

Providing Additional Loan Opportunities for Small Businesses

- The bill invests \$21 billion in new investment in small business and small business loans, with guarantees needed to make loans more attractive to lenders and to free up capital for small businesses.
 - Eliminates all fees on Small Business Administration (SBA)-backed loans.
 - Establishes a new program that will allow SBA to make no-interest loans to firms that are struggling to make payment on existing debts.
 - Raises the portion of a loan guaranteed by the SBA from 85 to 90 percent.
 - Invests in the Economic Development Assistance (EDA) to address long-term economic distress in urban industrial cores and rural areas, distributed based on need and ability to create jobs and attract private investment.

More details about these programs can be found online at the [Small Business Administration \(SBA\) website](#)

Creating Jobs and Spurring Investment Through Business Tax Incentives

- *Five-Year Carryback Provision to Increase Tax Refunds for Small Businesses*: Small businesses are able to carry back their losses for up to five years, effectively allowing them a rebate on taxes paid in previous years. This measure will increase liquidity for small businesses by an estimated \$4.7 billion by next Fall.

- *Incentives to Invest in Plant and Equipment by Allowing Small Businesses to Write Off Up to \$250,000 of Investment* : The economic recovery package doubles the amount small businesses can immediately write off for capital investment and equipment purchases to \$250,000 in 2009, providing an immediate tax incentive to invest and create jobs.

- *Additional Liquidity Support By Reducing Estimated Tax Payments*: Normally, small businesses have to pay 110 percent of their previous year's taxes in estimated taxes. But with incomes down for many small businesses this requirement is too burdensome – and causing a cash crunch. The economic recovery package allows small businesses to reduce their estimated payments to 90 percent of the previous year's taxes, helping to boost their liquidity and better align their estimated taxes with their actual taxes in a year of severe economic contraction. As well, the act delays the mandate that federal, state, and local governments withhold 3 percent of payments to businesses for goods and services, a change which is supported by the National Small Business Association.

- *Extension of Bonus Depreciation Deductions Through 2009*: The Recovery Act also extends through 2009 bonus depreciation, allowing businesses to take a larger tax deduction within the first year of a property's purchase. This will help businesses quickly recover the costs of new capital investments for firms making investments in new plants and equipment in 2009.

- *Incentives for Investors to Put Money in Small Businesses*: The economic recovery package includes a measure that will exclude from taxation 75 percent of the capital gains for investors in small businesses who hold their investments for five years.

Further information on these tax provisions can be found by [clicking here](#) .

Supporting High-Tech Small Businesses

The American Recovery and Reinvestment Act makes a strong commitment to science and renewing our nation's innovation infrastructure. The recovery package includes \$22 billion in scientific research funding, including \$10 billion at the National Institutes of Health (NIH) and \$3 billion at the National Science Foundation (NSF).

The NIH has several [existing programs](#) for small businesses. The NIH has indicated that extramural research funds from the economic recovery package will be directed toward a variety of programs, notably a new NIH Challenge Grant program. The grant submission deadlines are accelerated in order to disburse the recovery money quickly. For example, the Challenge Grants have a submission deadline of April 27, 2009. Further information about these new NIH grant programs can be found [online](#) .

The NSF has announced that most of their research funding from the economic recovery package will be allocated to highly rated proposals that have already been submitted and previously went unfunded. Reviews and awards for these proposals will be completed by September 30, 2009. The latest updates on NSF funding opportunities related to the American

Recovery and Reinvestment Act are available [here](#) .

More broadly, all grants funded by the economic recovery package can be found [online](#) .

Contracting Opportunities

As agencies and departments roll out their economic recovery plans, there are new opportunities for companies to work with the federal government. More information about those opportunities is listed at [FedBizOpps](#) .