

## For Immediate Release

Community Development Resources  
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### How the Economic Stimulus Bill will affect Business

The American Recovery and Reinvestment Act has far-reaching effects for the economy, but how does it directly affect businesses that aren't in the renewable energy or construction fields? Here are highlights from the Recovery Act.

- **\$255 million in loans to pay debt service** on qualified business loans: The SBA will loan up to \$35,000 to viable small businesses to make payments on existing, qualifying loans for up to six months. Repayment begins 12 months after the loan is fully disbursed.
- **Increase in SBA 7(a) loan guarantee up to 90%** of the loan and **reduction or elimination of SBA loan fees**.
- **\$30 million additional loan funds available through SBA-approved microlenders**. Microlenders can loan up to \$35,000 for start-up and small businesses.
- **Immediate tax write-off of equipment purchases up to \$250,000** (Section 179 depreciation write-off).
- **Tax credits for hiring unemployed veterans and disaffected youth**. These workers were added to the federal Work Opportunity Tax Credit program.
- Ability for companies that produce intangible property to finance their facility using **industrial development bonds**. An example is a business that develops new processes or technology.
- Ability for employees of **service businesses and farms** that are experiencing downsizing because of international competition to participate in the **federal Trade Adjustment Assistance program**.
- **Creation of Recovery Zones** where businesses are eligible for tax credits. This is similar to an enterprise zone, but it is based on areas with declining employment.
- **5 year operating loss carry-back for 2008 business losses** for federal taxes. If you had a business loss in 2008, but paid taxes in prior years, you can get a refund.
- **Withholding changes**: There will be a new federal withholding schedule that gives employees more take-home pay and the 3% withholding from government contractors has been delayed until 2011.
- **Increase in the SBA surety program for job completion** to help small businesses compete for public works projects.

Businesses can find resources for surviving this economic downturn on Community Development Resources' Tools for Business Success website at [www.cdresources.toolsforbusiness.info](http://www.cdresources.toolsforbusiness.info).