



Written by [Raven Clabough](#) on December 14, 2011

## House Passes Tax-Cut Bill; Senate Stages Opposition

With threats of continuing debates over the payroll taxcuts well into the congressional holiday vacation, it seems members of Congress are anxious to reach an agreement soon. Last week, both the Democratic and Republican Senate proposals for how to handle the expiring Social Security payroll tax cuts failed, forcing Congress back to the drawing board. On Tuesday, the U.S. House of Representatives passed another piece of legislation which now requires a vote in the Senate; however, it's one that has already faced trouble in the upper house.



The measure passed on a virtual party-line vote, 234 to 193, with just 14 Republicans opposing the bill and 10 Democrats supporting it. It "extends payroll tax relief, extends and reforms unemployment insurance and protects Social Security — without job killing tax hikes," asserts Republican House Speaker John Boehner (above left).

*The Blaze* [reports](#), "The Social Security payroll tax cuts approved a year ago to help stimulate the economy would be extended through 2012, avoiding a loss of take-home income for wage-earners. An expiring program of unemployment benefits for the long-term jobless would remain in place, although at reduced levels that the administration said would cut off aid for 3.3 million."

The bill also features a provision that would prevent a 27-percent cut in payments to doctors who treat Medicare patients, a provision Republicans and Democrats favor.

But the legislation also features a controversial provision regarding the Keystone XL pipeline. The bill requires the construction of that oil pipeline from Canada to Texas. Environmentalists are concerned that the pipeline will result in greater emissions, but the measure prohibits the Environmental Protection Agency from issuing planned rules to limit emissions from industrial boilers, as Republicans assert that would be a job killer.

Boehner defends the provision as a "sensible, bipartisan measure to help the private sector create jobs." But Senate Majority Leader Harry Reid called the pipeline provision "ideological candy" for the Tea Party.

The pipeline has been a source of contention, as it cuts through what is deemed to be environmentally sensitive land. President Obama recently delayed a decision on granting a permit for the pipeline until after the 2012 presidential election.

"The Keystone pipeline would put tens of thousands of Americans to work immediately," Boehner told reporters after meeting with House Republicans to discuss how to move forward on the tax cut bill. "It has bipartisan support in the House and in the Senate."

The bill prompted tension between Republicans and Democrats, and provoked a veto threat from the White House. House Democrats are accusing Republicans of protecting "millionaires and billionaires." Congress is in a rather uncomfortable position, as the White House continues to urge Congress to



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extend the tax cuts and the jobless benefits, but the Republican-controlled House is unwilling to pass a measure that the Democratic-controlled Senate will accept.

Press Secretary Jay Carney reiterated the White House's position on the tax cuts when he said that lawmakers "cannot go on vacation before agreeing to prevent a tax hike on 160 million Americans and extending unemployment insurance."

Failure to come to an agreement on the tax cut will impact other areas as well, because Democrats are attempting to use other items of legislation as leverage.

For example, a Pentagon spending measure is ready for passage, and another deal regarding a \$1 trillion measure to fund most government agencies through the end of the year is almost complete; however, until a final compromise is reached on the tax and unemployment issues, congressional Democrats are holding up both bills.

Though both Democrats and Republicans support an extension of jobless benefits and the unemployment tax cuts, they cannot agree on how to do it. Democrats want another tax on million-dollar earners to pay for the tax cuts, while Republicans do not want to violate their pledge not to increase taxes.

The Republican measure which passed in the house on Tuesday instead institutes a one-year pay freeze and increased pension costs for federal workers, as well as higher Medicare costs for seniors with an income of over \$80,000. It also repeals billions of dollars from the health care bill.

According to the White House, the Republicans are guilty of "giving a free pass to the wealthiest and to big corporations by protecting their loopholes and subsidies."

Still, the Democrats will have a hard sell against the pipeline, as it has some backing from Democrats and key Democratic support such as blue-collar unions.

*The Blaze* explains:

Estimates of the jobs that would be produced by pipeline construction vary widely but are in the thousands in a time of high national unemployment. The State Department estimated the total at about 6,000; project manager TransCanada put it at 20,000 directly, and Rep. Dave Camp, R-Mich., said in debate on the House floor it was more than 100,000.

Therefore, Democrats have instead tried to make the argument against the bill that it would cost certain groups while favoring others.

Rep. Sander Levin (D-Mich.), the party's senior lawmaker on the Ways and Means Committee, asserted, "Seniors sacrifice: \$31 billion. Federal workers sacrifice: \$40 billion. Unemployed Americans sacrifice: \$11 billion. Millionaires and billionaires sacrifice: \$0." He added that the legislation "spends \$300 million on a special interest provision that helps a handful of specialty hospitals while cutting billions from community hospitals," referring to the Medicare provision.

Some Democrats, among them Rep. Eliot Engel (D-N.Y.), have claimed to be open to the pipeline, but contend it has no place in this particular legislation.

But Republicans such as Fred Upton of Michigan have asserted that the pipeline is a necessity as it would permit Canada to send one million barrels of oil a day into the United States, thereby diminishing reliance on imports. Likewise, he added that Canada will certainly develop the pipeline, and that the United States should take the opportunity before it [the oil] ends up in "someplace like China."



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Still, Senate Majority Leader Reid has slammed the bill, as well as the Republicans behind it. This morning, Reid attempted to [rush](#) through a vote on the bill, but Senate Minority leader Mitch McConnell refused to let the chamber take a quick vote on the House-passed bill. Reid indicates that the Senate will ultimately reject the bill.

McConnell asserted that the Senate should at minimum table the House-passed tax cut measure and instead quickly pass a temporary bill to fund government agencies before Saturday, when a shutdown would occur. Reid refused, believing that a looming shutdown would provide him some leverage on the payroll tax legislation.



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