



House Dems Win Procedural Vote on Tax Cuts

Today, the House Democrats cleared a procedural hurdle to advance a bill extending the Bush tax cuts to middle class families only, prompting accusations from House Republicans that the Democrats are continuing to play political games. In a procedural vote, the House voted 213 to 203 to advance the bill. A full vote is expected later today.

For months, the debate over the Bush 2001 and 2003 tax cuts has been contentious, as Democrats indicated an interest in extending the tax cuts only for families making less than \$250,000 while Republicans insist on extending the cuts across the board.



The <u>John Birch Society</u> notes the imperative nature of extending all of the Bush tax cuts:

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Respected economist Thomas Sowell and many others like him including Kurt Hauser from the Hoover Institution say the records show that cuts in tax rates do not translate into cuts in tax revenues. This was proven in the Coolidge, Kennedy, Reagan, and Bush presidencies.

Similarly, the United States Chamber of Commerce has staunchly opposed the Democrats' proposal to limit the tax cut extensions, asserting that the proposal "fails to prevent a massive tax increase on small businesses." The Chamber addressed a letter to Congress comprised of signatures from over 1,000 business that asked Congress to adopt a "long-term extension" on all the expiring tax provisions.

Additionally, Daniel Mitchell of the Cato Institute views the Democrats' political maneuvering as a means to dupe the American people into accepting higher tax rates. "Class warfare tax rates on the rich ... serve a very important political goal. Politicians understand that ordinary people will be less likely to resist oppressive tax rates if they think that those with larger incomes are being treated even worse. Simply stated, higher tax rates on the rich are a necessary precondition for higher tax rates on average taxpayers."

House Republican Leader John Boehner described the actions of the Democrats as "chicken crap."

Boehner explained, "Instead of beating around the bush, the Congress ought to act today to stop all the tax hikes, to cut spending, because it would reduce the uncertainty that's affecting employers all across our country. And if the lame duck Congress is unable or unwilling to cut spending and stop all the coming tax hikes, the new majority in January will."

Fox News reports that even if the bill were to pass in the House today, it would not stand a chance in the Senate. However, the Dems have voiced an interest in publicly staking out their position before making compromises with the GOP.

According to Fox News, "The White House held the door open Wednesday for a year-end compromise



Written by **Raven Clabough** on December 2, 2010



that would extend all the Bush-era tax cuts temporarily and the Senate's top Republican said the only question that remained was how long current rates should be allowed before they expire."

Senate Minority Leader Mitch McConnell predicts that the Bush tax cuts will be extended for everyone, as the proposal has full GOP and some Democratic support. The only issue remaining, according to McConnell "is just how long to extend them," as negotiations have focused on a one- to three-year extension.

As more talks are expected to take place today, President Obama contends that the Dems and Republicans will be able to reach a decision, though they may have to deal with some "lingering politics" in the process.

Photo: rotator graphic and above: Treasury Secretary Timothy Geithner, left, center, flanked by Budget Director Jacob Lew, left, and Rep. Chris an Hollen, D-Md., meets with, right side, from left, Senate Minority Whip Jon Kyl of Ariz., Sen. Finance Committee Chairman Sen. Max Baucus and Rep. Dave Camp, R-Mich., on Capitol Hill in Washington, Dec. 1, 2010, during a bi-partisan tax negotiation meeting: AP Images





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