

---

## (January 24, 2008) Illinois lawmakers offer own proposals for economic stimulus

Illinois lawmakers offer own proposals for economic stimulus

By Jim Tankersley

Washington Bureau

January 24, 2008

WASHINGTON

[http://www.chicagotribune.com/business/chi-thu\\_congstim0124jan24,1,4110745,print.story](http://www.chicagotribune.com/business/chi-thu_congstim0124jan24,1,4110745,print.story)

Stimulus fever swept the Illinois congressional delegation on Wednesday, as Democrats and Republicans took turns offering prescriptions for the ailing national economy.

As congressional leaders negotiated with the Bush administration to craft a bipartisan plan to stimulate the economy, four Illinois House members announced proposals they hoped would end up in whatever consensus bill passes Congress.

Each of the Illinois lawmakers' plans sought to jump-start a different economic engine. Republican Rep. Mark Kirk called for the revival of a Depression-era government effort to help homeowners avoid foreclosure. Democratic Rep. Melissa Bean proposed extending small-business tax breaks.

Republican Rep. Don Manzullo and Democratic Rep. Dan Lipinski jointly introduced a bill to accelerate a tax break for domestic manufacturers.

Rep. Rahm Emanuel (D-Ill.), a member of the House leadership team, said some of the proposals could grab negotiators' attention. He also said "everybody's in agreement" on the basic principles of a plan. "Middle-class families," he said, "need help."

Kirk's plan would temporarily resurrect the Home Owners' Loan Corp., created in the 1930s to acquire and refinance mortgages for Americans facing foreclosure in the Depression.

The corporation issued bonds and used the proceeds to buy troubled loans from banks at a discount. It then rewrote the terms of the loans to make payments more manageable. Banks lost money but didn't lose everything. More than a million homeowners kept their houses.

Bean's proposal would double the amount of business expenses small-business owners can write off their taxes. She would also allow small businesses to apply current-year losses to tax returns over the last five years, up from two years under current law. Amending the returns would result in tax refunds. Bean said businesses could use the extra cash to add workers and equipment.

Lipinski and Manzullo's bill, costing an estimated \$16 billion, would speed up an already planned tax incentive for domestic manufacturing. It would immediately bump the tax deduction from 6 to 9 percent, instead of in 2010.

Manzullo called the plan a "three-fer" because it cuts costs, creates jobs and encourages the move of manufacturing jobs to America from overseas.