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## Stimulus cuts tax for many in state

Congress approves \$787 billion plan to jump-start struggling economy

*By Doug Abrahms*

WASHINGTON -- In a major victory for President Barack Obama, Democrats muscled a \$787 billion stimulus bill through Congress late Friday in hopes of combating the worst economic crisis since the Depression.

The Senate approved the measure 60-38 with the support of three GOP moderates -- Sens. Olympia Snowe and Susan Collins of Maine and Arlen Specter of Pennsylvania.

Hours earlier, the House vote was 246-183 on the centerpiece of Obama's economic plan.

The president could sign the bill as early as next week, less than a month after taking office.

The measure combines tax cuts, help for victims of the recession in the form of unemployment, health insurance and food stamp benefits, and big investments in infrastructure, energy and education.

Nearly 1.8 million South Carolinians would receive that tax cut, according to the House Democratic leadership. The overall bill would create or save 50,000 jobs in the state, the group estimated.

Reps. Bob Inglis and Gresham Barrett joined all other House Republicans to vote against the bill.

"This version will grow government and significantly increase the deficit, all with minimal job growth," said Inglis of Travelers Rest. "This stimulus package is borrowing from the future and creating more government programs that we don't need."

The Federal Funds Information for States, a nonprofit budget research group, said South Carolina would get about:

- \$578 million for education.
- \$124 million for the Legislature to plug up revenue shortfalls.
- \$860 million for Medicaid.
- \$464 million for road and bridge projects.

House and Senate negotiators worked out a compromise that included \$54 billion to help states plug budget shortfalls. They eliminated funding for school construction, and reduced Obama's "Making Work Pay" tax cut by 20 percent, to \$400 annually for individuals and \$800 for couples.

South Carolina Republican Sens. Jim DeMint and Lindsey Graham opposed the bill.

"There's so many things in this bill unrelated to creating jobs in the next 18 months that it is, in my

opinion, a failure of the stimulus package," Graham said. "We will never get out of this economic mess until we deal with the banking problem and the housing problem."

Democrats said the bill's tax cuts would help 95 percent of all Americans.

In a bow to political reality, lawmakers included \$70 billion to shelter upper middle-class and wealthier taxpayers from an income tax increase they faced, a provision the nonpartisan Congressional Budget Office said would do relatively little to create jobs.

Also included were funds for two of Obama's initiatives, the expansion of computerized information technology in the health-care industry and billions to create so-called green jobs the administration says will begin reducing the country's dependence on foreign oil.

In addition to tax relief for individuals and businesses who purchase new equipment, lawmakers inserted breaks for first-time homebuyers and consumers purchasing new cars in an attempt to aid two industries particularly hard-hit by the recession. In response to pressure from lawmakers from Pennsylvania, Indiana and elsewhere, the bill was altered at the last minute to permit the buyers of recreational vehicles and motorcycles to claim the same break as those buying cars and light trucks.

Asked for his reaction to House passage of the bill, Obama said "thumbs up" and gave a thumbs-up sign as he left the White House with his family for a long weekend in Chicago.

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