



Written by [Raven Clabough](#) on December 17, 2010

Tax Debate Over: Tax Bill Passed Despite House Hurdles

At approximately midnight on Thursday, the House of Representatives voted 277-148 to pass the tax cut legislation approved in the Senate on Wednesday. According to the Washington Post, the House vote was delayed on Thursday by a “last-minute uprising by liberal Democrats demanding an opportunity to express their fierce opposition to the measure.”



Liberal Democrats in the House were angered when their leaders limited amendments that opponents to the law hoped to propose to express their resistance. Arguments over the amendments delayed consideration of the bill for several hours.

[CNN](#) explained:

A procedural snag earlier Thursday forced House Democratic leaders to pull the bill from consideration over concerns they lacked support on how the debate would proceed under rules they had set. The House then went into indefinite recess as liberal Democrats seeking changes to the bill huddled with party leaders to work out a new solution.

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When the House Rules Committee decided on Wednesday night to allow a vote on changing the controversial estate tax provision, it likely had no idea of the chaos it would create.

[The Hill](#) added:

Under the rule approved Wednesday, lawmakers would first vote on an amendment to the estate tax provision of the tax bill, which Democratic leaders want raised to a higher level. If that measure passed, the entire tax bill would return to the Senate, meaning lawmakers would have, in effect, approved the underlying measure with the single change to the estate tax. Liberals objected to that procedure, saying they wanted an opportunity to reject the entire bill, not just the estate tax provision.

CNN describes the reaction of House Democrats to the rule:

The House Democratic leadership pulled the bill Thursday when it was unclear whether enough of their caucus would agree to the rules.

Pelosi was seen talking to liberal Democrats including Weiner and Rep. Peter Welch of Vermont. Later, the group grew to include House Majority Leader Steny Hoyer, D-Maryland, and others.

Rep. Rob Andrews of New Jersey said some Democrats wanted the rules to guarantee an up-or-down vote on the version of the bill passed by the Senate. As originally structured, such a vote would occur only if the House first rejected the amended version that altered the estate tax provision.



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Andrews explained that the ultimate goal of House Democrats was that every member have a fair chance to express his or her view on final passage.

Other Democrats were interested in more than showcasing their political ideologies, however. Representatives Weiner and Peter DeFazio hoped to replace the payroll tax deduction with an extended make work pay tax credit. Others hoped to redirect revenue from what they had hoped to be a higher estate tax rate to pay for infrastructure projects.

In the end, the rules agreed upon in the House denied the amendments sought by the liberal Democrats. CNN writes: "Eventually, debate resumed on a new set of rules that would allow the House to vote on a proposed change to the controversial estate tax provision, and then on the full bill itself.

The House went on to pass the bill without changes, as the Pomeroy Amendment proposing changes to the estate tax provision failed by a vote of 194 to 233. It now makes its way to President Obama's desk to be signed into law.

The law includes a two-year extension of the Bush-era tax cuts that were set to expire on December 31. It also extends jobless benefits for an additional 13 months and cuts the payroll tax by two percentage points for a year. To the chagrin of most Democrats, the law also changes current estate tax rates by exempting individual estates worth up to \$5 million, and setting the rate at 35 percent for those estates that are above that exemption.

The legislation passed in the Senate with the strongest bipartisan support on a major initiative since President Obama took office in 2009. The final Senate vote was 81 to 19.

The estate tax provision of the tax deal was the most contentious issue. CNN reports, Conservatives argue that an estate tax more stringent than set by the package would, among other things, make it nearly impossible for many family-owned small businesses to be passed down from one generation to the next. Liberals contend that a lower or nonexistent estate tax would merely benefit the wealthy while doing little to aid the economy.

Democrats had hoped to change the estate tax provision in the Senate and had approved a tax bill reducing the exemption to \$3.5 million and taxing estates above that amount at 45 percent. In the end, however, House Democrats opted to pass the law without changes, particularly after more than two dozen moderate Democrats submitted a letter to House leadership urging the tax package to be passed without alterations, as any changes to the law would have forced another Senate vote.

The letter read:

This bipartisan compromise is by design a temporary measure and with its passage, we must acknowledge that our work is not done. We must continue to work together in a bipartisan fashion with a sense of shared responsibility toward solutions that address our economic and fiscal challenges. It is time for us to put aside the partisan talking points and accomplish what the American people sent us here to do.

Dissenters in the House and Senate were found on both sides of the aisle. Democrats opposed what they perceived to be excessive generosity to the rich in the form of a lower estate tax, while Republicans bemoaned the cost of the bill as well as the temporary nature of the tax cuts.

The overwhelming bipartisan support rested on the common focus of avoiding tax increases for Americans while the economy remained unstable.

Likewise, President Obama is pleased by the results. In a written statement following the Senate vote,



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the President called the vote a win for American families, American businesses, and our economic recovery. As this bill moves to the House I hope that members from both parties can come together in a spirit of common purpose to protect American families and our economy as a whole by passing this essential economic passage.

At the urging of the President, members of both parties did come together, but as the lame-duck session of the 111th Congress reaches its final days, one should not expect the spirit of bipartisanship to linger as other significant and divisive legislative issues await a vote.



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