

## Legislation that Small Businesses Are Watching

by LaVita LeGrys, Congressional and Public Liaison

Congress returned from recess to resume work on numerous measures that have the potential to affect the economic development and growth of the nation's small businesses. The measures encompass climate change, health care, the SBA's future funding, immigration, innovation, and other topics. The chart beginning on this page lists some of the key pieces of legislation currently under consider-

ation in Congress and their status as of September 24. Not reflected in the chart but also being examined are proposed reforms to contracting laws and broad financial services reforms. This information was compiled by the Office of Advocacy for informational purposes only. Advocacy has not taken an official position on the legislation included in the chart.

## In This Issue

Legislation to Watch . . . . . 1

### Message from the Acting Chief Counsel

Prepare Your Business for Flu Season . . . . . 3

### Tax News

Recovery Act Tax Credits Expire Soon . . . . . 4

## Legislation to Watch, October 2009

Bill (Sponsor)	Key Provision(s)	Status as of Sept. 24, 2009
<b>Climate Change</b>		
<b>H.R. 2454, American Clean Energy and Security Act of 2009; H.Rpt.111-137 Part 1 (Waxman)</b>	Requires U.S. to reduce carbon dioxide and greenhouse gas emissions by 17 percent by 2020 and by 80 percent by 2050; establishes a market-based trading program for businesses to meet the cap.	6.26.09: House passed 219–212.
<b>Health Care Reform</b>		
<b>H.R. 3200, America's Affordable Health Choices Act of 2009 (Dingell)</b>	Overhauls the current health insurance system.	7.14.09: H.R. 3200 referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Education and Labor, Oversight and Government Reform, and the Budget. 7.31.09: House committees pass H.R. 3200, as amended, and order bill reported to House floor.
<b>S. 1679, Affordable Health Choices Act (Harkin)</b> <b>S. ____ , America's Healthy Futures Act of 2009 (Baucus)</b>	Overhauls the current health insurance system.	7.15.09: Senate Health, Education, Labor and Pensions approved draft Senate bill. 9.21–24.09: Senate Finance Committee holds executive business meeting to mark up draft bill.

*continued on page 2*

## Legislation to Watch, October 2009 (continued)

**Bill (Sponsor)**

**Key Provision(s)**

**Status as of Sept. 24, 2009**

### Financial Services Regulation

**H.R. 3269, Corporate and Financial Institution Compensation Fairness Act of 2009; H.Rpt. 111-236 (Frank)**

Provides for the regulation of compensation for executives and employees of financial services institutions.

7.31.09: House passed H.R. 3269.

### Immigration: Employment Verification

**H.R. 2892, Dept. of Homeland Security Appropriations Act, FY 2010; H.Rpt. 111-157 (Price)**

Extends the E-Verify program for two years. Provides \$112 million in funding for E-Verify.

6.24.09: House passed 389–37.  
7.9.09: Senate passed 84–6.  
7.9.09: Senate appoints conferees.

**S. 1298, Dept. of Homeland Security Appropriations Act, FY 2010, S.Rpt. 111-31 (Byrd).**

Extends the E-Verify program for three years. Provides \$119 million, \$7 million above the Administration's request, to operate the E-Verify system and further improve its accuracy rates.

7.9.09: Senate amended H.R. 2892, substituting provisions amendment substituting House language with provisions in Senate bill

### Intellectual Property

**S. 515, Patent Reform Act of 2009 (Leahy)**

Converts the U.S. patent system from a first-to-invent to first-to-file structure, which would give priority to the earlier-filed application for a claimed invention. Permits post-grant challenges to issued grants.

4.2.09: Favorably reported, as amended, by the Senate Judiciary Committee.  
5.12.09: Senate Judiciary Committee filed report, S. Rpt. No. 111-18.

### Small Business Innovation

**S. 1233, SBIR/STTR Reauthorization Act of 2009; S.Rpt. 111-37 (Landrieu)**

Reauthorizes for eight years the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs of the Small Business Administration (SBA). Permits limited involvement of firms majority-owned by venture capital companies in the SBIR program.

7.13.09: Senate passed H.R. 2965 in lieu of S. 1233 with an amendment substituting House language with provisions in Senate bill. Unanimous consent.  
*Note: On 9.23.09 the House passed H.R. 3614, extending authorization for SBA programs through 10.31.09. The Senate is expected to approve the measure.*

**H.R. 2965, the Enhancing Small Business Research and Innovation Act of 2009; H.Rpt. 111-190 Parts 1 and 2 (Altmire)**

Extends for two years the SBIR/STTR programs. Permits small businesses with investment from venture capital companies to participate in the SBIR and STTR program, provided they meet certain eligibility requirements.

7.8.09: House passed H.R.2965, 386–41.  
7.13.09: Senate passed H.R. 2965 in lieu of S. 1233 with an amendment substituting House language with provisions in Senate bill. Unanimous consent.  
*Note: On 9.23.09 the House passed H.R. 3614, authorizing SBA programs through 10.31.09. Senate approval expected.*

---

## Message from the Acting Chief Counsel

---

### Don't Let Flu Season Catch Your Business Unprepared

by Shawne McGibbon, Acting Chief Counsel

Life doesn't give us too many second chances, but in the case of the H1N1 pandemic influenza that first struck in early 2009, the U.S. has had the rare opportunity to thoroughly prepare for the virus. Over the spring and summer, doctors, scientists, public health officials, and government officials combined their best efforts to prepare for a potential pandemic outbreak when flu season returns.

The potential effects on small business are numerous. One of the primary means of combating the spread of flu is by segregating sick people from those who have not contracted the virus. Small businesses should anticipate high levels of absenteeism as a necessary measure to prevent the spread of illness. This will put significant strains on small businesses, both on their continuity of operations and their ability to provide services, which in many cases, are essential to their communities.

At a hearing on September 9, the House Small Business Committee examined the potential challenges the H1N1 flu could pose for small businesses and, in turn, how any potential disruption may affect the flow of commerce. "We need to examine these problems and think about solutions for minimizing this economic ripple effect," said Rep. Nydia Velazquez, (D-N.Y.), chair of the Small Business Committee. "Perhaps most of all, we must look at what tools are available to help small businesses as we head into flu season and consider whether those tools are sufficient," she said.

The committee's ranking member, Rep. Sam Graves (R-Mo.) also expressed concern that because small businesses generally have a smaller workforce, they could be

hit especially hard by employee absenteeism. "Because small businesses typically have lower cash reserves, thinner margins and fewer employees than large firms, it can be more challenging for them to develop preparedness plans."

The hearing also highlighted the critical role small businesses will play in helping the nation overcome a pandemic—whether as health care providers treating those who fall ill, or medical research

---

**"Small businesses should anticipate high levels of absenteeism as a necessary measure to prevent the spread of illness"**

---

companies developing promising vaccines. "As employers, as health care providers, and as a source of medical innovation, entrepreneurs will be an important part of how our nation responds to this public health problem," Velazquez said.

More help for small businesses planning for the flu outbreak became available in September. The Department of Homeland Security, in cooperation with the Small Business Administration and the Centers for Disease Control, issued a brief publication to guide small businesses through the process of preparing for the H1N1 flu. *Planning for 2009 H1N1 Influenza* is a valuable tool to help plan for this emergency. It urges business owners to create written flu preparedness plans and provides a helpful framework of key points that an effective plan should cover. It also provides concise, expert

advice for keeping the workplace and individuals healthy.

Keeping sick individuals away from healthy ones is the first line of defense. The H1N1 flu is considered "pandemic" not because of its severity, but because it is so easily transmitted from one person to another. So isolating sick people is key to managing its spread. As a result, the number one tip for individuals is "Stay home if you are sick." The number one tip for businesses is "Develop policies that encourage ill workers to stay at home without fear of any reprisals." The challenge—and the goal of preparedness—is to keep businesses humming despite staff shortages. Of course, we shouldn't forget one of the easiest defenses to prevent the spread of viruses—wash your hands and practice good hygiene.

Visit [www.sba.gov/flu](http://www.sba.gov/flu) to download the guide, *Planning for 2009 H1N1 Influenza*, and to get more information.

#### The Small Business Advocate

Editor Rebecca Krafft

Managing Editor Rob Kleinsteuber

Production Assistant Angela Hamilton

*The Small Business Advocate* (ISSN 1045-7658) is published monthly by the U.S. Small Business Administration's Office of Advocacy and is distributed to SBA field staff and members of the U.S. Congress. *The Small Business Advocate* is available without charge from the Office of Advocacy, U.S. Small Business Administration, MC 3114, Washington, DC 20416; [advocacy@sba.gov](mailto:advocacy@sba.gov); (202) 205-6533. For delivery changes, send your current address label with your request to the above address. For electronic delivery of this newsletter, visit, [www.sba.gov/advo/newsletter.html](http://www.sba.gov/advo/newsletter.html).



Federal Recycling Program  
Printed on recycled paper.

---

## Tax News

---

### Is Your Business Eligible for Recovery Act Tax Benefits?

With time running out to qualify for some of the Recovery Act benefits, the IRS has unveiled new YouTube videos, radio public service announcements (PSAs), and flyers and posters in many languages providing basic information for taxpayers. These are part of an IRS effort to publicize the tax benefits currently available through the Recovery Act.

The IRS has already made informational videos about Recovery Act tax credits available on YouTube ([www.youtube.com/irsvideos](http://www.youtube.com/irsvideos)), as well as podcasts on iTunes. The IRS.gov official website also contains links and complete information about Recovery Act tax provisions at [www.irs.gov/recovery](http://www.irs.gov/recovery). The videos are available in English, Spanish, and American

Sign Language versions. The PSAs are in English and Spanish in 30- and 60-second formats. And the flyers and posters are available in English, Spanish, Chinese, Korean, Russian, and Vietnamese.

The topics covered include:

- The first-time homebuyer credit which provides a maximum \$8,000 tax credit to people who meet eligibility requirements and complete the purchase of their homes before December 1;
- The American Opportunity Credit expands education tax credits to \$2,500 for tuition and a change in 529 plans allows for the purchase of computers for college use;
- The energy credit expands to a maximum of \$1,500 for certain energy-saving upgrades;

- A new deduction for the sales or excises taxes paid on the purchase price of new vehicles; and

- The Making Work Pay tax credit, which many American workers received in April through reduced tax withholding in their paychecks. The credit is \$400 for single taxpayers and \$800 for married taxpayers who meet certain income guidelines. (However, some people, such as married spouses, workers with two jobs, pensioners, some Social Security recipients and dependents, should check their tax withholding to ensure they are not having too little withheld.)

The items are available on [www.irs.gov](http://www.irs.gov) for partner groups, the media, websites, and other organizations whose audience could benefit from the new tax changes.

---

U.S. Small Business Administration  
Office of Advocacy  
Mail Code 3114  
409 Third Street, S.W.  
Washington, DC 20416

Official Use  
Penalty for Private Use, \$300

Return Service Requested

FIRST CLASS POSTAGE AND FEES PAID U.S. Small Business Administration Permit No. G-82
---