



# Committee On Finance

Max Baucus (D-Mont.)

**NEWS RELEASE**

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## **BAUCUS, SNOWE INTRODUCE SMALL BUSINESS TAX BILL**

*Senators would permanently extend credit for employers hiring disadvantaged workers*

Washington, DC – U.S. Senators Max Baucus (D-Mont.) and Olympia Snowe (R-Maine) today introduced legislation to make permanent a tax credit for American employers who hire disadvantaged workers. The Senators unveiled their legislation following the Senate Finance Committee's first hearing of the 110<sup>th</sup> Congress, entitled "Tax Incentives for Businesses in Response to a Minimum Wage Increase."

**"America's minimum-wage workers have long deserved a raise. The 110<sup>th</sup> Congress is going to do the right thing and finally deliver a minimum wage increase. And at the same time, we should help keep jobs available to America's workers by helping small businesses absorb this wage hike,"** said Baucus. **"I intend for the Finance Committee to provide a package of appropriate tax incentives for small businesses this month, and to do it in a fiscally responsible way. The Work Opportunity Tax Credit targets employers who hire new workers at the minimum wage, and it's the right place to start."**

**"The strength of the American people lies in their desire and drive to work and provide for their families if only they have the opportunity. That's why I have long fought for the Work Opportunity Tax Credit that is an effective incentive for employers to hire those who need a job the most,"** said Snowe. **"Today, I couldn't be more pleased to join Senator Baucus in introducing this legislation that will finally bring permanency to the Work Opportunity Tax Credit."**

The Work Opportunity Tax Credit (WOTC) provides a credit of 40 percent on qualified wages up to \$6,000 in wages, or less for fewer hours worked, to help cover the cost of wages for disadvantaged workers. From 1995 to 2005, WOTC helped move more than two million Americans from public assistance to gainful employment. The Baucus-Snowe legislation permanently extends WOTC and expands it to encourage employers to hire veterans who became disabled as a result of their service after September 11, 2001. WOTC is currently scheduled to expire on December 31, 2007.

At today's Finance Committee hearing, an employer of minimum-wage workers testified about the cost of training workers and the financial pressure small businesses experience when the minimum wage increases. Bruce Obenour, the president of a company that owns several fast-food restaurants in Ohio, called on the panel to make WOTC permanent, which the Baucus-Snowe bill will do.

**"We need the WOTC. It is well intentioned and effective. However it should be strengthened and expanded,"** said Obenour. **"These recommendations would contribute to reinvestment in the workforce and businesses in the near term to the benefit of the economy."**

Baucus is the incoming Chairman and Snowe is a member of the Senate Finance Committee.

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