

# Give incentives for free markets, not bailouts

November 20, 2008

Dear Colleague,

HR 7298 would give a free market approach to addressing part of the auto industry's problems. Automakers aren't selling cars. Instead of writing them a check, my bill could help them move inventory.

This bill would increase Section 179 expensing limits to \$500,000 with a phase-out of \$1,000,000. This is higher than the 2008 limits of \$250,000 and \$800,000 respectively. This bill would lock in the new tax savings for small businesses by making these new, higher limits permanent, and indexed to inflation.

Expanding Section 179 limits on capital goods purchases will stimulate acquisition of goods by small businesses, which can help improve the bottom line for automakers and small businesses.

Additionally, this bill would provide assistance and tax relief to the consumer who purchases vehicles with final assembly in the United States. Consumers would be eligible for a tax deduction of \$10,000 with the purchase of a new automobile with final assembly in the United States. This short term stimulus would be made available for the balance of tax year 2008, 2009, and 2010. Thus, consumers would be incentivized to make a purchase now and help spur sales in the industry.

Dealers would see a benefit through increased Section 179 expensing, plus the added bonus of tax incentives for purchases of their new vehicles. Manufacturers would see benefits from small businesses and consumers moving inventory off their docket and injecting much needed cash flow into struggling industry coffers.

Please join me in supporting a alternative ideas that could help automakers, small businesses, and consumers, without writing another bailout check. To cosponsor, please contact Craig Rushing in my office at 202-225-4422 or [craig.m.rushing@mail.house.gov](mailto:craig.m.rushing@mail.house.gov)

Sincerely,

Doug Lamborn  
Member of Congress