



January 23, 2008

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Hon. Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 US Capitol
Washington, DC 20515

Hon. John Boehner
Republican Leader
U.S. House of Representatives
1011 Longworth
Washington, DC 20515

Dear Madam Speaker and Republican Leader Boehner,

The United States Hispanic Chamber of Commerce, the largest national representative for over 2.5 million Hispanic business owners, writes to express our serious concerns over the state of the economy and urge passage of near term inducements for economic stability and growth. We are encouraged by the discussions between the House leadership and the Administration to develop a consensus on a second economic stimulus package.

Federal Reserve Chairman Bernanke has appropriately noted that an economic stimulus package is warranted given rising fears that a severe housing slump and a painful credit crisis could cause consumers – individuals and businesses alike - to decrease spending and could also result in job losses. The USHCC fears that the convergence of these two reactions to current economic conditions could result in a serious downturn in the economy. While we would favor income tax rebates for individuals and tax incentives for businesses, we understand that a stimulus package should also include assistance for the unemployed and those families that are losing their homes in the current housing crisis.

Most debate has centered on making sure a plan can put cash into the hands of the working and middle class. One option for consideration would be a one-time tax rebate wage bonus from general revenues tied to payroll taxes providing 3.5% of their first \$15,000 in wages, with a total cost of \$65 billion, would have the most impact because it would target specifically those individuals most likely to spend the most.

The USHCC believes that any economic stimulus would be incomplete without a targeted business tax incentives. Towards that end, the USHCC recommends consideration of an expanded Work Opportunity Tax Credit, which provides tax credits to employers that hire one or more of nine targeted groups (such as recipients of public assistance, qualified veterans on welfare, and “high risk youth”). Expanding the definition of high risk youths to include otherwise qualifying individuals age 18 but not yet age 40 on the hiring date for a one to two year period and renaming the category to “designated community residents” targeted group would have the desired effect of providing incentives to employers to hire workers, while preventing unemployment in those communities that most often suffer the brunt of an economic recession.

* Denotes Regional Chair

The USHCC further encourages Congress to approve an extension of Section 179 small business expensing and allow for fifteen-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant improvements. Among other considerations should be given to high priority short term investments into affordable housing construction/renovation through such programs as the Community Development Block Grant, and these should be targeted to ready-to-go projects in areas with a highly impacted unemployment rates.

The Hispanic business community is deeply committed to improving the health and long term sustainability of the American economy. We urge your consideration of these recommendations and stand ready to assist in any way we can to get our economy back on track. Please contact me or David Ferreira, Vice President for Government Affairs, should you have any questions, concerns, or require our assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "David C. Lizarraga", with a horizontal line extending from the end of the signature.

David C. Lizarraga
Chairman