



Obama: No Payroll Tax Cut, No Christmas Break

President Obama and congressional Democrats vowed to cancel Christmas break and stay in Washington over the holidays if Congress refuses to pass a payroll tax cut extension that is set to expire at the end of the year. The President is slated to take his family on a 17-day Christmas vacation to Hawaii beginning December 17, but unless the extension is reached next week his vacationing plans will be canceled.

“[W]e are going to stay here as long as it takes to make sure that the American people’s taxes don’t go up on January 1st, and to make sure that folks who desperately need unemployment insurance get that help,” Obama [pledged](#). “And there’s absolutely no excuse for us not getting it done.”



House Minority Leader Nancy Pelosi (D-Calif.) reinforced Obama’s vow, asserting that House Democrats are prepared to stay in town for Christmas, Hanukkah, Kwanzaa, and New Years if that’s what it takes to get the payroll tax cut extension pushed through. “Republicans have another chance to decide whose side they’re on – all Americans or the one percent,” [said](#) Pelosi, recapitulating the infamous Occupy Wall Street catchphrase. “We must not leave Washington, D.C., for the holidays without extending the payroll tax cut for our working families or unemployment benefits for those who lost their jobs through no fault of their own.”

Republicans and Democrats have gone back and forth with payroll tax discussions largely due to the Democrats plan to raise taxes on the “wealthy” but there has also been division within the Republican Party on how to make up for the lost revenue, because draining the already palming Social Security Trust Fund is a profound concern.

“We have a trust fund that we all know is going broke,” House Speaker John Boehner (R-Ohio) said Wednesday. “Real work needs to be done to preserve the Social Security trust fund so that we can make sure we’ve got the money to pay the benefits for the tens of millions of Americans who depend upon it.”

But House Republicans rallied around a new proposal that would extend the payroll tax cut and unemployment insurance with reforms that would cut the number of weeks a person could claim benefits as well as a provision to prevent doctors who treat Medicare patients from seeing a weighty 27-percent pay cut next year.

GOP members were also content with additional provisions that would force Obama to move forward on the controversial Keystone XL pipeline. The GOP version of the bill would [extend](#) the payroll tax cut for one year at the current level of 4.2 percent despite Senate Democrats efforts to slash the tax to 3.1 percent which would be financed by continuing the current pay freeze on federal workers through 2015, along with other savings, including a provision to charge higher Medicare premiums to higher-



Written by [Brian Koenig](#) on December 9, 2011

earning seniors.

However, the President swiftly threatened a veto if Republicans included the pipeline provision, because it has no bearing on the payroll tax cut. "Any effort to try to tie Keystone to the payroll tax cut, I will reject. So everybody should be on notice," averred Obama. He said "the reason is because the payroll tax cut is something that House Republicans as well as Senate Republicans should want to do regardless of any other issues."

Without even seeing the details of the plan, Senate Democrats backed Obamas charge, blaming Republicans for playing "games" with Americans welfare. "From what Im told, its the holiday season and theyve made this very serious proposal to help the middle class into a Christmas tree," Sen. Chuck Schumer (D-N.Y.) [said](#) Thursday, "and a Christmas tree with special goodies [the pipeline] for certain special interests."

Schumer suggested that the GOPs inclusion of the Keystone provision shows they do not have the votes to pass their bill. "If they are playing games with this or they are putting in poison pills because they cant pass it otherwise, it shows the kind of regard they have for middle-class concerns," he contested. "They dont have the support and thats their problem."

Sen. Schumer also backed Obama and other Democrats with their assertion to cancel Christmas break. "We're going to stay here as long as it takes to get this done," he said. "We'd prefer to negotiate and come up with a bipartisan agreement that includes the tax break for the middle class, but if they won't agree to that we will stay here to Christmas or even to New Year's to get it done."

Republican members countered that Democrats are stonewalling the GOP proposal so they can use the holiday deadline as a scheme to push their agenda. "It would sure help if [Reid] produced a bill that could pass either the House or the Senate," said a Senate Republican aide. "What are we doing this week that will finish Congress work?"



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