



AGC SUMMARY	
AMERICAN RECOVERY AND REINVESTMENT ACT	
TAX PROVISIONS	
HOUSE	SENATE
Individuals	Individuals
	One-year (2008) AMT patch
Remove repayment requirement on \$7,500 first-time home buyer credit for homes purchased after 2008 and before termination of credit on June 30, 2009	Remove repayment requirement on \$7,500 first-time home buyer credit for homes purchased after 2008 and before termination of credit on June 30, 2009
Business	Business
Bonus depreciation	Bonus depreciation
5-year carry-back of net operating losses (excluding companies receiving TARP benefits)	5-year carry-back of net operating losses (excluding companies receiving TARP benefits)
Extension of increased small business expensing	Extension of increased small business expensing
Expand work opportunity tax credit for disconnected youth, unemployed, and recently-discharged veterans	Expand work opportunity tax credit for disconnected youth, unemployed, and recently-discharged veterans
Repeal of Treasury Section 382 Notice	
	Extension of monetization of accumulated AMT and R&D credits in lieu of bonus depreciation
	Delayed recognition of certain cancellation of debt income
	Small business capital gains exclusion
	5-year carry-back of general business credits
State and Local Governments	
Permanent repeal of 3% withholding tax on government contractors	One-year deferral of 3% withholding tax on government contractors
De minimis safe harbor exception for tax-exempt interest expense for financial institutions	De minimis safe harbor exception for tax-exempt interest expense for financial institutions
Modification of small issuer exception to tax-exempt interest expense allocation rules for financial institutions	Modification of small issuer exception to tax-exempt interest expense allocation rules for financial institutions
Eliminate costs imposed on state and local governments by the AMT	Eliminate costs imposed on state and local governments by the AMT
Qualified school construction bonds (\$20.4 billion)	Qualified school construction bonds (\$10.4 billion)

Extension and increase in authorization for qualified zone academy bonds (QZAB) (\$1.4 billion)	Extension and increase in authorization for qualified zone academy bonds (QZAB) (\$1.4 billion)
Tax credit bond option for state and local governments	Tax credit bond option for state and local governments (a.k.a., "Build America Bonds")
Distressed Areas	
Tax exempt bonds and tax credit bonds to "recovery zones" (i.e., area with high unemployment, foreclosures, or poverty) (\$25 billion)	Tax exempt bonds and tax credit bonds to "recovery zones" (i.e., area with high unemployment, foreclosures, or poverty) (\$25 billion)
Tribal Economic Development Bonds (\$2 billion)	Tribal Economic Development Bonds (\$2 billion)
	Increase in New Markets Tax Credit
Energy Tax Incentives	
Long-term extension and modification of renewable energy production tax credit	Long-term extension and modification of renewable energy production tax credit
Temporary election to claim the investment tax credit in lieu of the production tax credit	Temporary election to claim the investment tax credit in lieu of the production tax credit
Clean Renewable Energy Bonds ("CREBS") (\$1.6 billion)	Clean Renewable Energy Bonds ("CREBS") (\$1.6 billion)
Qualified Energy Conservation Bonds (\$2.4 billion)	Qualified Energy Conservation Bonds (\$2.4 billion)
Removal of dollar limitations on certain business and residential energy credits	Removal of dollar limitations on certain business and residential energy credits
Tax credits for energy-efficient improvements to existing homes	Tax credits for energy-efficient improvements to existing homes
Tax credits for alternative fuel pumps	Tax credits for alternative fuel pumps
Enhanced energy R&D credit	Enhanced energy R&D credit
Repeal subsidized energy financing limitation on the investment tax credit	
Manufacturing Recovery	
	Industrial Development Bonds
	Advanced Energy Investment Credit
Unemployment Benefits	
Extend current unemployment insurance through 2009 (\$27 billion)	Extend current unemployment insurance through 2009 (\$27 billion)
Increase benefits by \$25/week (\$9 billion)	Increase benefits by \$25/week (\$9 billion)
Bonus program for state unemployment program modernization (\$7 billion)	Bonus program for state unemployment program modernization (\$2.6 billion)
	Temporary suspension of taxation of unemployment benefits