

Legislation offers job incentives to areas of high unemployment and has backing of local Chambers of Commerce

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Washington, D.C. – Congressman Jerry McNerney (CA-11) yesterday introduced legislation aimed at creating jobs and growing our country’s small businesses, particularly in areas with high unemployment like California. H.R. 4620, the Small Business Job Creation Act of 2010, provides tax credits for small businesses to hire people who were previously unemployed. The bill also includes additional tax credits for small businesses located in high unemployment areas, such as Alameda, Contra Costa, San Joaquin, and Santa Clara Counties.

“Our community has been hit particularly hard by the economic downturn,” said Rep. McNerney. “I hear all the time from families who are struggling to make ends meet, pay their mortgage and send their kids to college. We need to spur job creation and help get our economy back on track.”

“That’s why I introduced the Small Business Job Creation Act, which will encourage hiring and create new job opportunities for people who are currently unemployed,” continued Rep. McNerney. “Small businesses are the engine of our country’s economic growth and key to this area’s economic recovery.”

“Providing tax credits to small businesses in high unemployment areas is particularly important,” said Rep. McNerney. “I represent areas with unemployment as high as 17% and small business owners are working hard to keep their doors open. Few of the proposals coming out of Washington, D.C. do enough to create jobs in communities like ours with high unemployment.”

Rep. McNerney wrote the legislation after a recent meeting of his Small Business Advisory Board, which is made up of local small business owners, representatives of local Chambers of Commerce and leaders in the business community.

“During a recent meeting of my Small Business Advisory Board, local small business owners shared with me the many challenges they face right now,” said Rep. McNerney. “After hearing from members of my Advisory Board and many business owners, I decided to introduce the Small Business Job Creation Act.”

Rep. McNerney’s bill has received support from several local Chambers of Commerce. San Ramon Chamber of Commerce CEO Carolyn Degan, Livermore Chamber of Commerce President, CEO Dale Kaye and Manteca Chamber of Commerce CEO Debby Moorhead applauded the introduction of the bill with the following words.

“Congressman McNerney’s proposed tax credit legislation would help stimulate the local economy,” said Carolyn Degan, President/CEO of the San Ramon Chamber of Commerce. “Not only would it be a benefit to local business owners at a time when credit and financing are so hard to get, it would help lower the unemployment rate by creating new jobs.”

“Legislation that addresses the need for job creation is essential,” said Dale Kaye, President, CEO of the Livermore Chamber of Commerce. “Congressman McNerney’s bill recognizes that small businesses are the engine of our economy. It underscores the need for incentives for small businesses during this difficult recovery as well as the need to put people back to work to help grow the economy.”

“As the CEO of the Manteca Chamber of Commerce I know firsthand the challenges that many small business owners face,” said Debby Moorhead, CEO Manteca Chamber of Commerce. “The economic downturn has impacted San Joaquin County in particular with a disproportionate high unemployment rate. Any legislation to provide relief and to support small business owners in hiring additional workers would have a substantial effect. The Chamber of Commerce is in support of much needed changes and the success of the Small Business Job Creation Act will impact San Joaquin County and particularly Manteca’s small businesses in a positive manner.”

The Small Business Job Creation Act of 2010 offers the following tax credits to small businesses who hire new workers:

- A tax credit of 7.5 percent of wages earned by an employee in 2010, and 5 percent in

2011, applicable to the first \$75,000 of an employee's salary

- A tax credit of 15 percent in 2010, and 10 percent in 2011, as above, in counties with an unemployment rate higher than the national rate

In order for small businesses to be eligible to receive these credits, they must meet the following criteria:

- Revenue of \$20 million or less or no more than 200 full-time employees

New hires for whom small businesses wish to receive these tax credits must:

- Be full time employees working at least 30 hours per week
- Have been certified as eligible for unemployment compensation during the previous year. Businesses would also be able to rehire workers they had to let go as a result of the weak economy.