July 22, 2010
(Senate)

STATEMENT OF ADMINISTRATION POLICY

Senate Amendment to H.R. 5297 – Small Business Jobs Act of 2010
(Sen. Reid, D-Nevada)

The Administration strongly supports Senate passage of the Senate Amendment to H.R. 5297. Small businesses are the backbone of the American economy and where most new jobs begin.

The Senate substitute amendment includes several important proposals. First, it would establish a State Small Business Credit Initiative that would support new lending through innovative State-based programs at a time when States are being forced to cut back on them due to budget shortfalls. Second, it includes several enhancements to Small Business Administration (SBA) loan programs that the Administration strongly supports. These enhancements include increases in the size limits for SBA loans, a temporary allowance for commercial real estate refinancings under their 504 loan guarantee program, as well as the extension of Recovery Act provisions for higher loan guarantees and temporary fee eliminations. Third, it includes a critical clarification to small business contracting law to clarify and reiterate the Congress's original intent not to prioritize one small business development program over another. Finally, it includes provisions proposed by the President that will spur investment, innovation, and job creation by small businesses, including the temporary elimination of capital gains taxes on owners of qualified small business stock and the extension and expansion of bonus depreciation and small business expensing limits.

The Administration strongly supports adding to the bill the Administration-proposed Small Business Lending Fund that would increase lending to small businesses through incentives for smaller banks to make new loans.

The Administration looks forward to working with the Congress on a final joint legislative package that will allow creditworthy small businesses to expand and create jobs.

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