

# Stimulating Small Business: A Breakdown of the Recovery Act

Anna Huntley



Although often overshadowed by news of big bailouts, the 2009 American Recovery and Reinvestment Act has incentives and programs to help small businesses begin their own economic recovery. Here is a breakdown of the Act's financial provisions for the nation's small business sector.

## SMALL BUSINESS ADMINISTRATION (SBA):

- Loan Program Enhancement – Eliminates borrower guarantee fees and, for most loan programs, raises the SBA guarantee from 75-85 percent to 90 percent.
- Surety Bond Program Enhancement – Raises the maximum amount of contracts that qualify for the SBA's Surety Bond Guarantee Program to \$10 million.
- America's Recovery Capital (ARC) Loan Program – Offers deferred payment, interest-free loans up to \$35,000 to viable small businesses that need help making payments on an existing qualified debt. Backed by a 100 percent SBA guarantee.
- Dealer Floor Plan Financing (DFP) Program – Backs revolving lines of credit from \$500,000 to \$2 million for dealers to obtain titled inventory. Carries a 75 percent SBA guarantee.

- 504 Refinancing – Expands the SBA's 504 Fixed Asset Financing Program to include restructuring and refinancing existing fixed-asset loans.

## INTERNAL REVENUE SERVICE (IRS):

- Fifty Percent Special Depreciation Allowance/Bonus Depreciation - Extend the 50 percent special depreciation allowance available for 2008 acquisitions of qualifying property to 2009. Enables businesses to deduct half the adjusted basis of qualifying property in the year it is placed in service.
- Acceleration of Certain Business Credits – Gives corporations that acquire eligible business property an additional year to accelerate certain tax credits in lieu of a bonus depreciation deduction.
- Section 179 Expensing - Lets small businesses elect to expense up to \$250,000 of 2009 qualifying property costs.
- Expanded Net Operating Loss Carryback - Lets small businesses with 2008 expenses exceeding income choose to carry the loss back for up to five years.
- Estimated Tax Requirement Modified – Allows individual small business taxpayers to defer paying a larger part of their 2009 tax obligation until the end

of the year.

- Discharge of Business Indebtedness – Allows certain businesses that repurchase specific types of debt in 2009 and 2010 to pay taxes on cancellation of debt income over a five year period, starting with tax year 2014.

## UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)–RURAL DEVELOPMENT:

- Business and Industry Loan Enhancement – Raises the USDA guarantee from 80 percent to 90 percent, lowers the fee to one percent and eliminates the servicing fee.

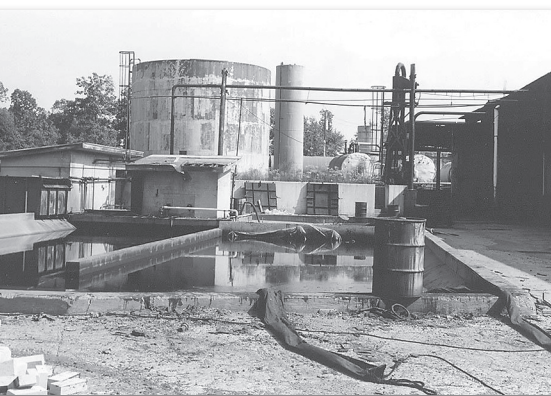
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# Redeveloping Brownfields: Reviving Communities

Gail Rawls Jeter



*This former aluminum facility in Lyman, S.C. was the first completed redevelopment under South Carolina's brownfields program.*

**"The ultimate test of a moral society is the world it leaves to its children." Dietrich Bonhoeffer (1906-1945).**

**"How do we love all children of all species for all time?" William McDonough, November 19, 2008.**

In the early 1900's, forward thinkers like Bonhoeffer recognized the importance of maintaining our world for future generations. Today, leaders such as McDonough are challenging us to reverse our practices that have damaged our earth. Growth is inevi-

table. But growth should be in the form of sustainable development that balances environmental, economic and social needs for today and tomorrow. Redevelopment is even more sustainable, for it rebuilds and restores the existing infrastructure rather than building on new and often times green space.

Brownfields are properties in which redevelopment or reuse is difficult because of the presence of contamination. Turning brown to green is the ultimate goal in sustainable redevelopment, and it utilizes existing infrastructure. In 1995, the United States Environmental Protection Agency (EPA) recognized that the liability associated with buying contaminated property (Superfund Liability) was inhibiting the reuse of many industrial sites. Thus, building was encouraged on green space, and it contributed to sprawl and increased the demand on an over-taxed infrastructure. In the past 19 years, the EPA has increased efforts to provide local governments funding to assess, clean and redevelop brownfields sites and provide protection from Superfund Liability. Now, brownfields sites are being rede-

veloped in a sustainable manner that incorporates green concepts in the process.

Help and money is available for South Carolina communities that need to redevelop and revive contaminated areas. South Carolina Chamber of Commerce member Concurrent Technologies Corporation (CTC) is an independent, nonprofit, professional services organization. For no cost, CTC helps communities apply for brownfields grants from the EPA. Since 1998, CTC has helped 14 South Carolina communities obtain more than 30 EPA Brownfield grants, totaling nearly \$8 million.

Through this program, local governments are able to leverage all available resources and transform contaminated properties into land that can be reused. This redevelopment is sustainable in all aspects – improving the environment, reusing infrastructure, creating jobs and creating an overall better community.

Gail Rawls Jeter joined CTC in July 2008 after retiring from the South Carolina Department of Health and Environmental Control, where she initiated South Carolina's Brownfields Program and served as the brownfields coordinator.