

First District of South Carolina – Impacts of Tax Cut Extender Package

- One-year AMT Patch. If this provision is not enacted, then **61,133 First District residents will be pushed to pay higher taxes under the Alternative Minimum Tax.** Nationwide, if the AMT Patch is not enacted, then 21 million additional families will have to pay a *\$62 billion tax increase.*
- **Extends and expands the child tax credit.** This means that families earning as little as \$8,500 will receive a \$1,000 tax credit for each child under 17. *This is a \$3.13 billion tax cut.*
- **Extends reduced taxes on research and development activities that spur new jobs and economic growth.** This tax credit has been around since 1981, and has contributed to the growth of research and high technology related companies in the 1st District. *This is a \$19 billion tax cut.*
- Continues the commitment **to providing incentives for renewable energy that was begun in 2005 by extending wind, solar, and biomass energy tax credits.** This will result in a *tax cut of almost \$6 billion* and will reduce our dependence on imported energy.
- Reauthorizes the Secure Rural Schools program, which **provides financial assistance to schools and roads in Charleston and Berkeley Counties.**
- **Helps truck drivers reduce diesel fuel use by giving them a tax credit to purchase auxiliary power units (APUs)** to eliminate the need to keep their engine idling while they are parked at rest stops. While off this year's historic highs, diesel fuel still costs 91 cents more today than it did a year ago. *This is a \$95 million tax cut.*
- **Extends tax credits to encourage the production of biodiesel** – encouraging new usage for cellulosic biomass. *This is a \$451 million tax cut.*
- Provides an extension of current tax law that encourages commercial and residential property owners to **purchase energy efficient heating and cooling equipment, dishwashers and other home appliances, and windows.** *This is a \$2.1 billion tax cut.*
- **Helps teachers purchase supplies for their classrooms** by extending the current law deduction of \$250 for classroom supplies. *This is a \$410 million tax cut.*
- Continued current law **federal tax deduction for state and local property taxes.** *This is a \$1.5 billion tax cut.*
- With restaurants especially feeling tough times, the **bill extends current law regarding restaurant equipment and provides an \$8.7 billion tax cut.**
- More and more traffic is moving on our nation's rail lines, but smaller, short line rail operators often are unable to move today's heavier rail traffic on their current track. This directly impacts businesses in the 1st District, forcing them to use more costly transportation options to move goods. **The bill provides a \$331 million tax cut to help these small rail companies upgrade their lines and help our economy.**
- The 1st District benefits from a strong food bank, and a business community that supports the Low Country Food Bank. **This bill includes a provision that cuts taxes and encourages businesses to donate food inventory to food banks like the Low Country Food Bank.** *This is a \$149 million tax cut.*