 billion with more for states up front, less in bonuses (80% in across-the-board payments and 20% in bonuses)	Distributes \$87 billion with less for states up front, more in bonuses (50% in across-the-board payments and 50% in bonuses)
Limit on application of increased FMAP match	States that expand income eligibility levels in Medicaid will not receive increased federal match created in this bill for those newly eligible beneficiaries. Instead, state would receive standard matching rate	Not included
Extend disproportionate share hospital (DSH) payments	Extend payments to hospitals with disproportionate number of low-income, Medicaid, and uninsured patients through December 31, 2010	Not included

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Health Policies (cont.)

State reimbursement for special disability workload	Provides \$3 billion in compensation to states for Medicaid coverage that was legal responsibility of Medicare	Not included
Health information technology (HIT)	Payment incentives beginning in 2011 and penalties beginning in 2015; includes Critical Access Hospitals (up to \$1.5 million per hospital)	Payment incentives beginning in 2011 and penalties beginning in 2016; Critical Access Hospitals not eligible

Unemployment & Assistance Policies

UI benefits - temporary assistance for states with advances	Waive interest payments, accrual of interest on loans to state unemployment trust funds	Not included
UI Income disregard for Medicaid and CHIP eligibility	Income disregard of the \$25 increase in weekly UI benefit	Not included
UI Modernization	Completion in two years (three years for biennial states)	Completion in three years
TANF - supplemental grant extensions	Increased funds for high pop. growth, increased poverty states	Not included
Funding for child support enforcement	Through December 31, 2010	Through September 30, 2010

Trade Policies

Customs duty collection	Prevents Customs Border Protection from collecting certain duties from U.S. companies	Not included
Trade Adjustment Assistance	Extend current programs for two years	Not included
Buy American	Prevents stimulus funds from being used for public buildings or public works unless all of the iron, steel, and manufactured goods used in the project are produced in the United States; must be applied consistent with U.S. international trade obligations	Prevents stimulus funds from being used for public buildings or public works unless all of the iron and steel used in the project are produced in the United States; no exception for international trade obligations

Debt Limit

Debt limit increase	Increase by \$825 billion	Not included
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Note: Two provisions not under the jurisdiction of the Finance Committee should be noted as present in the Senate bill and not present in the House-passed bill. These Dodd and McCaskill provisions limit compensation for officers and directors of entities receiving emergency economic assistance and/or funding under the Troubled Asset Relief Program.