

## **Likely Amendments from the Senate Finance Committee to Economic Recovery Legislation**

- John D. Rockefeller IV, D-W.Va., and Snowe are expected to offer an amendment that would use tax incentives to promote advanced broadband infrastructure and the spread of current broadband technology to rural areas.
- Snowe and Ron Wyden, D-Ore., are expected to offer a proposal that would create a class of tax credit bonds that public and private entities could use to promote the spread of broadband technology.
- Charles E. Schumer, D-N.Y., is planning to offer amendments that would repeal controversial Medicaid regulations put in place last year and that would give mass transit riders a tax benefit equivalent to that allowed for commuters who pay to park at work.
- Orrin G. Hatch, R-Utah, plans to propose making the research-and-development tax credit permanent and allowing a more generous net operating loss carryback, a key business tax break. Although Baucus has proposed allowing businesses to use tax losses in 2008 and 2009 to offset five years' worth of past profits — up from two years in current law — and get immediate refunds, Hatch wants to extend the offset period to 10 years.
- Maria Cantwell, D-Wash., said she hopes to secure tax credits for plug-in vehicles and to promote an advanced electrical grid.
- John Cornyn, R-Texas, is expected to offer amendments incorporating more broad-based tax breaks into the package. Cornyn is one of five new members on the Finance panel and, along with Republican Michael B. Enzi of Wyoming, gives the GOP side a more conservative bent.
- GOP moderate Gordon H. Smith of Oregon, who served on the panel, lost his re-election bid in November.
- On the Democratic side of the dais, Bill Nelson of Florida,

Bob Menendez of New Jersey and Thomas R. Carper of Delaware are all making their debuts on the committee.

- John Ensign, R-Nev., will seek to include a version of his legislation (S 31) that would eliminate taxes on companies that repurchase their own debt below face value.
- Currently, that "discharge of indebtedness" income is taxable, and business groups including the U.S. Chamber of Commerce have been seeking relief that they say would allow companies to clean up their balance sheets without adverse tax consequences.
- In his chairman's mark, Baucus allowed deferral, but not complete exclusion, of that income. He also may offer an amendment that would temporarily reduce taxes on income that American companies earn abroad.