

Congress of the United States
Washington, DC 20515

January 14, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H232 - The Capitol
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
H107 - The Capitol
Washington, DC 20515

Dear Speaker Pelosi:

As members of the New Democrat Coalition, we write today in strong support of including business tax provisions in the economic recovery package. America's small businesses and manufacturers have been hard hit by the economic downturn, forcing them to lay off millions of hard-working employees, cut back on benefits, and limit their investments.

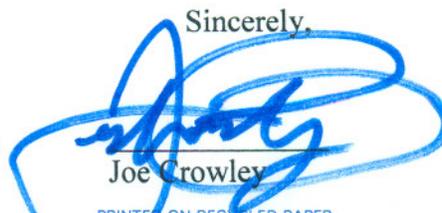
In order to get America's economy back on track, we must enact policies that will help small businesses and manufacturers stabilize their operations, increase their access to capital, and encourage them to invest in and eventually grow their companies. Specifically, we request a two year extension of bonus depreciation and increased Section 179 expensing provisions that were included in the 2008 stimulus bill. In addition, we support extending the carry back period for businesses with a net operating loss from two years to five. With nine Members on the Ways and Means Committee, many of whom have actively worked to include these provisions in the stimulus, the NewDems feel strongly that these provisions will help stimulate economic growth.

Under your leadership, Congress acted last year in a bipartisan manner to provide \$44 billion to encourage businesses to invest. The Recovery Rebates and Economic Stimulus for the American People Act (H.R. 5140) doubled the amount small businesses can immediately write off their taxes for capital investments made in 2008. Our efforts allowed small and medium businesses to depreciate most or all of the cost of qualifying new and used assets in the first year they are put to use up to \$250,000 (up from \$125,000) and purchase up to \$800,000 (up from \$500,000) in new equipment. The Act also provided immediate tax relief for all businesses to invest in new plants and equipment by speeding up depreciation provisions. This allowed businesses to write off an additional 50 percent for investments purchased in 2008.

Over the last year, businesses across all sectors of the economy experienced dramatic declines in their bottom lines. Given this uncertain climate, extending the loss carry back period to five years would not only be good tax policy, it would put money back into businesses and allow them to start hiring new employees and purchasing equipment.

Thank you for your time and consideration of this request. We look forward to working with you to pass a robust stimulus bill to get the American economy back on track.


Ellen Tauscher

Sincerely,

Joe Crowley


Ron Kind

Melissa L. Bean
Melissa Bean

Adam Smith
Adam Smith

Allyson L. Schwartz
Allyson Schwartz

Artur Davis
Artur Davis

Jason Altmire
Jason Altmire