



## **Provisions to Provide Tax Relief to Families, Teachers, and Military Personnel Pass House**

**Washington, D.C.** – Tax relief provisions supported by U.S. Representative Ron Klein (FL-22) today passed the House of Representatives as part of H.R. 6049, the Renewable Energy and Job Creation Act of 2008. The provisions provide critical support and assistance to American families, teachers, members of the U.S. military and their families.

The provisions mirror two pieces of legislation introduced by Klein late last year, H.R. 4085, the Military Service Tax Relief Act and H.R. 4086, the Healthy Families and Dedicated Teachers Tax Relief Act. Klein pushed for their inclusion in today's bill.

"Few Americans deserve our support more than teachers, working families and our military personnel," Klein said. "The tax provisions that passed the House today ease the burden on those working to benefit all of us and will serve as an economic stimulus."

The provisions to assist working families include: allowing Florida families to deduct state and local sales taxes from their federal income taxes, reducing the burden on families who are trying to send their kids to college by allowing them to deduct the cost of tuition, books, and school supplies from their federal taxes and providing relief to families who invest in home-efficient energy sources, such as solar heating panels.

Too often, hard-working and underpaid teachers spend money out of their own pocket on school supplies. The provision allows them to deduct expenditures for school-related items from their year-end taxes.

The provisions to assist our military personnel and their families allows service members called to active duty to make penalty-free withdrawals from their retirement plans and classifies combat pay as earned income, thus allowing more military members to further capitalize on the Earned Income Tax Credit.

"Our men and women who have left their jobs and families to serve our country should not be penalized for trying to make ends meet and provide for their families while they are away," Klein said. "I thank my colleagues for standing together to pass this legislation today."

Today's legislation, H.R. 6049, provides tax incentives for renewable energy to retain and create hundreds of thousands of green jobs and spur American innovation and business investment. Particularly notable for South Florida, it also includes a new category of qualifying facilities that will benefit from tax credits—facilities that generate electricity from marine renewable energy sources. Scientists at FAU's Center of Excellence in Ocean Energy Technology believe that harnessing the energy of the Gulf Stream could power 1/3 of Florida's energy needs.

Today's legislation also cuts taxes for millions of Americans by extending \$27 billion in expiring tax provisions. The bill complies with pay-as-you-go, fiscally responsible balanced budget requirements, and is primarily offset by closing a tax loophole that currently allows offshore corporations to defer taxes on compensation.

The provisions bring real relief to taxpayers in Florida and across the country, easing the burden on families and serving as an economic stimulus. For example:

- 178,655 Florida teachers took the deduction for out-of-pocket classroom supplies, totaling \$45.2 million in deductions
- 204,624 Florida families took the tuition deduction for higher education costs, totaling \$434.3 million in deductions.
- 756,898 children in low-income working families in Florida would get a benefit from the improved refundable child tax credit.
- 1,049 low-income military families in Florida claimed the Earned Income Tax Credit on income earned while in a combat zone, totaling \$9.8 million in earnings.
- 2,200,685 families in Florida elected to take the general state sales tax deduction on \$3 million in state and local taxes.
- Florida school districts received \$20.2 million in bond authority for school construction.

In addition, this legislation provides almost \$20 billion of tax incentives to promote investment in renewable energy. The bill includes:

- A six-year extension of the investment tax credit for solar energy.
- A three-year extension of the production tax credit (PTC) for energy derived from biomass, geothermal, hydropower, landfill gas and solid waste.
- A one-year extension of the PTC for energy derived from wind.
- Tax credits of \$3,000 or more toward the purchase of fuel-efficient, plug-in hybrid vehicles.
- Incentives for energy conservation in commercial buildings, residential structures, and energy efficient appliances.

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