

## February 16, 2007 Murtha Applauds Small Business Tax Relief

For Immediate Release

Feb. 16, 2007

Murtha applauds small business tax relief

Washington D.C. - The U.S. House voted today to pass a bipartisan tax-relief bill for small businesses, according to U.S. Rep. John Murtha.

Murtha noted the importance of small businesses to our jobs base, saying, "There are nearly three million people working at small businesses in Pennsylvania, and they are the backbone of our economy."

The Small Business Tax Relief Act of 2007 includes \$1.3 billion in tax cuts to help small businesses grow, invest in new equipment and hire new workers, which Murtha said would help to continue our area's economic rebuilding.

The measure would offset some of the impact that a higher minimum wage would have on small businesses, which Murtha said is needed because the minimum wage has not been increased more than nine years - the longest period in the history of the law. At the current minimum wage of \$5.15 an hour, a full-time minimum wage worker makes \$6,000 less than the poverty level for a family of three. A summary of the bill's provisions follows.

\* The bill would help small businesses invest in new equipment and more easily afford large capital expenses. It extends small business expensing for one year - increasing both the amount small businesses can deduct from their taxes and the number of small businesses that can take these deductions.

\* The bill would extend the Work Opportunity Tax Credit (WOTC) -- which provides incentives to employers to hire individuals from targeted groups that frequently experience barriers to work -- for one year and expand it to cover disabled veterans.

\* It would maintain the current tip credit that small businesses take for the Social Security taxes that they pay on their employees' tips, instead of allowing it to drop with the increase in the minimum wage.

\* The bill would simplify tax filing requirements for businesses owned jointly by husbands and wives.