

Summary of Resolution of Key Differences between House and Senate Stimulus Bills

Individual Taxation

Provision	House-passed bill	Senate-passed bill	Conference Report
Individual AMT Patch	No provision.	AMT patch for 2009. <i>Costs \$69.8b / 11.</i>	Senate.
Higher education expenses	No provision.	Allows computer technology and equipment as qualified higher education expense for 2009 and 2010. <i>Costs \$6m / 11.</i>	Senate.
Tax incentive for purchasing certain motor vehicles	No provision.	Provides above-the-line deduction for interest expenses and state and local sales and excise taxes on purchases of new motor vehicles in 2009. Deduction is restricted to expenses and taxes attributable to the first \$49,500 of the purchase price. The deduction is phased-out for taxpayers with AGI in excess of \$125,000 (\$250,000 in the case of joint returns). <i>Costs \$10.5b / 11.</i>	Deduction is limited to state and local sales and excise taxes only. In the case of taxpayers that do not itemize their deductions, the new deduction would be in addition to their standard deduction. <i>Costs \$1.7b / 11.</i>
Commuting benefits	No provision.	Equalizes tax-free transit and parking benefits, sets both at \$230 for 2009, and indexes equally in 2010. <i>Costs \$192m / 11.</i>	Senate.
Refundable Child Tax Credit	Reduces earnings threshold for refundability to \$0 for 2009 and 2010. <i>Costs \$18.3b / 11.</i>	Reduces earnings threshold to \$8,100 for 2009 and 2010. <i>Costs \$7.2b / 11.</i>	Reduces earnings threshold to \$3,000 for 2009 and 2010. <i>Costs \$14.8b / 11. All outlays.</i>

Individual Taxation (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Making Work Pay Credit	Provides up to \$500 credit per worker for 2009 and 2010. Phases-out for one worker families from \$75,000 to \$100,000 and from \$150,000 to \$200,000 for two worker families. <i>Costs \$145.3b / 11.</i>	Provides up to \$500 credit per worker for 2009 and 2010. Phases-out for one worker families from \$70,000 to \$82,500 and from \$140,000 to \$165,000 for two worker families. Reduces the credit by amounts paid by SSA, Railroad Retirement and VA. <i>Costs \$139.4b / 11.</i>	Provides up to \$400 credit per worker for 2009 and 2010. Phases-out for one worker families from \$75,000 to \$95,000 and from \$150,000 to \$190,000 for two worker families. Reduces the credit by amounts paid by SSA, Railroad Retirement and VA. Spouse not required to have a SSN or TIN to qualify. <i>Costs \$116b / 11. \$37b in outlays.</i>
American Opportunity Tax Credit/Education	40% of the credit is refundable. <i>Costs \$13.7b / 11. \$3.5b in outlays.</i>	30% of the credit is refundable. <i>Costs \$12.9b / 11. \$2.7b in outlays.</i>	40% refundability. Adds funding for the possessions to administer refunds. <i>Costs \$13b / 11. \$3.7b in outlays.</i>
Homebuyer credit	Extends \$7,500 credit through 6/30/09 and waives repayment requirement unless home is resold within 36 months. <i>Costs \$2.6b / 11.</i>	Waives repayment requirement unless home is resold within 24 months, increases credit to \$15,000, eliminates the income phase-out, extends the credit through 2009, and makes available also to non-first-homebuyers. Applies to purchases after date of enactment. <i>Costs \$39.2b / 11.</i>	Same as House except increases the credit to \$8,000 and extends credit through 11/30/2009. <i>Costs \$6.7 billion / 11. \$1.86b in outlays.</i>
Unemployment benefits	No provision.	Excludes up to \$2,400 of unemployment insurance benefits from 2009 gross income. <i>Costs \$4.7b / 11.</i>	Senate.

Business Taxation

Provision	House-passed bill	Senate-passed bill	Conference Report
Cancellation of indebtedness income	No provision.	Spread ratably over the eight years following year of cancellation, instead of immediate recognition; limited to cash re-acquisitions of debt. <i>Costs \$26.2b / 3, \$813m / 11.</i>	Generally can defer for 4-5 years and spread ratably over the following 5 years; applies to all re-acquisitions; also exempts certain refinanced debt instruments from AHYDO interest disallowance rules. <i>Costs \$42.5 / 3, \$1.6b / 11.</i>
New markets tax credit	No provision.	Increases new markets tax credit equity limitation to a total of \$5 billion for calendar years 2008 and 2009; allows 2009 credits against AMT. <i>Costs \$1b / 11.</i>	Senate, except no AMT provision. <i>Costs \$815m / 11.</i>
Election to accelerate AMT and research credits in lieu of bonus depreciation	No provision.	<i>Costs \$805m / 11. \$402m in outlays.</i>	Senate.
Small business capital gains exclusion	No provision.	Temporarily increases section 1202 small business capital gains exclusion to 75%. <i>Costs \$829m / 11.</i>	Senate.
Built-in gains holding period for S corporations	No provision.	Temporarily cuts the built-in gains holding period for S corporations to seven years from 10 years. <i>Costs \$415m / 11.</i>	Senate.
Broadband Internet	No provision.	Broadband Internet access tax credit. <i>Costs \$217m / 11.</i>	No provision.

Business Taxation (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Bonuses paid by TARP recipients	No provision.	Requires TARP recipients paying certain bonuses to return TARP funds or pay excise tax. <i>Raises \$3.2b / 10.</i>	No provision.
Low-income housing credit	No provision.	Accelerates low-income housing credits and eliminates reduction in basis for receipt of certain federal grants for purposes of determining the credit. <i>Costs \$1.7b / 11</i>	Accelerates low-income housing credits and eliminates reduction in basis for receipt of certain federal grants for purposes of determining the credit. <i>Costs \$143m / 11.</i>
3% withholding on government contracts	House permanently repeals. <i>Costs \$10.9b / 11.</i>	Senate has 1-year delay. <i>Costs \$291m / 11.</i>	Senate.
Net Operating Losses	Extends Net Operating Loss carryback period for 2008 and 2009 to 5 years, but with a 10% haircut. <i>Costs \$54b / 2, \$15b / 11.</i>	Same as House but no haircut. <i>Costs \$67.5b / 2, \$19.5b / 11.</i>	Only certain businesses eligible (\$15,000,000 or less gross receipts test) and only for NOLs in 2008. <i>Costs \$4.7b / 1, \$947m / 11.</i>
Work opportunity credit	Expands credit to veterans released from active duty during 2008, 2009 and 2010 and disconnected youth hired in 2009 and 2010. <i>Costs \$208m / 11.</i>	Expands credit to veterans released from active duty after 8/31/2001 and before 2011 and disconnected youth hired in 2009 and 2010. <i>Costs \$328m / 11</i>	Expands credit to veterans released from active duty during the five years prior to the hiring date and disconnected youth hired in 2009 and 2010. <i>Costs \$231m / 11.</i>
TARP-triggered ownership changes and NOLs	No provision.	No provision.	Provides that TARP-triggered ownership changes will not limit use of NOLs. <i>Costs \$3.2b / 11.</i>
Small Business Estimated Tax	No provision.	No provision.	Reduces the 2009 required estimated tax payments for certain small businesses. <i>Negligible cost.</i>

Energy

Provision	House-passed bill	Senate-passed bill	Conference Report
Credit for investment in advanced energy property	No provision.	Establishes a new 30% investment tax credit for facilities engaged in the manufacture of advanced energy property. \$2b credit to allocate. <i>Costs \$1.4b / 11.</i>	\$2.3b credit to allocate. <i>Costs \$1.65b / 11.</i>
Election to expense manufacturing facilities for plug-in vehicles	No provision.	<i>Costs \$1.8b / 11.</i>	No provision.
Modification of credits for alternative motor vehicles and qualified plug-in electric drive vehicles	No provision.	Modifies tax credit for each qualified plug-in vehicle placed in service during taxable year - capped at 200,000 cars per manufacturer; sales before 2015. <i>Costs \$94m / 11.</i>	<i>No date restriction. Costs \$2b / 11.</i>
Credit for plug-in electric vehicle conversion	No provision.	Provides tax credit for electric plug-in electric drive conversion kit. <i>Costs \$21m / 11.</i>	<i>Included in \$2b / 11 score above.</i>
Treatment of alternative motor vehicle credit		Alternative motor vehicle credit allowed against AMT.	<i>Included in \$2b / 11 score above.</i>
Smart meters	No provision.	Five year depreciation for smart meters purchased before 2011. <i>Costs \$22m / 11.</i>	No provision.
Grants for specified energy property in lieu of tax credits	<i>2009 – 2011 outlay of \$158m; largely offset by increased 2009-2016 revenue of \$153m.</i>	No provision.	House.

Energy (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Section 25C investment tax credit for improving energy efficiency of existing homes	<i>Costs \$4.3b / 11.</i>	Extends tax credits for improvements to energy-efficient existing homes through 2010. Applies to taxpayers after 12/31/09. Imposes stricter qualification standards than House bill. <i>Costs \$1.9b / 11.</i>	Senate. Applies to tax years after 12/31/08. <i>Costs \$2b / 11.</i>
Temporarily increase credit for alternative fuel vehicle refueling property	<i>Costs \$54m / 11.</i>	Similar. <i>Costs \$53m / 11.</i>	House.

Bonds/Aid to States

Provision	House-passed bill	Senate-passed bill	Conference Report
High-speed rail bonds	No provision.	Modifies speed requirement for high-speed rail bonds. <i>Costs \$288m / 11.</i>	Senate.
Industrial Development Bonds	No provision.	Expands industrial development bonds to include creation of intangible property and to eliminate proceeds restriction. <i>Costs \$203m / 11.</i>	Senate.
Grants to States for low-income housing in lieu of low-income housing credit 2009 allocations	<i>2009 outlay of \$3b, largely offset over 11 years by revenue increase of \$2.9b. Costs \$67m / 11.</i>	No provision.	House.
School Construction Bonds	Authorizes \$22b in bonds. <i>Costs \$9.9b / 11.</i>	Authorizes \$10b in bonds. <i>Costs \$4.5b / 11.</i>	House.
Recovery Zone Bonds	Authorizes \$25b in bonds, 50% subsidy to issuers of Recovery Zone Economic Development Bonds. <i>Costs \$6b / 11.</i>	Authorizes \$15b in bonds, 40% subsidy to issuers of Recovery Zone Economic Development Bonds. <i>Costs \$3b / 11.</i>	Authorizes \$25b in bonds, 45% subsidy to issuers of Recovery Zone Economic Development Bonds. <i>Costs \$5.4b / 11. \$2.8b in outlays.</i>
Build America Bonds - Taxable Bond option for governmental issuers	Permanently gives state and local government issuers the ability to issue taxable bonds, 35% subsidy of interest payments. <i>Costs \$18.3b / 11.</i>	Provides two years in which issuer can issue taxable bonds; 35% subsidy of interest payments, but 40% for small issuers. <i>Costs \$4.5b / 11.</i>	Senate but 35% subsidy for all issuers. <i>Costs \$4.3b / 11. \$4b in outlays.</i>
Tax credit rules for RICs	No provision.	No provision.	Provides rules for RICs to pass through tax credits. <i>No cost.</i>

Bonds/Aid to States (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Qualified energy conservation bonds	Additional \$2.4b authorization. Provides that green community bonds shall not be deemed private activity bonds for purposes of allocation rules for these bonds (note that this does remove such bonds from volume cap). <i>Costs \$803m / 11.</i>	Additional \$2.4b authorization. <i>Costs \$803m / 11.</i>	House.
AMT and private activity bonds	For bonds issued during 2009 and 2010, suspend alternative minimum tax limitations on private-activity tax-exempt bonds and modify ACE to exclude interest from all tax-exempt bonds. <i>Costs \$481m / 11.</i>	Same as House.	Also provides AMT relief for current refundings of private activity bonds issued since 1/1/04 during 2009 and 2010. <i>Costs \$555m / 11.</i>

Trade

Provision	House-passed bill	Senate-passed bill	Conference Report
Trade adjustment assistance program	No provision.	Simple two-year extension, <i>Costs \$108m / 11.</i>	Extension and expansion for two years, including Health Coverage Tax Credit. <i>Costs \$1.6b / 11.</i>
Byrd Amendment	No provision.	Prohibits collection of certain payments made under Continued Dumping and Subsidy Offset Act (Byrd Amendment) disbursements on imports from Canada and Mexico <i>Costs \$90m / 11.</i>	Senate.

Health

Provision	House-passed bill	Senate-passed bill	Conference Report
Health IT	<p>Provides \$34 billion in incentive payments, beginning in 2011, to physicians and hospitals for HIT adoption, penalizing non-adoption beginning in 2016. Each physician could collect \$64,000 in incentives, while a hospital could receive as much as \$16.5 million.</p> <p>\$2 billion in grants and loans available through the National Coordinator for HIT (ONCHIT) at HHS.</p> <p>Includes significant HIPAA expansions regarding new business associate requirements, breach notification, disclosure,</p>	<p>Provides \$35 billion in HIT adoption incentives, beginning in 2011. Penalizes providers who do not adopt HIT, beginning in 2015. Each physician could collect \$64,000 in incentives, while a hospital could receive as much as \$11.6 million.</p> <p>Expands the list of providers who are eligible to receive HIT funding to include Critical Access Hospitals and gives providers who adopt early an extra \$3,000.</p> <p>\$3 billion in grants and loans available through ONCHIT.</p> <p>Privacy provisions are less onerous on HIPAA covered entities in areas of breach notification and disclosure, though still an expansion to business</p>	<p>Provides \$35 billion in HIT adoption incentives, beginning in 2011. Penalizes non-adopters beginning in 2015. Each physician could collect up to \$65,000 in incentives, while a hospital could receive as much as \$16.5 million in incentives. No restrictions on how physicians or hospitals could use leftover incentive payments if they purchase a low-cost HIT system.</p> <p>Critical Access Hospitals are eligible for smaller incentive payments</p> <p>\$2 billion for ONCHIT grants and loans.</p> <p>Mostly House language on privacy, with some discretion by Secretary on accounting for disclosure and small exception for</p>

	<p>client contacts and enforcement, which has resulted in concerns of pharmacists, businesses, and health plans.</p> <p>Allows State AGs to enforce the federal HIPAA law.</p> <p>Increases the limit on civil monetary penalties to \$1.5 million and allows plaintiffs to share in these awards.</p> <p><i>Net cost: \$19.1 billion</i></p>	<p>associates and same new enforcement regime as House.</p> <p>Allows State AGs to enforce the federal HIPAA law.</p> <p>Increases the limit on civil monetary penalties to \$1.5 million and allows plaintiffs to share in these awards.</p> <p><i>Net cost: \$19.2 billion</i></p>	<p>breach notification.</p> <p>Same</p> <p>Same</p> <p><i>Net cost: \$19.2 billion</i></p>
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Health (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Comparative Effectiveness Research	<p>Provides \$1.1 billion for a new federal board to conduct “comparative” effectiveness research.</p> <p>Report language states the research would result in access restrictions to “more expensive” treatments.</p> <p><i>Costs \$1.1 billion</i></p>	<p>Provides \$1.1 billion for a new federal board to conduct “clinical” effectiveness research.</p> <p>Includes language to ensure that this research could not be used to harm Medicare payments by denying access to needed care, regardless of cost.</p> <p><i>Costs \$1.1 billion</i></p>	<p>Provides \$1.1 billion for a new federal board to conduct “comparative” effectiveness research.</p> <p>The new federal board (Federal Coordinating Council on Comparative Effectiveness Research) cannot mandate coverage and payment decisions, but would allow the board to make recommendations. Drops the Senate language that would have prevented access restrictions in Medicare.</p> <p><i>Costs \$1.1 billion</i></p>

Health (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
COBRA	Provides a 65% premium subsidy for 12 months.	Subsidizes premiums at 50% for 12 months.	Individuals making up to \$125,000 and couples earning up to \$250,000 would be eligible for 65% premium subsidy for 9 months. The subsidy begins to phase-out above these income levels and would not apply to individuals who earn more than \$145,000 and couples making more than \$290,000.
	Expands the duration of eligibility for those who are 55-64 and for those who have worked for an employer for 10 or more years.	No provision.	Senate
	No provision.	Allows individuals to opt-in to a cheaper employer plan, if one is offered.	Senate
	<i>Costs \$30.3b</i>	<i>Costs \$ 20b</i>	<i>Costs \$24.7b</i>

Health (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
<p>Medicaid Provisions Temporary Federal Medical Assistance Percentage (FMAP) increase</p>	<p>Each state would receive an automatic 4.9% increase in its FMAP rate. States could also receive additional increases based off the increase in the unemployment rate in the state. Half of new spending goes toward the across-the-board increases for all States and about half to the increase based off unemployment. The increase is from October 1, 2008 through December 31, 2010.</p>	<p>Each state would receive an automatic 7.6% increase in its FMAP rate. States could also receive additional increases based off the increase in the unemployment rate in the state. 80% of new spending goes toward the across-the-board increases for all States and 20% of the increase based off unemployment. The increase is from October 1, 2008 through December 31, 2010.</p>	<p>Each state would receive an automatic 6.2% increase in its FMAP rate. States could also receive additional increases based off the increase in the unemployment rate in the state. 65% of new spending goes toward the across-the-board increases for all States and 35% of the increase based off unemployment. The increase is from October 1, 2008 through December 31, 2010.</p>
<p>Regulation Moratorium</p>	<p>Contains a 60-day extension of the moratoria on Medicaid regulations produced by the Bush Administration.</p> <p><i>Costs \$89.7 billion (total Medicaid title)</i></p>	<p>No Provision</p> <p><i>Costs \$90.1 billion (total Medicaid title)</i></p>	<p>House</p> <p><i>Costs \$90.1 billion (total Medicaid title)</i></p>
<p>Medicare Provisions</p>	<p>Long-Term Care Hospital earmarks and the delay of hospice and Indirect Medical Education (IME) regulations.</p> <p><i>Costs \$338 million</i></p>	<p>Delays IME regulations.</p> <p><i>Costs \$191 million</i></p>	<p>House</p> <p><i>Costs \$338 million</i></p>

Health (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Qualified Individual (QI) program	No provision	Provides a one-year extension through 2010 of the QI program, which helps low-income Medicare beneficiaries with their Part B premiums. <i>Costs \$562m</i>	Senate <i>Costs \$562m</i>
Transitional Medical Assistance (TMA)	Extends TMA through December 31, 2010 (current program expires June 30). TMA helps workers who are transitioning from welfare to work keep their Medicaid benefits. <i>Costs \$1.3 billion</i>	Extends TMA through December 31, 2010 (current program expires June 30). TMA helps workers who are transitioning from welfare to work keep their Medicaid benefits. <i>Costs \$1.3 billion</i>	Same <i>Costs \$1.3 billion</i>

Temporary Assistance for Needy Families (TANF) and Unemployment

Provision	House-passed bill	Senate-passed bill	Conference Report
Waives interest on Federal loans to state unemployment benefit programs through CY 2010	No provision.	<i>Costs \$1.1b / 11.</i>	Senate.
Extends TANF supplemental grants through FY 2010	No provision.	<i>Costs \$319m / 11.</i>	Senate.
Allows States to spend TANF carryover funds on noncash benefits	No provision.	<i>No long-run cost.</i>	Senate.
New TANF “emergency fund” for States that increase welfare caseloads, and reduces work and activity requirements for welfare recipients	Provides States up to \$8 billion over two years for States that increase welfare caseloads; also allows States to ignore recent caseload rises in determining the share of welfare recipients expected to engage in work, education, training and other productive activities.	Similar to House, but provides \$3 billion over 2 years for States that increase welfare caseloads.	Follow House, but provides \$5 billion over 2 years. <i>Costs \$3 billion.</i>
Extend current temporary Federal extended unemployment insurance (UI) program	Extends current temporary program through CY 2009, with a phaseout through mid-2010, using general revenue.	Same as House.	Same as House and Senate. <i>Costs \$27 billion.</i>

TANF and Unemployment (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
Federalize State portion of permanent law Federal/State extended UI benefits (EB) program	No provision.	No provision.	For States that trigger onto the EB program (9 currently, including AK, CT, ID, MI, NC, OR, PR, RI, and WA), the Federal government will pick up the State share (50%) of program costs through CY 2009, with a phaseout through mid CY 2010.
Continue EB eligibility despite lack of recent work	No provision.	No provision.	Continue eligibility for EB payments despite the unemployed worker's lack of recent work (an EB program requirement that would otherwise end eligibility as some individuals collect benefits over long periods and prior work becomes more remote).
Increase in weekly UI benefits	Increases weekly UI checks by \$25, using general revenue.	Same as House.	Same as House and Senate. <i>Costs \$8.8 billion</i>
Unemployment Insurance "Modernization"	Offers States a one-time payment of part of \$7 billion in Federal unemployment funds if they have permanently expanded eligibility for UI benefits to include recent entrants to work, part time workers and others.	Similar to House (minor differences involving timing).	House.

TANF and Unemployment (cont.)

Provision	House-passed bill	Senate-passed bill	Conference Report
One-time payment to recipients of certain federal benefits	One-time payment to SSI recipients equal to the “average” monthly payment (about \$450 per). <i>Costs \$4b.</i>	One-time payment (\$300) to Social Security beneficiaries, SSI recipients (and also certain veterans and those receiving Railroad Retirement). <i>Costs \$17b.</i>	Senate, with payment amount lowered to \$250. <i>Costs \$14.1b.</i> New provision: one-time refundable credit of \$250 in 2009 to certain government retirees who are not eligible for Social Security benefits. <i>Costs \$218m.</i>