

## *This Week in Washington*



WITH CONGRESSMAN  
JO BONNER

### ***House Passes Full Extension of Tax Relief and Challenges President and Senate to Join Us in Enacting Tax Reform***

During my recent 18 town meetings across southwest Alabama, I asked for a show of hands of those who felt they were not paying enough in federal taxes. Not surprisingly, not a hand went up. However, when I asked if anyone felt that the federal government spends too much, there were plenty of hands.

Unfortunately, that kind of common sense is in short supply in Washington where the White House and half of Congress continue to cling to the notion that more government stimulus and higher taxes are the only way to improve our economy.

If there is one thing we can all agree on, it is that the economy is hurting. In June, second quarter growth slowed to a trickle, 1.5 percent. Economists said Americans have cut back on spending. When consumers don't buy goods and services, businesses stop hiring. Consequently unemployment rose to 8.3 percent nationally in July and the jobless rate has also inched up 0.4 percent in Alabama over the last two months.

What this country needs is a strong boost of confidence to get the economy moving. Washington can take the first step by showing that

government is ready to get out of the way. The president has such an opportunity in the months ahead. Tax relief passed in 2001 and 2003 is due to expire on December 31, 2012. If nothing is done, the result will be across-the-board tax hikes for Americans of nearly all income levels – a below the belt punch to an economy that can barely stand upright.

Economists and business leaders and even notable figures in Mr. Obama's own political party have warned that allowing these tax cuts to expire could cause considerable harm to our anemic economy.

Disappointingly, the president has taken what should be a slam dunk decision to extend the expiring tax relief and turned it into a cynical political battle. Flying in the face of even his own rhetoric, he wants to increase taxes on those who own businesses and invest in the economy.

He says it is all about fairness. He has also repeatedly claimed that his tax increase would only be foisted upon the wealthiest of Americans – a group of people he says don't pay their fair share. Yet, his tax hike extends far beyond the so-called "one percent", hiking taxes for married couples making \$250,000 a year.

Two weeks ago, the Democrat-led Senate passed Mr. Obama's tax increase. The House, meanwhile, said no. On August first, I joined 256 of my colleagues – including 19 Democrats – in voting for a full extension of the 2001 and 2003 tax relief. Washington's problem is not that it doesn't tax enough. It simply spends too much.

Meanwhile, President Obama has threatened to take his revenge on the entire economy if he doesn't score an ideological victory on taxes. If those making \$250,000 and above are not forced to pay more, then he will allow everyone's taxes to go up. The impact will be widespread – a \$4 trillion tax increase on Americans over ten years. Over 50 percent of small business income will be hit with higher taxes and over 700,000 fewer

jobs will be created. The average family of four earning \$50,000 a year would have to shell out an additional \$2,200 to Uncle Sam. A single parent earning \$36,000 a year would see their tax bill increase by \$1,100.

It simply makes no sense to create such havoc in an already fragile economy. Only three years ago, President Obama agreed. In August 2009, he told NBC's Chuck Todd, "You don't raise taxes in a recession." Now, during the political season, he has apparently changed his mind.

In the absence of leadership from the White House and Senate, the House has not only taken a bold stand to extend tax relief, but we have challenged Washington to a long overdue debate over reforming the federal tax code. If there is any ground for agreement in Washington it is over the complexity of the tax code. Raising taxes is not the answer. Reforming the tax code to make it simpler and fairer is the proper path to take.

On August 2, I joined 232 of my House colleagues in voting for and passing The Pathway to Job Creation Through a Simpler Tax Code Act. This legislation sets in motion the process for enactment of tax reform in 2013 with a clear timeline for action in the House and Senate.

We call on Senate Majority Leader Harry Reid and President Obama to join us. Instead of raising taxes, further depressing job creation, it's time to work together to reform the tax code.

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721 or visit my web site at <http://bonner.house.gov>.

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