

Obama Signs Bill To Help Jobless Vets

Julie Pace, Associated Press

WASHINGTON (AP) — Heralding a rare moment of bipartisan agreement, President Barack Obama signed into law Monday legislation aimed at helping unemployed veterans find work while putting more cash in the hands of companies with government contracts.

The legislation, which creates tax breaks for companies that hire jobless veterans, marks the first proposal from Obama's \$447 billion jobs bill to be signed into law. The rest of the package of new taxes and spending has largely failed to garner support from Republican lawmakers.

"Because Democrats and Republicans came together, I'm proud to sign those proposals into law," Obama said during a signing ceremony Monday.

Looming over the brief moment of unity, however, was the apparent failure of lawmakers from both parties to agree on \$1.2 trillion in spending cuts ahead of a Wednesday deadline by a special committee. While Obama didn't directly address the looming deadline, he said the American people deserve bold, bipartisan action.

"My message to every member of Congress is keep going. Keep working. Keep finding more ways to put partisanship aside and put more Americans back to work," he said.

The veterans' legislation had overwhelming support from both parties, with the House passing the measure 422-0 and the Senate approving it 95-0. In addition to the tax breaks for businesses, it also beefs up job-training and counseling programs for unemployed veterans.

The legislation also repeals a 2006 law that would have required the federal, state and local governments to withhold 3 percent of their payments to nearly all contractors. That statute, which doesn't take effect until 2013, was supposed to pressure contractors to pay their taxes in full, but lawmakers now say the law would deny cash to companies that need it to hire more workers.

Senate Minority Leader Mitch McConnell, R-Ky., said passage of the bill showed that it is possible for both parties to reach a consensus.

"By focusing on areas of agreement — rather than partisan stimulus bills — we can pass legislation to help foster job growth. Neither of these measures alone is going to solve the jobs crisis, but they'll provide relief to job creators and help American veterans," McConnell said.

McConnell praised Obama for inviting Republican Sen. Scott Brown of Massachusetts to attend the ceremony. It was Brown who had introduced the 3

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percent withholding bill.

Brown was joined on stage with the president by two other GOP lawmakers — Florida Rep. Jeff Miller and Tennessee Rep. Diane Black — as well as a handful of Democrats.

The tax credits for hiring veterans will cost the government an estimated \$95 million — a tiny fraction of Obama's overall jobs plan. The credits would be as much as \$9,600 for companies hiring disabled vets who have looked for work for more than half a year. The size of the credit would be based on the worker's salary and how long the worker was unemployed.

The programs would be financed mostly by extending a fee the Veterans Affairs Department charges to back mortgages.

Erasing the withholding requirement for contractors would reduce federal revenues by an estimated \$11.2 billion over the coming decade. It would be paid for by making it harder for some elderly people to qualify for Medicaid by changing the formula used to determine their eligibility.

Many economists have said annulling the withholding law would have a minimal impact on hiring.

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