

## LOANS FOR SMALL BUSINESSES

### Small Business Administration Lending

President Obama plans to enhance the lending abilities of the Small Business Administration (SBA). SBA's grant programs support non-profit organizations, intermediary lending institutions, and state and local governments in an effort to expand and enhance small business technical and financial assistance. Provisions in the stimulus include a guarantee that allows SBA to raise its loan guarantee from the current levels to as much as 90 percent for some loans, a new loan program to provide deferred-payment loans of up to \$35,000 to viable small businesses that need the money to make payments on an existing loan for up to six months, and the expansion of SBA's Microloan Program, which provides small loans (up to \$35,000) paired with technical assistance to start-up, newly established or growing small businesses. Additionally, the President plans to direct \$15 billion to unlock frozen credit markets for small businesses.

**For more information on getting an SBA loan, please call 800-827-5722 or go [www.sba.gov](http://www.sba.gov).**

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## PLEASE JOIN ME IN CONTINUING THE FIGHT FOR SMALL BUSINESSES!

While the stimulus package does address an array of vulnerabilities in our fragile economy, there is still more work to do. As Chair of the Small Business Committee, I am committed to continuing the fight for small businesses. I believe we must provide more capital access for small businesses, better access to health care, and increased training and education opportunities. After all, small businesses are the backbone of this City's economy.

**Go to [www.councilmanyassky.com](http://www.councilmanyassky.com) to sign a petition calling on President Obama to continue the fight for our small businesses!**

**Please don't hesitate to contact my office about this information, so that we may further guide you. Also, I have compiled a list of other resource, in addition to those mentioned already:**

NYC Department of Finance  
212- 504-4036  
[www.nyc.gov/dof](http://www.nyc.gov/dof)

Bronx Chamber of Commerce  
718-828-3900  
[www.bronxchamber.org](http://www.bronxchamber.org)

Brooklyn Chamber of Commerce  
718-875-1000  
[www.ibrooklyn.com](http://www.ibrooklyn.com)

Manhattan Chamber of Commerce  
212-479-7772  
[www.manhattancc.org](http://www.manhattancc.org)

Queens Chamber of Commerce  
718-898-8500  
[www.queenschamber.org](http://www.queenschamber.org)

Staten Island Chamber of Commerce  
718-727-1900  
[www.sichamber.com](http://www.sichamber.com)

New York Industrial Retention Network  
212-404-6990  
[www.nyirn.org](http://www.nyirn.org)

New York State Department of Taxation and Finance  
800-225-5829

Internal Revenue Services  
800-829-4933  
[www.irs.gov](http://www.irs.gov)

Recovery Accountability and Transparency Board  
[www.recovery.gov](http://www.recovery.gov)

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## GUIDEBOOK TO THE FEDERAL STIMULUS PACKAGE FOR SMALL BUSINESSES

**MARCH 2009**

*Support for the  
Small Business Owner  
in New York City*

**PREPARED BY  
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CHAIR OF THE NYC COUNCIL COMMITTEE ON SMALL  
BUSINESSES**



The stimulus bill signed into law by President Barack Obama on February 17, 2009, formally known as the American Recovery & Reinvestment Act, provides \$288 billion in tax relief to individuals and companies. However, as a small business owner or employee, it can be particularly confusing to navigate this large document to weed out how you can benefit. This guide will assist you in getting the most from the stimulus package and will help you grow your small business in these tough economic times.

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## WORKFORCE TRAINING

### Workforce Investment Training

The NYC Department of Small Business Services (SBS) is set to receive \$63 million through the Workforce Investment Act (WIA). Funds will likely go to bolster Workforce 1 Centers and enhance training vouchers through the Business Solutions Centers. There are training centers in each borough to help you train your employees, to find new hires that have already been trained in specific areas, or learn more about running your business. **To take advantage of this training, please contact SBS by calling 311 and asking for *Workforce 1* or *Business Solutions*, or go to [www.nyc.gov/sbs](http://www.nyc.gov/sbs).**

## ENERGY EFFICIENCY

### NYSERDA

The New York State Energy Research and Development Authority (NYSERDA) has received stimulus funds through the Department of Energy. Much of this funding will be available to businesses and homeowners to purchase equipment or make improvements that will reduce energy consumption or create renewable energy projects. If your business is involved in constructing energy efficient buildings, or supplying windows, lighting fixtures, etc., you may be eligible to participate in grant programs. Also, if your business would like to upgrade its facilities to improve energy efficiency, you may be eligible for credits through these programs. **Follow the path of the money as the grants are distributed – go to [www.nyserda.org](http://www.nyserda.org), or call 866-NYSERDA.**

## DEPRECIATION ACCOUNTING INCENTIVES

### Bonus Depreciation

If you have purchased new equipment, such as computers, machinery or vehicles, you may be eligible for “bonus depreciation” benefits through 2009 and 2010. This provides for a 50 percent “bonus” write-off for the cost of new equipment your business buys and starts using this year. This can be combined with Section 179 Expensing, which is described below. **For more information, go to [www.irs.gov](http://www.irs.gov)**

### Section 179 Expensing

Typically, if your business purchases property that has a “useful life” of more than one year, the cost must be spread across several tax years as depreciation with a portion of the cost deducted each year. However, Section 179 expensing rules have been extended through 2009 and 2010. This allows you to immediately receive income tax relief in one tax year for up to \$250,000 of depreciable property. Qualifying expenses include small machinery, such as computers, signs, and vehicles, and furniture. **For more information, go to [www.irs.gov](http://www.irs.gov).**

## TAX CREDITS AND INCENTIVES

### Work Opportunity Tax Credits

This program expands the Work Opportunity Tax Credit (WOTC) to include two new targeted groups - unemployed veterans and young people between 16 and 25 who haven’t been employed or attended school in the past six months. If your small business hires such individuals in 2009 and 2010, you can qualify for a \$2,400 tax credit per worker. **To take advantage of this credit in 2009, go to [www.irs.gov](http://www.irs.gov).**

### Small Business Estimated Taxes

Your business may be able to make estimated tax payments equal to only 90% of your preceding tax year liability, instead of the usual 100%. To qualify, you must have a gross income of less than \$500,000, and more than 50% of your gross income must come from a small business source. **Go to [www.irs.gov](http://www.irs.gov) to see if you qualify!**

### Small Business Stock and Capital Gains

Are you looking to encourage people to invest in your business? Anyone who buys stock in your small business between the enactment date of the stimulus package and 2011 is eligible for future capital gains tax breaks. If the stock is held at least five years, 75 percent of any gain can be excluded - up from the current 50 percent – from an investor’s tax liability. **For more information, go to [www.irs.gov](http://www.irs.gov).**

### Energy Credits

If your business is involved in retrofitting properties for energy efficiency, or if you operate your business from your home, you may be in luck! Starting in 2009, property owners who install solar water heaters, geothermal heat pumps, wind energy systems, as well as energy efficient windows, doors, insulation, air-conditioners, boilers, and more are eligible for a tax credit of up to 30% of the cost. (Some projects are capped). **For more information, go to [www.irs.gov](http://www.irs.gov). And, let your customers know!**

## DEBT RECONCILIATION

### Discharge of Business Indebtedness

As a business owner, you may receive future income for canceling debt (redeeming debt for less than its face value) this year – such as when you acquire your own debt in exchange for cash or issue new debt in exchange for existing debt. The new law allows you to purchase troubled debt and both defer the income from the cancellation of debt and then spread the income over five years (starting in 2014), without reducing your tax benefits. **For more information, go to [www.irs.gov](http://www.irs.gov).**

### Carry Back of Net Operating Losses

If your small business makes less than \$15 million a year, you are eligible to carry back your 2008 net operating losses to five years prior to the loss. Under previous law, net operating losses (NOLs) could only be carried back to the two taxable years before the year that the loss arises. If you have already submitted your taxes for 2008, you may amend for this credit until April 17, 2009. **For more information on this tax incentive, go to [www.irs.gov](http://www.irs.gov).**