

From: senator@isakson.senate.gov [mailto:senator@isakson.senate.gov]
Sent: Sunday, February 15, 2009 9:29 PM
To: XXXXXXXXXX
Subject: A Response From Johnny Isakson



Johnny Isakson

United States Senate  Georgia

Dear XXXXXXXX:

Thank you for contacting me regarding H.R.1, the American Recovery and Reinvestment Act of 2009. I appreciate your thoughts and the opportunity to respond.

When President Obama took office he called on Congress to pass a second economic stimulus. The House of Representatives first took up the bill, and it passed by a vote of 244-188. The House-passed stimulus bill is a non-starter for me, as it does not address the core problems that created the current economic crisis and devotes far too much money to programs that will not provide the needed stimulus our economy needs.

Similar concerns arose as the Senate began to amend the House-passed stimulus bill. I worked tirelessly to improve the legislation in a bi-partisan way that was beneficial to the American taxpayer, address the root causes of the problem, and provided tangible stimulus to our economy. In this spirit, I offered an amendment that Sen. Lieberman (I-CT) cosponsored that would provide a tax credit in the amount of \$15,000 or 10 percent of the purchase price (whichever is less), with the option to utilize all in one year or spread out over two years. The tax credit would be available to all purchasers of any home from date of enactment for one full year. Buyers must occupy the homes for two years as their principle residences, and taxpayers are able to claim the credit against the 2008 tax return. I was pleased that the Isakson-Lieberman amendment won unanimous support on the Senate floor. I am certain that this tax credit provides positive stimulus for qualified homebuyers to purchase homes and will also invigorate credit markets once again.

During Senate debate numerous Republican alternatives were offered - alternatives that put money directly in the pockets of the American people. I supported these amendments as I feel the American people know how to spend their money more effectively than the government does and will provide the best stimulus to the economy. As the cost and burden on current taxpayers and future generations continued to sky rocket and support for the legislation began to wane, several members worked together to craft a compromise. The compromise, led by Senators Collins (R-ME) and Nelson (D-NE), removed \$140 billion in spending from the near trillion dollar bill. Even with the Collins-Nelson agreement, and the reduction in spending, this economic stimulus package devotes too much money to programs that will not provide the stimulus our economy so desperately needs, and too little money to infrastructure and incentives for investment. At a cost of nearly \$100,000 in debt for every American family and as the bill primarily spends money on programs that are not stimulative, I could not support the Democratic stimulus

bill H.R. 1. Despite my efforts to create a more bipartisan and effective piece of legislation, the stimulus passed the Senate by a vote of 60 to 38 on February 13, 2009.

Unfortunately, during Conference negotiations between the House and Senate on the final stimulus bill, the Isakson-Lieberman homebuyer tax credit that previously won unanimous Senate approval was removed. Instead, the Democrats leading negotiations allowed little Republican input and modified the previously passed first-time homebuyer tax credit from the Housing and Economic Recovery Act of 2008, H.R.3221. In its place, the Democrats inserted a dramatically watered down incentive, which passed the Senate on February 13, 2009, and did the following: it extended the availability of their credit for homes purchased before December 1, 2009; it retained the credit recapture if the house is sold within three years of purchase; it eliminated the repayment obligation for taxpayers that purchased homes after January 1, 2009, it increased the maximum value of the credit to \$8,000, and it removed the prohibition on financing by mortgage revenue bonds. In addition, the credit phases out for taxpayers with adjusted gross income in excess of \$75,000 (\$150,000 in the case of a joint return). Finally, the credit contained in the stimulus bill unfortunately was only for first-time homebuyers purchasing a single-family type home.

As our nation continues to struggle through the current economic crisis it is important to stay focused on the recovery aspects. I believe the key to returning stability to the economy lies within the housing market. We must find a way to keep people in their homes, stabilize foreclosures and return consumer confidence to the marketplace. Once stability comes back to the housing market, you will see investors and small business begin to reinvesting in job creating activities, which will put hard working Americans back to work. I am committed to taking the necessary steps to work with my Senate colleagues to make this come to pass. Our nation has always demonstrated a strong resiliency and I am confident we will once again bounce back stronger than ever, where hard working Americans are at the front lines of economic prosperity.

Thank you again for contacting me. Please visit my webpage at <http://isakson.senate.gov/> for more information on the issues important to you and to sign up for my [e-newsletter](#).

Sincerely,
Johnny Isakson
United States Senator