

## **Tennessee: Families**

The *American Recovery and Reinvestment Tax Act of 2009* **significantly cut taxes for families** in the State of Tennessee.

- **2.3 MILLION FAMILIES.** That's the number of families in Tennessee that will receive a tax cut of up to \$400 (\$800 for married filing jointly) under the Making Work Pay tax credit that was included in the Recovery Act.
- **1.2 MILLION INDIVIDUALS.** That's the number of individuals in Tennessee living on Social Security, Supplemental Security Income, Railroad Retirement and veterans' benefits who received a one-time recovery payment of \$250 under the Recovery Act.
- **116,000 FAMILIES.** That's the number of Tennessee families in 2007 that benefitted from federal tax credits for college expenses. In 2009 and 2010, families in Tennessee with children in college will be able to claim a larger federal college tax credit (up to \$2,500) as a result of the Recovery Act.
- **MORE THAN 87,000 STUDENTS.** That's the number of students in Tennessee who previously did not benefit from federal college tax credits but will now benefit as a result of the Recovery Act.
- **367,000 CHILDREN.** That's the number of children in Tennessee who will benefit from the expanded child tax credit that was included in the Recovery Act.
- **47,332 HOMEBUYERS.** That's the number of families in Tennessee that have received a tax credit of up to \$8,000 towards the purchase of a first home through the first-time homebuyer credit.
- **289,000 INDIVIDUALS.** That's the number of individuals receiving unemployment compensation in Tennessee who will not pay taxes on the first \$2,400 of unemployment insurance as a result of the Recovery Act.
- **MORE THAN 347,000 FAMILIES.** That's the number of families in Tennessee that were protected from paying higher taxes under the alternative minimum tax (AMT) as a result of the Recovery Act.

## Tennessee: Businesses

The *American Recovery and Reinvestment Tax Act of 2009* **significantly cut taxes for businesses** and encouraged economic growth in the State of Tennessee.

- **472,000 SOLE PROPRIETORSHIPS.** That's the number of sole proprietorships in Tennessee that filed with the IRS in 2007. The Recovery Act provided relief for these and other businesses by (1) providing tax breaks (i.e., small business expensing and bonus depreciation) for businesses that purchase capital equipment, (2) providing small businesses with a temporary five-year net operating loss (NOL) carryback, (3) providing small businesses with estimated tax payment relief, (4) excluding 75% of the gains on small business stock from capital gains purchased in 2009 and 2010, and (5) providing businesses with relief from paying taxes on income resulting from discharged debt.
- **\$1.2 BILLION.** That's the amount of additional dollars in the hands of consumers within the State of Tennessee as a result of the Making Work Pay tax credit that was included in the Recovery Act.
- **11,770 BUILDING PERMITS.** That's the number of single family building permits that were issued for new home construction in Tennessee during 2009. The Recovery Act supported this construction by providing first-time homebuyers with a tax credit of up to \$8,000 towards the purchase of a home. The National Association of Home Builders estimates that nationally approximately 200,000 additional home sales are attributable to the homebuyer tax credit and that the credit has resulted in a net increase of 187,000 jobs.
- **2,290 UNITS.** That's the number of new housing units that are being constructed in Tennessee under the low-income housing tax credit exchange program that was enacted as part of the Recovery Act.
- **\$200 MILLION FOR MANUFACTURING.** That's the amount of advanced manufacturing tax credits that were awarded through a competitive process established in the Recovery Act to help invest in manufacturing facilities in Tennessee.
- **\$115,000 FOR GREEN JOBS.** That's the amount of federal assistance provided to businesses through the Recovery Act's energy grants in lieu of tax credits program for the construction of facilities in Tennessee that produce renewable electricity.
- **21,364 EMPLOYEES.** That's the number of individuals that were employed at new car dealerships within the State of Tennessee at the end of 2008. The Recovery Act supported these employees by providing taxpayers with a deduction for State and local sales and excise taxes paid on the purchase of new cars, light trucks, recreational vehicles and motorcycles during 2009.

## **Tennessee: Communities**

The *American Recovery and Reinvestment Tax Act of 2009* **partnered with State and local governments** to ensure that local construction and development projects could continue to move forward at a time when state and local governments are struggling. By partnering with State and local governments, the Recovery Act allows local communities to stretch their dollars further. This, in turn, helps reduce local taxes, save or create local jobs, and improve local infrastructure.

- **INFRASTRUCTURE - \$344 MILLION.** That's the amount of capital raised already by issuers in the State of Tennessee through the new Build America Bonds financing mechanism included in the Recovery Act. Under this mechanism, the federal government pays 35% of the interest on State and local bonds.
- **ECONOMIC RECOVERY - \$578.5 MILLION.** That's the amount of capital for economic recovery projects that localities within the State of Tennessee will be able to raise by issuing new recovery zone economic development bonds and recovery zone exempt facility bonds that were provided to Tennessee through the Recovery Act. Under the recovery zone economic development bonds, the federal government pays 45% of the interest on these special bonds. Recovery zone exempt facility bonds are a special allocation of tax-exempt private activity bonds.
- **SCHOOL CONSTRUCTION - \$184.6 MILLION.** That's the amount of capital for school construction and rehabilitation that school districts within the State of Tennessee will be able to raise by issuing new school construction bonds that were provided to Tennessee through the Recovery Act. Under this mechanism, the federal government pays 100% of the interest on these special bonds.
- **ENERGY CONSERVATION - \$64.4 MILLION.** That's the amount of capital for energy conservation projects that State and local governments within Tennessee will be able to raise by issuing new qualified energy conservation bonds that were provided to Tennessee through the Recovery Act. Under this mechanism, the federal government pays 70% of the interest on these special bonds.