

On November 5, 2009, the House of Representatives passed H.R. 3548, the Unemployment Compensation Extension Act, with my support. President Obama signed H.R. 3548 into public law on November 6, 2009. This bill contains two very important provisions, the extension of unemployment benefits and the homebuyer tax credit, to help stimulate the economy and provide stability to American families.

Long-term unemployment has hit its highest rate since measuring began in 1948, with five million Americans out of work for more than six months. While the picture does seem to be improving, it will take time to completely rebound from the more than 6.9 million jobs lost since the beginning of the recession in 2007.

Thanks to last year's supplemental spending bill (P.L. 110-252) and this year's American Recovery and Reinvestment Act (P.L. 111-5), unemployed people have been eligible for at least 46 weeks of unemployment checks, and those in states where the unemployment rate was more than six percent, have been eligible for 59 weeks. These provisions are set to expire at the end of the year. Building on these past extensions, the Unemployment Compensation Act further extends unemployment benefits by up to 14 weeks for workers nationwide and 6 additional weeks in the 27 states (including Massachusetts) where the unemployment rate is more than 8.5 percent. This new law will provide benefits for nearly two million jobless workers who will exhaust their benefits by the end of December.

The Unemployment Compensation Act also includes an extension of the First Time Homebuyer Tax Credit, which was a provision of the American Recovery and Reinvestment Act. Originally set to expire on November 30, 2009, the bill extends, by five months, the tax credit for homes purchased through April 30, 2010. It requires any taxpayer who enters into a written binding contract before May 1, 2010, to close on the purchase of a principal residence before July 1, 2010. The measure allows taxpayers to use a home bought after Dec. 31, 2008, as a tax credit for the preceding taxable year, and extends the waiver of a tax recapture for homes purchased in 2010. The bill adds a \$6,500 tax credit for current homeowners buying a new primary residence, as long as they have lived in their current primary residences for five consecutive years. It expands the tax credit to more families by increasing the income cap to \$125,000 for individuals and \$225,000 for married couples — up from \$75,000 and \$175,000, respectively. The credit is available for the purchase of principle residences with a purchase price of up to \$800,000.

It is important to note that these extensions will not add to the deficit. The unemployment

benefits extension will be offset by extending the Federal unemployment tax through June 30, 2011. The homebuyer tax credit will be offset by delaying a questionable tax break that would let U.S. multinational companies, that have shipped jobs overseas, reduce their U.S. taxes by deducting more of their worldwide interest income against their U.S. income. Additionally, the bill increases the penalty for partnerships or S corporations that fail to file a tax return.

This bill is an important example of Congress' commitment to provide much-needed relief to the millions of unemployed American workers, stimulate the economy, and support the middle class.