

## CASTLE RESPONDS TO SIGNING OF ECONOMIC STIMULUS PACKAGE

Washington, DC-- Congressman Michael N. Castle today recognized the signing of the Economic Stimulus Act by President Bush. Congressman Castle said, "This package contains temporary tax incentives for businesses and will provide tax rebates to 128 million American households. While I have concerns with the high cost of this compromise package, I am hopeful that the economy will reflect the benefits of these provisions by year's end."

Below is a summary of the signed economic stimulus package:

**Rebates:** Individuals and families are eligible to receive up to \$600 for individuals and \$1,200 for couples. A minimum of \$300 per person and \$600 per couple would be available to those with at least \$3,000 of earned income. This relief would be available to everyone with adjusted gross income less than \$75,000 for singles and \$150,000 for married couples filing jointly. It will be phased out for taxpayers above those income thresholds. Taxpayers may qualify by filing a tax return for 2007 and including a valid Social Security number on their tax return.

**Parents:** Everyone eligible for this relief would also receive an additional \$300 per child. For example, this would mean up to \$1,800 of tax relief for an eligible couple with two children.

**Recipients of Social Security and certain veterans' benefits:** Those who receive at least \$3,000 from any combination of benefits from these programs will receive rebates. The IRS and Treasury Department will be working closely with the Department of Veterans Affairs and the Social Security Administration, along with beneficiary organizations, to ensure that all eligible individuals are able to receive their payments.

**Business Deductions:** American businesses that buy new equipment this year are allowed to deduct an additional 50 percent of the cost of their investment in 2008. This will encourage businesses to expand and create new jobs now because buying equipment, software, and tangible property this year will dramatically lower their taxes.

**Small Businesses:** Business placing less than \$800,000 of equipment into service this year would be able to immediately deduct up to \$250,000 &ndash; up from \$128,000.

Encourage Refinance Options: Increases the size of individual mortgage loans that Fannie Mae and Freddie Mac can purchase --lesser of 125% of an area's median price or \$729,750 (currently \$417,000); temporarily increases FHA loan limits to the lesser of 125% of an area's median home price or \$633,500. (The current loan limit is \$362,000.)

###