

Braley Small Business Tax Credit Signed Into Law

Written by Caitlin Legacki
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HIRE Act Includes Braley Tax Break to Spur Small Business Job Creation

Washington, DC – President Barack Obama signed the *Hiring Incentives to Restore Employment (HIRE) Act* into law today, including language from Congressman Bruce Braley's (D-Iowa) *Back to Work Act*

, which will spur small business job creation by creating a payroll tax cut for small business owners who hire previously unemployed workers. The bill includes Braley's measure to exempt small businesses from paying the employer's share of the social security tax for the rest of 2010 if they hire workers who have been unemployed for more than 60 days prior to employment. Braley attended today's White House signing ceremony for the *HIRE Act*.

"I'm extremely excited that President Obama signed this important tax credit into law," Braley said. "It goes without saying that America's small businesses are the backbone of our economy. As we continue to develop policies to strengthen our economy and put America's middle class families back to work, small business development will be one of the keys to our success. This payroll tax cut is win-win, giving small business owners the help they need to create good-paying jobs for unemployed workers."

"This tax cut says to employers: if you hire a worker who's unemployed, you won't have to pay payroll taxes on that worker for the rest of the year," Obama said. "And businesses that move quickly to hire today will get a bigger tax credit than businesses that wait until later this year. This tax cut will be particularly helpful for small business owners. Many of them are on the fence right now about whether to bring on that extra worker or two, or whether to hire anyone at all. This jobs bill should help make their decision that much easier."

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Braley's language in the *HIRE Act* provides small business owners with greater incentives to hire workers for long-term positions, providing \$1,000 in additional tax incentives for businesses that retain employees for 52 consecutive weeks. The payroll tax cut provides greater incentive for employers to move quickly to hire new workers because the credit expires at the end of the year. The sooner employees are hired, the more time small business owners have to benefit from the credit.

The *HIRE Act* also includes the following provisions:

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- Tax cuts to spur new investment by small businesses to help them expand and hire more workers
- Extension of the Highway Trust Fund allowing for tens of billions of dollars in infrastructure investment
- Provisions -- modeled after the Build America Bonds program -- to make it easier for states to borrow for infrastructure projects, such as school construction and energy projects

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