



MIDDLE CLASS AND SMALL BUSINESS TAX RELIEF PLAN

Martha Coakley understands the best way to get our economy back on track is to tackle the economic crisis head on and to take all necessary steps to get people back to work. This includes responsible tax relief that helps the middle class and enables businesses to hire, innovate, and thrive. As Attorney General, Martha created the Business, Technology and Economic Development Division to improve communication and partnership with large and small Massachusetts employers. She understands what businesses need to be competitive.

In the Senate, Martha will listen to and work with businesses. She knows that the credit crisis has frozen out far too many entrepreneurs and small businesses. Martha will help to provide small businesses with access to the loans they need and the resources to hire and train new workers.

These proposals provide targeted tax relief as part of Martha's "Getting America Back to Work: A Jobs Plan" and "Preventing Another Economic Collapse: The Need for Enhanced Financial Reform":

- Let expire the Bush/Cheney tax cuts that lowered the tax rate of the top 2% of income earners or those who make more than \$250,000 per year. The middle class has borne the brunt of the economic crisis and is struggling in the current jobs climate. That is why Martha supports extending the current tax rates for the bottom four tax brackets, including the 10% tax bracket created in 2001 for the lowest income earners. Martha also supports extending the child tax credit and the reduced marriage penalty.
- Increase the tax benefits for child care. Ensuring affordable child care is critical to helping working parents get ahead. Martha supports bipartisan efforts to reform the Child and Dependent Care Tax Credit, making it refundable and allowing low-income families

The Martha Coakley for Senate Committee • 529 Main Street • Charlestown, MA 02129
Phone: (617) 241-0200 • www.marthacoakley.com

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to receive up to a 50% credit on the first \$6,000 of child care expenses for two or more dependants. This will benefit approximately 7.5 million working parents.

- Make the American Opportunity Tax Credit permanent. This \$2,500 college tax credit helps low and middle class families send their children to college. This credit was recently extended and applies for married couples filing jointly who have modified adjusted gross income of up to \$160,000 (\$80,000 for single parents). By making this tax credit permanent, we can help ensure that working families can adequately plan to send their kids to college.
- Support the Helping Invigorate and Revive Our Economy Act (“HIRE America Act”), which will increase tax credits for hiring, extend the credit to all hires, and provide additional funds to businesses that hire veterans.
- Make the federal Research and Development Tax Credit permanent which will allow companies and research institutions to be more innovative and better able to create jobs so that they can be more competitive globally.
- Support job training tax credits, including a 3-year, \$5,000 tax credit equal to 50% of eligible training expenditures for new or existing full-time employees, in accordance with an approved training plan; and support the expansion of the Lifetime Learning Credit to include pre-approved job training courses so those who do not seek a college or post-secondary education can still develop the tools and skills necessary to be successful in the workplace.
- Provide small business the capital that they need to grow, compete and stay in business, by increasing appropriations for the Small Business Administration Microloan Program, extending ARC Stabilization Loans, increasing the loan limit on the Small Business Administration’s 7(a) loan program and extending the authorization to provide 90% guarantees on 7(a) loans and fee elimination through December 31, 2010.