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## House takes up bill on infrastructure, tax cuts

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WASHINGTON (AP) -- Local governments could line up billions of dollars in new construction projects under the latest in a series of election-year jobs bills Democrats are pushing in Congress as unemployment hovers near 10 percent.

A bill combining \$13.2 billion in interest subsidies for local construction bonds with \$3.6 billion in tax cuts for small businesses was headed for a vote Tuesday in the House. The legislation also would provide states \$2.5 billion for temporary welfare payments to needy families through September 2011.

Republicans argue that the tax cuts are too small and the spending too inefficient to make any significant dent in joblessness.

"Each one of us knows the acute pain and job loss this recession has brought to our communities back home," said Rep. Sander Levin, D-Mich., chairman of the tax-writing House Ways and Means Committee. "This bill is another step to address the critical, overarching need to help our economy recover and resume positive job growth."

Rep. Patrick Tiberi of Ohio, a top Republican on the Ways and Means Committee, said the "hodgepodge" of tax cuts in the bill are "too small and ineffective to create jobs."

The largest provision in the bill would expand the Buy America Bonds program, which subsidizes interest costs paid by local governments when they borrow for construction projects. The program, which was included in the massive economic stimulus package enacted last year, would be extended through March 2013, at a cost of \$7.5 billion.

The bill would also exempt long-term investments in certain small businesses from capital gains taxes. The economic stimulus package allowed investors to exempt 75 percent of the gains from such investments for 2009 and 2010. The new bill would exempt all the gains from taxation for qualified stock purchased from March 15 through the end of 2011, at a cost of about \$2 billion.

The bill would be paid for in large part from a series of measures designed to crack down on

companies that avoid taxes through aggressive tax planning.

The biggest provision would raise an estimated \$7.7 billion by preventing some foreign multinational corporations from avoiding withholding taxes on U.S. profits by funneling those profits through subsidiaries in different countries.

The bill would raise \$4.5 billion over the next decade by limiting taxpayers' ability to avoid gifts taxes by setting up trusts known as Grantor Retained Annuity Trusts, or GRATs. Another provision would raise \$2.5 billion by increasing reporting requirements for people who write off expenses on rental property.

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