

ACTION ALERT

*Unemployment Insurance, COBRA and
TANF Emergency Fund Extensions*

June 14, 2010

**Senate Expected to Take Up the
Extenders Bill This Week!**

The Senate is expected to begin discussing their version of **The American Jobs and Closing Tax Loopholes Act of 2010 (HR 4213)** this week. The House version of this bill passed before the Memorial Day recess and includes an extension of key provisions for unemployed workers including Unemployment Insurance (UI) benefits through November 30, 2010 and an extension of the Temporary Assistance for Needy Families (TANF) emergency fund through September 30, 2011. It also includes funding for summer youth employment programs. **However, the House version of the bill did not include the Federal Medical Assistance Program or FMAP (which provides states with funds to pay for the Medicaid program) or the continuation of COBRA subsidies for the unemployed.**

Most of the spending provisions in the House bill are considered emergency spending and do not have to be paid for under Congress's budget procedures. However, the bill also includes provisions extending several temporary tax breaks that are vital to many businesses. These provisions are often called the "tax extenders" and the costs of these tax extenders are offset with other provisions in the bill that close unfair tax loopholes.

One loophole closing provision that is of particular concern in the Senate is for the "Carried Interest" loophole. Carried interest is part of the compensation paid to investment fund managers for their services and this loophole allows them to disguise that compensation as capital gains, which is taxed at a lower rate. People who invest money are not affected at all by this loophole or its elimination. It is important that all tax loophole closures remain in the Senate version.

The Senate version of the bill has restored the FMAP provisions but not the COBRA benefits.

If the COBRA benefits are not restored, an estimated 2,745 workers in Indiana could lose out on the 65 percent subsidy of their COBRA benefits each month. This legislation may be the last chance to fund these critical job training and supportive services programs in 2010. However, odds of this legislation being passed are uncertain.

For a full summary of **The American Jobs and Closing Tax Loopholes Act of 2010 (HR 4213)** - [Click here](#).

TAKE ACTION NOW!

Call both of Indiana's Senators and ask them to support HR 4213!

Message: Honorable (Senator) _____, I am (calling/writing) to urge you to vote in favor of HR 4213. I am constituent and our community needs a jobs bill that continues unemployment benefits and COBRA health care subsidies for unemployed workers, creates jobs by extending the Temporary Assistance for Needy Families (TANF) Emergency Fund, and funds the summer jobs for youth program. Please don't weaken the spending provisions and don't remove the tax loophole closures in this bill. Thank you for your support.

Call 877-210-5351, the toll-free number for the Congressional switchboard, and ask to be connected your Representative's or Senator's office.

SENATORS

Senator Bayh

(202) 224-5623

<http://bayh.senate.gov/contact/email/>

Senator Lugar

(202) 224-4814

<http://lugar.senate.gov/contact/contactform.cfm>

**We sincerely appreciate all of your time, effort, and support
on this issue!**
