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Barrow Backs Bipartisan Economic Stimulus Plan

Bill Will Offer Tax Rebates for 3.5 million Families in Georgia

Washington, DC – Congressman John Barrow (GA-12) joined a bipartisan majority in the House of Representatives in support of the Recovery Rebates and Economic Stimulus for the American People Act today. The legislation will help stimulate the economy and provide tax rebates to 3.5 million households in Georgia. Families could receive tax rebates of up to \$1,200 per couple, plus \$300 per child, as early as mid-May.

“I spent the last week meeting with families in the 12th District. They’re struggling to make ends meet, and the economic downturn is only making things worse,” said Barrow. “Members of Congress from both sides of the aisle and the Bush Administration worked together to craft a plan that will give the economy a much-needed boost at the local and state level, and deliver the relief families need right now.”

The bill passed today provides a recovery rebate to 117 million families, including 35 million families who make between \$3,000 and \$26,000 per year, and 13 million senior citizens. The stimulus package will provide tax rebates of up to \$600 per individual and \$1,200 per married couple, plus an additional \$300 per child. The bill is estimated to provide an average rebate of \$914 to Georgia families, a total of \$3.2 billion statewide, and create new jobs.

The legislation also includes tax cuts for small businesses. The bill doubles the amount small businesses can immediately write off their taxes for capital investments, and encourages investments in new equipment. It also offers immediate tax relief for all businesses to invest in new plants and equipment by speeding up depreciation provisions, so that firms can write off an additional 50 percent for investments purchased in 2008.

“Small businesses run the economy in Georgia,” added Barrow. “This bill gives them incentives to expand their business, hire new workers, and help our economy get back on track.”

The plan also includes provisions to help families avoid losing their homes to foreclosure. The bill expands affordable mortgage loan opportunities for families at risk of foreclosure through the Federal Housing Administration. It also includes a one-year increase in the loan limits for single family homes from Fannie Mae and Freddie Mac.

Thirty percent of mortgages originated in the 12th District during 2005-2006 were subprime loans. One in six of these subprime loans will ultimately end in foreclosure. These foreclosures will result in lower selling prices for more than 49,000 surrounding homes, an estimated loss of about \$64 million in equity. Barrow held mortgage and foreclosure workshops in Savannah and Augusta last week to help families in the 12th District facing foreclosure.

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