Middle East, and to the entire international community. Both President Obama and the United States Congress have unequivocally stated that Iran must not be permitted to develop nuclear weapons.

On his visit to the Middle East this week, U.S. Senator John Kerry stated that "sanctions are having a serious impact in terms of the economy in Iran." Iran is now struggling to conduct international trade, losing markets and trading partners. Its currency has lost over half of its value.

Meaningful, the administration continues to expand sanctions against Tehran. Earlier this week, President Obama signed an executive order to extend sanctions to anyone, using any method of payment, who purchases Iranian crude oil—preventing Iran from circumventing sanctions by using bartering and other unconventional payment options. It also expanded sanctions on buyers of Iranian petrochemical products, and authorized penalties for entities seeking to evade U.S. sanctions. Also this week, the U.S. Treasury sanctioned the Bank of Kunlun in China and Elaf Islamic Bank in Iran for providing financial services to Iranian banks.

Today, Congress is acting to further tighten the economic noose on the Iranian regime. The bill under consideration today, H.R. 1905, strengthens and expands existing sanctions, banning any commercial activities with Iran's oil and natural gas sector, including helping Iran ship its oil under the flag of another nation. This bill increases sanctions targeting entities involved with the Iranian Revolutionary Guard Corps and sanctions human rights offenders.

When coupled with existing sanctions, today's bill represents the strongest-ever effort to financially isolate Iran. This is critical, because we must persuade the Tehran government to abandon its pursuit of nuclear weapons. I strongly support utilizing our entire diplomatic and economic arsenal to ensure that Iran does not develop nuclear weapons.

Today's bill is a critical step towards increasing pressure on the Iranian government. I urge my colleagues to join me in strongly supporting this legislation.

Mr. REED. Mr. Speaker, I rise today to reaffirm my support for sanctions to be placed upon Iran. Mahmoud Ahmadinejad and Ali Khamenei are once again stressing the proliferation of nuclear weapons and ballistic missiles within Iran's borders and we must take swift and strong actions against these measures.

Iran is not just a threat to the United States, but to all free countries around the globe. As a country that harbors terrorists, foreign leaders may day want to recognize Iran's practices as a national security concern.

Lastly, we must stand up against the human rights abuses the Iranian regime is supporting. Its citizens have continually been sheltered from outside information and ideas due to strict governmental control. We need to inform them from outside information and ideas due to strict governmental control. We need to inform them that ''sanctions are having a serious impact in terms of the economy in Iran.''

Iran does not develop nuclear weapons.

Mr. SMITH of New Jersey. Mr. Speaker, I rise today in strong support of the House amendment to the previous Senate amendment. Mr. President, I rise today to reaffirm my support for sanctions to be placed upon Iran. Mahmoud Ahmadinejad and Ali Khamenei are once again stressing the proliferation of nuclear weapons and ballistic missiles within Iran's borders and we must take swift and strong actions against these measures.

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Iran does not develop nuclear weapons.
SEC. 2. EXTENSION OF 2001 AND 2003 TAX RELIEF.

(a) EXTENSION OF 2001 TAX RELIEF.—

(1) IN GENERAL.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking “December 31, 2012” both places it appears and inserting “December 31, 2013”.

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.

(b) EXTENSION OF 2003 TAX RELIEF.—

(1) IN GENERAL.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 is amended by striking “December 31, 2012” and inserting “December 31, 2013”.

(2) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

SEC. 3. EXTENSION OF INCREASED SMALL BUSINESS EXPENSING.

(a) DOLLAR LIMITATION.—Section 179(b)(1) of the Internal Revenue Code of 1986 is amended—

(1) by striking “and” at the end of subparagraph (D) as so amended, and inserting after such subparagraph (E); and

(2) by striking “2012” as so amended, and inserting “2013”.

(b) REDUCTION IN LIMITATION.—Section 179(b)(2) of such Code is amended—

(1) by striking “and” at the end of subparagraph (C) as so amended, and inserting after such subparagraph (D); and

(2) by striking “2012” as so amended, and inserting “2013”.

(c) APPLICATION OF INFLATION ADJUSTMENT.—Section 179(b)(6)(A) of such Code is amended—

(1) by striking “calendar year 2012, the $125,000 and $500,000 amounts in paragraphs (1)(C) and (2)(C)” in the matter preceding clause (i) and inserting “calendar year 2013, the $150,000 and $500,000 amounts in paragraphs (1)(D) and (2)(D)” in the matter preceding clause (i); and

(2) by striking “calendar year 2006” in clause (ii) and inserting “calendar year 2002”.

(d) COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii) of such Code is amended by striking “2013” and inserting “2014”.

(e) SPECIAL RULE FOR REVOCATION OF ELECTIONS.—Section 179(e)(2) of such Code is amended by striking “2013” and inserting “2014”.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

SEC. 4. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR INDIVIDUALS.

(a) EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.—Section 55(d)(1) of the Internal Revenue Code of 1986 is amended—

(1) by striking “$72,450” and all that follows through “2011” in subparagraph (A) and inserting “$78,750 in the case of taxable years beginning in 2012 and $85,650 in the case of taxable years beginning in 2013”, and

(2) by striking “$47,450” and all that follows through “2011” in subparagraph (B) and inserting “$51,150 in the case of taxable years beginning in 2012 and $55,150 in the case of taxable years beginning in 2013”.

(b) EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.—Section 26(a)(2) of such Code is amended—


(2) by striking “2011” in the heading thereof and inserting “2013”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

SEC. 5. TREATMENT FOR PAYGO PURPOSES.

The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 254(b) of the Statutory Pay-As-You-Go Act of 2010.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment in the nature of a substitute printed in part B of House Report 112–641, if offered by the gentleman from Michigan (Mr. LEVIN) or his designee, which shall be considered read and shall be separable debate for 20 minutes equally divided and controlled by the proponent and an opponent.

ThegentlemanfromMichigan(Mr.CAMP)andthegentlemanfromMichigan(Mr.LEVIN)eachwillcontrol30minutes.

TheChairrecognizesthegentlemanfromMichigan(Mr.CAMP).

Mr. CAMP. Mr. Speaker, I ask unanimous consent to insert an amendment which the gentleman from Michigan (Mr. LEVIN) or his designee, which shall be entered on either PAYGO scorecard maintained pursuant to section 254(b) of the Statutory Pay-As-You-Go Act of 2010.

Mr. CAMP. Mr. Speaker, I ask unanimous consent to insert an amendment which the gentleman from Michigan (Mr. LEVIN) or his designee, which shall be entered on either PAYGO scorecard maintained pursuant to section 254(b) of the Statutory Pay-As-You-Go Act of 2010.
vague promises about something to be done in the future. The question is: If everybody agrees that we should continue the middle class tax cut, why don’t we come together? The answer is this: The Senate bill continues all of the tax cuts, but only for very wealthy families who would eliminate almost $2,200 a year a tax cut on average of $160,000. This chart shows it. What we have here for middle class families, $2,200; for the very wealthy, $160,000. That’s over 70 times more of a tax cut for millionaires than for typical families. What makes this possible? Is it would add $94 billion to the deficit. This Republican bill also would raise taxes on 25 million families. Those who benefited from the EITC, the child tax credit, and a higher education tax credit, would lose, and it would eliminate altogether. It’s still worse. The bill we’re going to discuss tomorrow, the so-called “tax reform,” essentially would provide someone earning more than $1 million a $331,000 tax cut. This debate is not about tax reform. It’s about whether or not we protect the very wealthy at all costs—at all costs at the expense of middle-income families, and everybody except the very wealthy. This talk about 700,000 American jobs being lost, that study was financed by special interest friends, and it’s been discredited by every fact checker. They’re talking about 70 times more for the millionaire than for middle-income families on average, when in 2010, 93 percent of income growth went to the top 1 percent of wealthy households. And they come here and say that their first priority is protecting the very wealthy, holding hostage 98 percent of the people? If Republicans agree and Democrats agree and liberals and conservatives and even Tea Party people agree that these people who work hard every day should continue to have this tax cut, then why the heck don’t we agree to give it to them? If it ever becomes that we’re talking in a political debate, and it’s only about less than 2 percent of 100 percent, then let’s fight like the devil over that and see who prevails. But it’s not going to be hard for us to explain this. If you do this to the hardworking American people, shame on you. Mr. CAMP. I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM), a distinguished member of the Ways and Means Committee. Mr. ROSKAM. I thank the gentleman for yielding. I would like to pause and just listen and think through a couple of the arguments that we’ve been hearing over the past couple of weeks from our friends on the other side of the side and from the President of the United States, and one is that people should pay their fair share. Now, that’s an interesting argument. Mr. Speaker, let’s look at a little bit closer. So, if the President’s will were to prevail on this, in other words, if this tax hike goes into place, then the top rate for some small businesses would be over 44 percent. Now, contrast that to the top tax rate that President Obama is proposing, which would be 28 percent. All afternoon you are going to hear a lot of things go back and forth, but you won’t hear anyone contradict those numbers and that disparity. Mr. Speaker, because they are true. There is no sense in telling corporations, You get a 28 percent rate, and the top rate for small business is 44 percent. There’s nothing fair about that. Mr. Speaker, let’s just grab onto the dogma and go. Another argument is that this somehow closes a budget gap and this is deficit reduction, and we’re all about deficit reduction and let’s have it at. Well, a little secret on the deficit reduction is, at best, the most generous estimate is this would take care of—what?—maybe 7, 8, 9, 10 days of spending, maybe. But who would pay the cost for that? I’ll tell you who pays the cost for the deficit. It’s the job creators and the people that are looking for jobs right now. Mr. Speaker, according to Ernst & Young and others that have looked at this. Some estimates are that it would cost 700,000 jobs. Mr. CAMP. I know nobody that is willing to say, You know what? We’ve just got too many jobs. Let’s just thin the herd. There are too many people working. Let’s thin the herd. There are too many people working. Let’s just grab onto the dogma and go.
The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. BLUMENAUER. That’s what is at stake here.

I would suggest that we take what we ought to be able to agree on, the 98 percent of this tax reduction, agree on that, not punt, give some real certainty, and then have an honest debate about their proposal to increase taxes on the middle class at the expense of being able to provide for the richest of Americans. Let’s have that debate. Let’s not hold people hostage in the short term.

Mr. CAMP. At this time, Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), the distinguished chairman of the Trade Subcommittee.

Mr. BRADY of Texas. Mr. Speaker, I appreciate Chairman CAMP’s leadership on this important jobs issue.

For America, this recovery is the weakest since World War II. It’s dead last. Millions of Americans can’t find work. Millions of Americans have given up looking for work. Businesses along Main Street are struggling. Business confidence is down. This economy is not working, but yet the President has a plan. He gave it to us a couple of weeks ago. He said, I want to raise taxes on small businesses and professionals.

But here’s the deal. In real terms for our economy: 700,000 more Americans will be kicked to the unemployment line; the economy will grow slower, in fact, it will shrink; paychecks will shrink; there will be less investment in America.

What kind of plan is that for a recovery?

And also, seniors are going to write more checks in capital gains and dividends to Uncle Sam, the dividends they live on, the dividends will be able to expand less often because of this.

Republicans think there is a different choice for America’s economy. We want to stop the tax hikes. We want to grow this economy by 1 million new jobs. We want to make sure that when you, as a senior, save your whole life, you invest in dividends in a home and land, that you keep it to survive in your retirement years. We want to make sure the death tax doesn’t come back to make our middle class history again.

Think about this: You work your whole life to build a family-owned farm or business, and when you die, Uncle Sam swoops in and takes more than half of everything you’ve worked a lifetime to earn.

That’s the choice between the Republican plan to stop the tax hikes and grow this economy and the President’s plan to raise taxes and hurt this economy. It is a clear choice. The House is going to act. And more importantly, we’re going to make sure America has the best tax system in the world again so that we can compete and win so that our kids and grandkids have the opportunity for the strongest economy in the world. It’s a clear choice.

Mr. LEVIN. I now yield 2 minutes to the gentleman from the great State of New Jersey (Mr. PASCRELL), another member of our committee.

Mr. PASCRELL. I thank the ranking member.

Mr. Speaker, this bill makes it as clear as day just what the priorities of the majority are. Instead of working with us to shift the tax burden away from the middle class—who haven’t gone up in tax and raise the time—and small businesses, this bill does the exact opposite.

And for you to continue to say that this is going to be a burden across the board on small businesses is delusional. Ninety-seven percent of small businesses won’t be affected by our bill.

To the antitax crusaders, this bill will raise taxes on the middle class—your bill—and working poor—your bill—by an average of $1,000. In New Jersey, this bill will raise taxes on middle class and working poor families pay more taxes so that 231,400 millionaires can get a bigger tax cut.

It’s as simple as that. You can shake your head all you want; those are the facts. This bill would add almost $1 trillion more to the deficit than the Democratic bill. My Lord, I don’t hear you talk about that. I don’t hear you say that. I wonder why? Just so that 0.3 percent of the taxpayers can get an average tax cut of over $74,000?

At least the last time the Republicans took this shortsighted, trickle-down approach, we had a $5.2 trillion surplus, thanks to Bill Clinton. In 2008, we were $11 trillion, over $11 trillion in debt. We quite simply can’t afford to give millionaires another tax break and make our children and our grandchildren foot the bill.

The proof is in the pudding. In 2000, when we first tried this supply side voodoo, unemployment was 4.2 percent. By 2008, it had doubled.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. PASCRELL. To those Members concerned with tax fairness: today, wealth concentrated with the top 1 percent is at the same level as the period immediately preceding the Great Depression. So you shrunk the middle class with your great economic ideas between 2001 and 2008, and what you did was made the rich richer. I salute you if that’s what you think America is about. We are all job creators, not just the rich.

Mr. CAMP. At this time, Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio (Mr. BOEHNER), the Speaker of the House.

Mr. BOEHNER. I thank my friend for yielding, and remind my colleagues that for the last 18 months when we’ve been in the majority, we have focused on jobs. Now, the American people are
still asking the question: where are the jobs? And that’s why we’ve got over 20 jobs bills now pending over in the United States Senate. And after today, we’ll have another bill sitting over in the Senate that will help create more jobs in America, and do it through tax relief.

Two years ago, the President said we shouldn’t raise taxes in this time of a slow economy. I agreed with the President. The Congress agreed with the President. All of the Republicans and 119 Democrats voted to extend all of the current tax rates. And here we’re some 18 months later, economic growth is actually slower than it was when President Obama made those remarks, and yet the President wants to go out and raise the taxes on the so-called rich. Well, let me tell you who the so-called rich are. About a million of those people who you want to increase taxes on are small business owners, small business owners who pay their business taxes through their personal tax return. I know all about this. I used to be one of them. I had a subchapter S corporation, and whatever the company’s so-called profits were, I had to pay taxes on those, whether I actually got the money or not.

So when you look at what the President wants to do, you want to tax a million small business owners, and yet the American people are asking: where are the jobs? It’s time to put the rhetoric aside. It’s time to put the politics aside. I know we’re in an election year, but my goodness, raising taxes at this point in this economy is a very big mistake. Extend all of the current tax rates, which our bill does, for 1 year, so we’ve got time to revise our Tax Code. Lower rates, fairer rates for all Americans, and raise the taxes on the so-called rich. About a million of those people who you want to increase taxes on are small business owners, small business owners who pay their business taxes through their personal tax return. I know all about this. I used to be one of them. I had a subchapter S corporation, and whatever the company’s so-called profits were, I had to pay taxes on those, whether I actually got the money or not.

When we look at the proposal coming from our colleagues across the aisle, it raises taxes on dividends. Probably not a smart thing to do. When you look at senior citizens, many of them who depend on their dividend income, they’re going to get whacked by your proposal. And under your proposal, not only do we tax small business people, but, oh, yeah, the death tax comes back in full force because it fails to address one of the most penalizing parts of our Tax Code.

I believe that the proposal that my colleague Mr. CAMP and his committee have brought forward is a reasonable, responsible approach, and I would urge its passage. I yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from Louisiana, Dr. BOUSTANY.

Mr. BOUSTANY. Mr. Speaker, I rise in support of this very important legislation.

The administration and congressional Democrats seek to raise taxes on America’s families, small businesses, and job creators. There’s a very clear choice here: either we can let small business owners, the job creators, America’s entrepreneurs, create jobs, or we can follow the path they’re advocating over here and tax small businesses. I stand in strong support of creating American jobs. Over 940,000 business owners will see higher taxes if the President and Washington Democrats are allowed to raise the top two rates. This means over half—over half—of our Nation’s small businesses will see higher taxes at a cost of over 700,000 fewer jobs for Americans—over 700,000 fewer jobs for Americans. Allowing these tax cuts to expire will hurt middle class families. If we pass this, the average taxpayer in my State of South Carolina will see a tax increase of almost on the average, about $1,800. The average family of four earning $50,000 per year can face tax increases of over $2,200 per family if these cuts expire. A single parent earning $36,000 per year could see tax increases of $1,100 if these provisions expire.

Mr. Speaker, this administration continues its assault on the American family and American businesses with its tax-and-spend policies. Our country can’t afford it. America’s families and businesses can’t afford it.

What we need is this: a 1-year extension to allow us to move forward with a real comprehensive approach to tax reform.

We have a real opportunity to do what’s right for America, to promote American competitiveness. This is the moment. Let’s seize it. Let’s do it. We need to take this step today to get us where we can move to that next step, that next point.

So I urge my colleagues on both sides of the aisle, let’s quit dilly-dallying around with this. Let’s show some leadership for the American people. They want us to step up and be leaders and solve these problems. Let’s step up and be leaders.

I urge a vote against this bill.

Mr. CAMP. I yield myself 15 seconds. I would just say that the gentleman’s remarks refer to the stimulus bill, a failed stimulus bill that was promised to create unemployment of under 8 percent. Frankly, it’s never been there. For 40 months, we’ve been over 8 percent. These are spending items that were failed, that failed in the stimulus program. That program did not work. It’s time, I yield 2 minutes to the distinguished member of our committee, Mr. CROWLEY.

Mr. CROWLEY. I thank my good friend from Michigan for yielding me this time.
I rise in strong opposition to H.R. 8. The reason I oppose this bill is because this bill will impose taxes on hundreds of thousands of U.S. military families, our heroes. That’s right, of the millions facing a tax hike, hundreds of thousands are U.S. military families. Let’s think about what the Republicans’ Tax Hike on Our Heroes Act would have on job creation, not only are we attempting, with their package today and proposals to hold the middle class hostage to extending tax cuts for the wealthiest, but they want to raise taxes on 25 million families, with an average increase of $1,000.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. NEAL. We need to extend the child tax credit and the earned income tax credit, and that’s what we should do today. None of our colleagues who represent Fort Dix in New Jersey going to vote on the Republicans’ Tax Hike on Our Heroes Act? Are you going to stand with your military family constituents or with the 2 percent?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. CAMP. Mr. Speaker, the choice is clear. With the national unemployment rate of 8.1 percent, a strong case can be made that over these next 36 months, we must stop the tax hike.

Look, I want to repeat, Joint Tax Study says 97 percent of small businesses would keep all of their tax cuts. And in Mr. Paul’s district, there are 1,345 people with income over 1 million compared with over 325,000 households. That’s the equation at stake here. That’s the equation.

I now have a real pleasure to yield 2 minutes to a distinguished gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL. Mr. NEAL asked and was given permission to revise and extend his remarks.

Mr. NEAL. There’s one indisputable fact in this debate today, and that is that the Bush tax cuts used borrowed money. How much sense did that make to borrow the money during the top 2 percent of income earners in America, the top 2 percent, an argument at the time was simple, that we should give tax cuts to the people at the top because they create jobs for the people in the middle and at the bottom. Fact: the slowest economic growth at any time since Herbert Hoover was President of the United States.

The argument, or the assault on the Clinton Presidency was that he raised taxes of the top bracket, 39.6 percent—22 million jobs; the greatest economic growth in the history of America; a reminder to our friends, an unemployment rate of 3.8 percent.

So borrow the money during the Bush years for tax cuts so that we can give the wealthy—and, my goodness, what a ride they’ve had for these 12 years. It is unbelievable when you look at those rate cuts did to people at the top.

We have a responsibility here to protect the middle class from a big tax hike next year. Last week, this Senate passed a bill that would extend tax cuts for 98 percent of the American people, the middle class, and now it’s up to the House to provide some certainty to the middle class that their taxes are not going to go up next year. But instead of doing so, what are we doing today, once again? We are having an argument about what to do for that top 2 percent of income earners in America whom our Republican friends continue to try to do quite enough for.

Even more troubling, this tax package ends President Obama’s tax cuts that make college more affordable and help working families with children. So not only are we attempting, with their package today and proposal, to hold the middle class hostage to extending tax cuts for the wealthiest, but they want to raise taxes on 25 million families, with an average increase of $1,000. The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. NEAL. We need to extend the child tax credit and the earned income tax credit, and that’s what we should do today. None of our colleagues who represent Fort Dix in New Jersey going to vote on the Republicans’ Tax Hike on Our Heroes Act? Are you going to stand with your military family constituents or with the 2 percent?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. CAMP. At this time I yield 1 minute to a distinguished member of the Ways and Means Committee, the gentleman from Texas (Mr. MARCHANT).

Mr. MARCHANT. Mr. Speaker, I rise today in strong support of the Job Protection and Recession Prevention Act of 2012.

Businesses in my district in Texas and across the country are reluctant to hire and make investments due to an uncertain economy and an impasse over taxes. This bill is a thoughtful step to bolster our economy and bridge the gap to tax simplification. This bill provides a serious plan and a timetable that shows the American economy how to move forward.

If we don’t act, the looming tax hike could destroy an estimated 700,000 jobs, according to an Ernst & Young study. And it’s no surprise, then, that the Institute of International Finance said there was a strong case to extend lower Bush-era taxes due to expire at the end of the year in order to avert a fiscal cliff.

I’m proud to support—and urge my colleagues to support—this bill that helps U.S. job creators and gives businesses more confidence to put Americans and Texans back to work.

Mr. LEVIN. Could the Speaker indicate how much time there is on each side?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 11 minutes remaining. The gentleman from Michigan (Mr. CAMP) has 13½ minutes remaining.

Mr. LEVIN. I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, at this time I yield 2 minutes to a distinguished
member of the Ways and Means Committee, the gentleman from Nebraska (Mr. SMITH). 

Mr. SMITH of Nebraska. Mr. Speaker, I rise in favor of the bill that we are facing here today. It’s been an interesting debate that we’ve had now for some time.

I learn a lot traveling around my district, but it was especially compelling when I was at a manufacturing plant. less than 40 employees, and they told me—unprovoked—they said the estate tax going up to 55 percent would devastate their business. Those were their words, “devastate their business.” It’s not just farmers and ranchers that would pay the estate tax, it would also be small businesses—and very thriving small businesses who put people to work, who provide benefits, health care, and otherwise.

Truly, the 35 percent rate is a compromise. I would prefer to see no estate tax, given the fact that it isdouble tax on top of the 20 percent tax on income. What many would consider confiscatory in nature. So I rise in favor of the bill that we are debating here today. I think that it is better policy—certainly better for our economy that we would not raise taxes on the American people.

Mr. LEVIN. I now yield 2 minutes to another distinguished member of our committee, the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, when the Wall Street banking crisis of 2008 hit, causing the worst recession since the Great Depression, it was the middle class that took it on the chin. More than 8 million Americans lost their jobs through no fault of their own. And as millions of Americans were losing their jobs and their homes, the big banks received bailouts and CEOs continued to receive million-dollar payouts.

While too many middle class Americans still waiting for Don Quixote to come to the rescue, Congress is voting again to give over $160,000 a year in tax breaks to the richest 2 percent of Americans while the average American will be lucky to get about one-hundredth or maybe two-hundredths of that. Can anyone in this Chamber blame the middle class for thinking the system is rigged against them?

Mr. Speaker, we all admire financial success, but when we give away trillions of dollars that we cannot afford to those who need them the least, it’s the middle class who has to make up the difference. To pay for these tax cuts, our Republican colleagues have voted to end Medicare and would force seniors to pay $6,400 more for their own care. On top of that, Republicans propose changing Social Security, slashing its budget by over $800 million. It’s an ideological agenda that chooses millionaires over the middle class. Regular folks pay more so that folks like the gentlewoman from Tennessee (Mrs. BLACK), a distinguished member of the Ways and Means Committee,
Mrs. BLACK. Mr. Speaker, you know, when nearly 23 million Americans are struggling to find full-time employment, President Obama and his Democratic allies seem to think that now is the time to raise taxes on small businesses.

And the President may be satisfied with an 8 percent or more unemployment rate for 41 straight months, but I’m not and, more importantly, the American people are not. The American people don’t need to settle for a country with fewer opportunities and a diminished future.

So the House today will vote to stop the tax hike for all taxpayers, and tomorrow we will vote to move forward with a comprehensive tax reform. This is a critical step in providing the certainty that our small businesses desperately need to grow and create jobs.

Now, the Democrats’ proposal to raise taxes on nearly 1 million small businesses will cost more than 700,000 jobs, and they have not even offered a plan on tax reform. This is more of the same failed leadership that has given us the weakest economic recovery since the Great Depression.

Democrats think that we are just one more tax hike away from prosperity. But when has a nation ever taxed its way to prosperity? Prosperity is built by the American people, not the government. American entrepreneurs and small business owners are the lifeblood of our American Dream, and they’re the backbone of our economy.

It is clear that we must stop this tax hike and reform our broken Tax Code to revive our struggling economy and keep the American Dream alive.

Mr. LEVIN. It is now my pleasure to yield 2 minutes to the gentleman from Maryland (Mr. VAN HOLLEN), our ranking member on the Budget Committee.

Mr. VAN HOLLEN. Mr. Speaker, it’s very important everyone understand the choice that’s facing the House today. The Democrats will offer an amendment that will immediately extend tax relief to 100 percent of American people. The Senate has already passed that proposal; and if our Republican colleagues vote for it today, we can send it down to the White House, the President will sign it today.

Someone asked what we’re going to do today. We could provide immediate tax relief to 98 percent of the American people.

Now, let’s be clear. The Democratic proposal provides tax relief to everybody up to $250,000. What our Republican colleagues are saying is they will deny tax relief to 98 percent of the American people, unless people making over $250,000 get a bonus, an extra tax cut. In other words, unless the top 2 percent get an extra tax cut, nobody else gets anything.

It is not true. We’ve heard a lot of talk here about small businesses, that we need to adopt the Republican plan in order to support small businesses. It’s just not true.

The Democratic proposal, according to the nonpartisan Independent Joint Tax Committee, provides tax relief to 97 percent of the businesses that we’re talking about here. In fact, they point out that the other 3 percent of businesses issue about 20,000 pass-through businesses that make over $50 million a year.

Now, they may be good businesses, but these are not mom-and-pop businesses. The language we’re hearing from our Republican colleagues would use small businesses as a cover to providing breaks for firms like Fortune 100 Pipeline Company Enterprise Products Partners; PricewaterhouseCoopers, good business, not a mom-and-pop; KKR Investment Banking; and guess what, Bain Capital, Bain Capital, the kind of small business that our Republican colleagues are trying to protect.

This is all really in service to the trickle-down ideology. We tried it in the Bush administration. At the end of 8 years, we actually saw a net job loss.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. VAN HOLLEN. We tried trickle-down, we actually saw a net job loss. But who picked up the tab? The rest of the country because it drove a huge hole in our deficit; and in order to deal with that, if we don’t ask folks at the top to pay a little bit more, the rest of the country ends up picking up the tab. That’s just not right, and it doesn’t help the economy.

Mr. CAMP. I yield myself 15 seconds.

Mr. LEVIN. I now yield 2 minutes to the distinguished gentleman from New York (Mr. REED), a member of the Ways and Means Committee.

Mr. REED. Mr. Speaker, I rise today in support of the proposed legislation to make sure we don’t increase taxes on any Americans come the end of this year. I think it’s prudent, it’s responsible, and it’s the right message to send to America, that we are going to stand with every American and every small business owner across the country this way, end of the year, no tax increases.

And I appreciate my colleagues on the other side of the aisle and their passion and their commitment to raising taxes. Some argue we need to raise taxes on any American moving forward.

Now, the gentleman had recognized and said that some of these tax increases that we’re talking about in regards to businesses are not the mom-and-pop shop.

Well, I’ll tell you something, I just had a conversation with Dick Clark from my district, an owner of Villager Construction. That’s a mom-and-pop shop. Sterilator Company out of Cuba, New York, in my district. That’s a mom-and-pop shop. Those are people that have told me that one of their greatest concerns as small business owners is the tax burden that they’re going to face next year.

Let’s not stand for rhetoric. Let’s do the responsible, prudent thing and say “no” to tax increases. And if we stand with the American people who I believe are hardworking taxpayers who are not stupid. They know what the distinction will be by the end of this year and next year when they come to the voting booth in November, that we stand for no tax increases, and my colleagues on the other side of the aisle are going down the path of let’s raise taxes.

Now is not the time to raise taxes in an economic climate when people are struggling and we’re trying to have the job creators have the capital so that they can put people back to work for today and tomorrow.

Mr. LEVIN. I now yield 2 minutes to the gentlelady from New York (Ms. VELÁZQUEZ), who is the ranking member on the Committee on Small Business and who has toiled in the vineyards and beyond on behalf of the small businesses of this country.

Ms. VELÁZQUEZ. Thank you, Ranking Member, for yielding.

Mr. Speaker, I rise in opposition to the bill before us today.

Republicans love to focus on small businesses when it’s convenient for them. They claim it is imperative to pass today’s bill because, if we don’t, small firms will be harmed. However, today’s bill is only good for millionaires and billionaires, not the Nation’s job creators.

The argument that a partial extension to raising hidden small business hiring relies on distorted facts. Republicans are using a warped definition of a “small firm” that counts Mitt Romney as a small business owner. I don’t think the average person considers 257 people who make more than $200 million as small business owners.

Contrary to Republican claims, this is not what the American taxpayers
The issue is not whether we should tax one group more and then distribute that to another group. That doesn’t create more jobs, and that doesn’t create more stability. That doesn’t pull us out of a recession. That only makes one group feel better that they took money from another group and gave it to another.

There are really two philosophies that are at work here. We want to make this debate about taxes, but it’s really a philosophical issue. One group says the purpose of taxation is to take from one group and redistribute to another one to make America fair. The other group, that of the Republicans, says the purpose of taxation is to collect as little as possible in order to efficiently run the government so that individuals are able to keep their money. We became the most powerful, prosperous nation on Earth because Americans were able to keep what they earned, were able to invest it into other things and were able to grow it.

Let’s get this right for all Americans, not just for some.

Mr. LEVIN. How much time is left on this bill?

Mr. HOYER. Designed to fail. That’s what this bill is. It is designed to fail. It’s miserably complicated. No Americans feel confident that when they file their taxes they got it all right. We’ve got to fix this Code and be able to simplify it dramatically. It’s going to take time to do that. So let’s extend rates for another year, and then let’s spend next year fixing the Code.

Mr. LEVIN. I now yield the balance of my time on this bill to the distinguished whip, the gentleman from Maryland (Mr. HOYER).

The SPEAKER pro tempore. The gentleman from Maryland is recognized for the remaining 2¼ minutes.

Mr. HOYER. Designed to fail. That’s what this bill is. It is designed to fail. Very frankly, you made sure that it was going to fail when you passed the amendment that added the reform bill and this bill together.

Designed to fail. How sad.

I don’t think you want to raise taxes on anybody. I understand that. I’ll accept that premise. What we ought to do is to make sure, in the agreement that we have with the Senate and the House, that at least the 98 percent of Americans who make less than $250,000 have no increase in their taxes. At least we ought to do that. America knows we have agreement on that.

They’re wondering why, when you have an agreement, you don’t take that agreement and give the assurance and certainty to 98 percent of the American working people that they won’t have an increase in their taxes so that they’ll have the confidence that they’ll have that money in their pockets to, perhaps, purchase that refrigerator they need or that oven that they need or perhaps a new car or so that they can help their kids go to college.
The middle class. 
reach an agreement to prevent a tax hike on the top 2 percent.

cent of small businesses will see no change to their taxes.
under $250,000, which is a tax cut for 100 district work period—is pass the extension we're better than this.

Newt Gingrich talked some years ago in 1998 about the "Perfectionist Caucus." Mr. Speaker, he said embrace agreement. He was agreeing with President Clinton and Newt Gingrich at that point in time on a budget which adopt-
ed PAYGO one more time, which is one of the reasons why we balanced the budget 4 years in a row. The House Ways and Means bill leaves 98 percent of our people at risk, while our bill gives 100 percent of the people a tax cut.

We must reject the House bill. Let us adopt the substitute. Let us send it to the Senate and make it law. The President will sign it, and it can become law that the Senate has come to and agreed. He was agreeing with Presi-
dent Clinton and Newt Gingrich at that time, by rejecting this bill, and I call on Republicans to work with us to pass the tax cut extension for the middle class on which we all agree.

Mr. CAMF. Mr. Speaker, I yield my- self the balance of my time. I would just say this isn’t just about taxes. I would agree with my friend from Maryland, Republicans do not want to raise taxes on small busi-
nesses, job creators, or investors be-
cause it’s also about the economy.

This has been a dismal recovery, the worst since the Great Depression; and unemployment has been above 8 percent for 40 consecutive months. Their answer is to raise taxes on the small business sector, the area where we need to have those jobs to begin to be created. What we’re saying is let’s keep the law the same for 1 year. We’re the only Nation in the world that has all of these tax provisions expiring year in and year out. Let’s leave this the same for 1 year—then move and adopt comprehensive tax reform in an expe-
dited procedure to do that so we can finish that next year.

If we go down their path of raising taxes on small businesses, 700,000 jobs will be lost. If we go down our path of extending current law for a year, bring-
ing certainty, extending that law for a year, moving forward on comprehen-
sive reform, addressing some spending problems we know this Nation has had, 3 years of trillion-dollar deficits, if we do that, we create a million jobs.

Vote for H.R. 8.

Mr. GINGREY of Georgia. Mr. Speaker, I rise in strong support of H.R. 8, the Job Pro-
tection and Recession Prevention Act of 2012. In August, President Obama told NBC News, “You don’t raise taxes in a recession.” Quite frankly, I agree with the President and would take it a step further. We should never raise taxes at all, period.

Unfortunately, if we do nothing before the end of the year, we risk raising taxes on Americans by $384 billion over the next ten years according to the Joint Committee on Taxation. For my home State of Georgia alone, this would represent a tax increase of $3,010 per tax return. At a time when we have had 41 straight months of unemployment, it would be irresponsible to place an additional burden on working families and job creators, particularly when Ernst & Young recently re-
leased a study stating that this tax increase would destroy 700,000 jobs.

Mr. Speaker, House Republicans have a simple solution. H.R. 8 will prevent this looming tax increase on all Americans, especially the 1 million small business entrepreneurs that would likely feel the pain the most.

To all of my colleagues, we have a clear choice today. You can either support H.R. 8 to prevent an average tax hike of $3,010 per family, or you could oppose this legislation, endorse these tax increases and destroy 700,000 jobs in the process. The choice is yours.

Mr. LANGEVIN. Mr. Speaker, I rise in strong opposition to the Republican tax proposal. Their plan will give more tax breaks for the richest 2 percent, providing $160,000 for the average millionaire—on top of the $1 million that they received over the last 9 years.

Two hundred and sixty thousand dollars means different things to different people. For 464 Rhode Island veterans, it means access to employment and job training services; for 2,340 Rhode Island parents, it means immuni-
izations for their children against Measles, Mumps, and the flu; and for Rhode Island’s 1.2 million children, it means 25 more students get a leg up through Head Start. But for millionaires, $160,000 simply represents the additional gift they receive under the Republican tax propos-
al.

A hundred and sixty thousand dollars is a lot of money, and it can go a long way to-
wards improving the lives and opportunities of Rhode Islanders. While every program I men-
tioned is on the chopping block, Republicans seem complacent to mortgage our children and grandchildren’s future to preserve these tax cuts for the wealthiest at a cost of $1 trillion. These are tax cuts we simply cannot afford. In fact, if we want to talk about responsible deficit reduction, this would be an excellent place to start.

Democrats and Republicans do agree on one thing—the need to extend tax cuts for the middle class and small businesses, which is exactly what the Democratic proposal will do. Under the Democratic plan, every single tax-
payer will receive a tax cut on income earned up to $200,000 if you are single, and $400,000 if you are married.

For our middle class families, this translates to an extra $2,200 in their pockets. And even high-income households will continue to re-
ceive a tax cut averaging more than $10,000 on their first $250,000 of income.

No one thinks raising taxes on the middle class is a good idea. Right now, my top pri-
ority is giving middle-class families and our small businesses the security and certainty they deserve by extending tax cuts they des-
erately need. This should be an issue where Republicans and Democrats can work to-
gether to do what is right for hard-working Americans.

I urge my colleagues to reject the Repub-
lican plan that continues down the same fis-
cally irresponsible path. Give our small busi-
nesses and working families the certainty they deserve, and support the Democratic plan to cut taxes for everyone and help move the economy forward.

Mr. STARK. Mr. Speaker, I rise in opposi-
tion to H.R. 8. I cannot support legislation that provides millions of middle class fami-
lies. By bringing this legislation to the floor, Republicans hold hostage the middle class tax cuts in order to help those who need it least. If enacted, this bill would give millionaires an average tax cut of $160,000 next year. Hedge fund managers and corporate CEOs who make up the wealthiest 2 percent of this coun-
try do not need a massive tax break. The Re-
publican tax plan on the floor today not only favors millionaires, it takes away tax programs that help working families. Under this legisla-
tion, 25 million families and college students in the richest 2 percent of the middle class will lose $1,000 because of cuts to the Earned Income Tax Cred-
its, the Child Tax Credit, and the American Opportunity Tax Credit. It is these lower and
middle income families that deserve our help. It is time to start creating a tax code that reflects our values by ensuring that every individual pays their fair share.

I stand with the House Democrats, the Senate and the President in supporting an extension of the middle class tax cuts. Working Americans are facing high unemployment and stagnant wages. They should have the certainty to know that they will not face a tax increase next year. Extending the middle class tax cuts means helping 114 million middle class families, including 13.2 million in California. If the House extends the middle class tax cuts—already passed by the Senate—these families will save an average of $2,200 on next year’s taxes.

This country cannot afford to keep giving out tax breaks to the wealthy and large corporations. This Republican bill adds another $50 billion to our deficit in just one year. This is the wrong approach and is just plain irresponsible. We need to strengthen the middle class, put people back to work, and grow our economy. The first step is introducing fairness to our tax code and helping the middle class Americans who work hard and play by the rules. I urge my colleagues to join me in voting against the Republican giveaway to the most wealthy and to instead support the Democratic substitute which protects the middle class.

The SPEAKER pro tempore (Mr. Bass of New Hampshire). All time for debate has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE
OFFERED BY MR. LEVIN

Mr. LEVIN. I now call up the substitute amendment.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

SECTION 1. SHORT TITLE; ETC.

(a) Short Title.—This Act may be cited as the “Middle Class Tax Cut Act”.
(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—TEMPORARY EXTENSION OF TAX RELIEF

Sec. 101. Temporary extension of 2001 tax relief.
Sec. 102. Temporary extension of 2003 tax relief.
Sec. 103. Temporary extension of 2010 tax relief.
Sec. 104. Temporary extension of election to expense certain depreciable business assets.

TITLE II—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 201. Temporary extension of increased alternative minimum tax exemption amount.
Sec. 202. Temporary extension of alternative minimum tax relief for non-refundable personal credits.

TITLE III—TREATMENT FOR PAYGO PURPOSES

Sec. 301. Treatment for PAYGO purposes.

TITLE I—TEMPORARY EXTENSION OF TAX RELIEF

SEC. 101. TEMPORARY EXTENSION OF 2001 TAX RELIEF.

(a) Temporary Extension.—

(1) In general.—Sec. 901(a)(1) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking “December 31, 2012” and inserting “December 31, 2013”.

(2) Effective Date.—The amendment made by this subsection shall take effect as if included in the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.

(b) Application to Certain High-Income Taxpayers.—

(1) Income Tax Rates.—

(A) Treatment of 25- and 28-percent Rate Brackets.—Paragraph (2) of section 1(i) is amended to read as follows:

“(2) 25- and 28-percent Rate Brackets.—The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

(A) by substituting ‘25%’ for ‘28%’ each place it appears (before the application of subparagraph (B) and

(B) by substituting ‘28%’ for ‘31%’ each place it appears.”.

(B) 33-percent Rate Bracket.—Subsection (A) of section 1(i) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) 33-percent Rate Bracket.—

(A) In General.—In the case of taxable years beginning after December 31, 2012—

(i) the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer’s taxable income in the fourth rate bracket shall be 33 percent to the extent such income does not exceed an amount equal to the excess of—

(I) the applicable amount, over

(II) the dollar amount at which such bracket begins, and

(ii) the 36 percent rate of tax under such subsections shall apply to only the taxpayer’s taxable income in such bracket in excess of the amount to which clause (i) applies.

(B) Applicable Amount.—For purposes of this paragraph, the term ‘applicable amount’ means the excess of—

(i) the applicable threshold, over

(ii) the sum of the following amounts in effect for the taxable year:

(I) the basic standard deduction (within the meaning of section 63(c)(2)), and

(II) the exemption amount (within the meaning of section 151(d)(1) (or, in the case of subsection (a), 2 such exemption amounts).

(C) Applicable Threshold.—For purposes of this paragraph, the term ‘applicable threshold’ means—

(i) $250,000 in the case of subsection (a),

(ii) $225,000 in the case of subsection (b),

(iii) $200,000 in the case of subsections (c), and

(iv) $150,000 in the case of subsection (d) (in the case of section 151(d)(1)).

(D) Fourth Rate Bracket.—For purposes of this paragraph, the term ‘fourth rate bracket’ means the bracket which would (determined without regard to this paragraph) be the 36-percent rate bracket.

(E) Inflation Adjustment.—For purposes of this paragraph, with respect to taxable years beginning in calendar years after 2012, each of the dollar amounts under clauses (i), (ii), and (iii) of subparagraph (C) shall be adjusted in the same manner as under paragraph (1)(C), except that subsection (f)(3)(B) shall be applied by substituting ‘2008’ for ‘1992’.

(F) Phaseout of Personal Exemptions and Itemized Deductions.—

(A) Overall Limitation on Itemized Deductions.—Section 68 is amended—

(i) by striking “the applicable amount” the first place it appears in subsection (a) and inserting “the applicable threshold in effect under section 1(i)(3)”,

(ii) by striking “the applicable amount” in subsection (a)(1) and inserting “such applicable threshold”,

(iii) by striking subsection (b) and redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively, and

(iv) by striking subsections (f) and (g).

(B) Phaseout of Deductions for Personal Exemptions.—

(i) In General.—Paragraph (3) of section 151(d) is amended—

(I) by striking “the threshold amount” in subparagraphs (A) and (B) and inserting “the applicable threshold in effect under section 1(i)(3)”,

(II) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C), and

(III) by striking subparagraphs (E) and (F).

(ii) Conforming Amendments.—Paragraph (4) of section 151(d) is amended—

(I) by striking subparagraph (B),

(II) by redesigning clauses (i) and (ii) of subparagraph (A) as subparagraphs (A) and (B), respectively, and by indenting such subparagraphs (as so redesignated) accordingly, and

(III) by striking all that precedes “in a calendar year after 1989,” and inserting the following:

“(4) Inflation Adjustment.—In the case of any taxable year beginning. . .”.

(c) Effective Date.—Except as otherwise provided, the amendments made by this section shall apply to taxable years beginning after December 31, 2012.

(d) Application of EGTRRA Sunset.—Each amendment made by subsection (b) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as if such amendment was included in title I of such Act.

SEC. 102. TEMPORARY EXTENSION OF 2003 TAX RELIEF.

(a) Extension.—

(1) In General.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 is amended by striking “December 31, 2012” and inserting “December 31, 2013”.

(2) Effective Date.—The amendment made by this subsection shall take effect as if included in the enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

“(iv) the amount applicable under clause (i) (after adjustment, if any, under subparagraph (E) in the case of subsection (d). . . .”.
(b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 1(b) is amended by striking subparagraph (C), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (F) the following new subparagraphs:

"(C) 15 percent of the lesser of—

(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

(ii) the excess (if any) of—

(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate of 20 percent, over

(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

(D) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), ."

(2) MINIMUM TAX.—Section 55 is amended by adding at the end the following new subsection:

"(F) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

"(1) IN GENERAL.—In the case of any individual, if the taxpayer’s taxable income for the taxable year exceeds the applicable amount determined under section 1(i) with respect to such taxpayer for such taxable year, the amount determined under paragraphs (2), (3), and (4) shall be substituted for the amount determined under subsection (b)(3)(C) for purposes of determining the taxpayer’s tentative minimum tax for such taxable year.

"(2) DETERMINATION OF 20-PERCENT CAPITAL GAINS RATE.—The amount determined under this paragraph is the sum of—

"(A) 15 percent of the lesser of—

(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subsection (b)(3)(B), or

(ii) the excess described in section 1(b)(1)(C)(i)(1), plus

"(B) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraph (B) and subsection (b)(3)(B), ."

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking "15 percent" and inserting "20 percent":

(A) Section 51.

(B) Section 54.

(C) Section 1445(e)(1).

(D) The second sentence of section 7521(g)(5)(A).

(E) Section 5331(f)(2) of title 46, United States Code.

(F) Section 1445(e)(6) is amended by striking "15 percent (20 percent in the case of taxable years beginning after December 31, 2010)" and inserting "20 percent".

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided, the amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2012.

(2) WITHHOLDING.—The amendments made by paragraphs (1)(C) and (2) of subsection (c) shall apply to amounts paid on or after January 1, 2013.

(e) APPLICATION OF JGTRRA SUNSET.—

Each amendment made by subsections (b) and (c) shall be subject to section 363 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as if such amendment was included in title III of such Act.

SEC. 103. TEMPORARY EXTENSION OF 2010 TAX RELIEF.

(a) AMERICAN OPPORTUNITY TAX CREDIT.—

(1) IN GENERAL.—Section 25A(i) is amended by striking "or 2012" and inserting "2012, or 2013".

(2) TREATMENT OF POSSESSIONS.—Section 1044(c)(1) of division B of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking "and 2012" each place it appears and inserting "2012, and 2013".

(b) CHILD TAX CREDIT.—Section 24(d)(4) is amended—

(1) by striking "and 2012" in the heading and inserting "2012, and 2013", and

(2) by striking "or 2012" and inserting "2012, or 2013".

(c) EARNEO INCOME TAX CREDIT.—Section 32(b)(3) is amended—

(1) by striking "and 2012" in the heading and inserting "2012, and 2013", and

(2) by striking "or 2012" and inserting "2012, or 2013".

(d) TEMPORARY EXTENSION OF RULE DISREGARDING REFUNDS IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.—Subsection (b) of section 6409 is amended by striking "December 31, 2012" and inserting "December 31, 2013".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2012.

(2) RULE DISREGARDING REFUNDS IN THE ADMINISTRATION OF CERTAIN PROGRAMS.—The amendment made by subsection (d) shall apply to amounts received after December 31, 2012.

SEC. 301. TREATMENT FOR PAYGO PURPOSES.

The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

The SPEAKER pro tempore. Pursuant to House Resolution 747, the gentleman from Michigan (Mr. LEVIN) and a Member opposed each will control 10 minutes.

Mr. CAMP. Mr. Speaker, I claim the time in opposition.

Mr. LEVIN. Could the Chair be clear as to who has the right to close on this amendment?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) has the right to close.

The Chair recognizes the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, I want to thank Mr. LEVIN for yielding.

After 2 years of talking about spending cuts and deficit reduction, Republicans somehow believe it is wise to fill the pockets of each and every millionaire in America with an additional $160,000 tax cut. We’ve been here before. This is the same picture. Mr. Speaker, we all know what this is about. This is about two competing visions of America. The Democratic vision is opportunity for all Americans to prosper, while the Republican vision reserves prosperity for the select few.

That is not right, Mr. Speaker. That is not fair. That is not just. American hardworking families need tax relief, and they need it now. Not tomorrow, not next week, not next month, not next year, but now. If you believe in a strong, solid middle class, vote “no” on this bill. If you believe in American opportunity, vote “yes” on this bill. If you’re serious about reducing the deficit, vote “no” on this bill. I urge all of my colleagues to vote “no” on this bill and to vote “yes” on the Levin amendment. It is simply the right thing to do.

We can do much better by voting for the Levin amendment. It is the right thing to do. It is the fair thing to do. It is the just thing to do. We should do it and do it now.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Let me just say that this substitute increases taxes, and it increases taxes
on small businesses, the very sector that we need to be growing to bring us out of this recession. It does not include tax reform. There’s no path to tax reform. Our Tax Code has had 5,000 changes in the last decade. The complexity is making it difficult for Americans to understand their tax liabilities. They suspect others get a better deal under the Tax Code because of the complexity. If we can take that away and move to a system that has a lower rate, revenue neutral, that closes off some of these 5,000 changes that have been made in the last few years, we can create a million jobs in the first year alone.

One of the things that led us into this recession is the housing crisis. Here we have a letter from the National Association of Home Builders saying that housing can be a key engine of job growth that this country needs. However, the recovery we’re seeing remains fragile. As the rest of the economy is expected to continue its recovery conditions, now would be the worst time to raise taxes.

The National Association of Home Builders believes that lower rates, simplification, and a fair system will spur economic growth and increase competitiveness. That’s good for housing, being an engine of economic growth and increase competitiveness, and a fair system will spur economic growth.

Builders believes that lower rates, simplification, and a fair system will spur economic growth and increase competitiveness. That’s good for housing, being an engine of economic growth and increase competitiveness, and a fair system will spur economic growth.

We need to be the best country in the world. We need to have the strongest country in the world. We need to have the best Tax Code in the world. Raising taxes on one segment, one group of Americans to against another is not the way to get America’s greatness back. I reserve the balance of my time.

Mr. LEVIN. I now yield 1 minute to the distinguished gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Speaker, I rise in support of the Democratic substitute on this tax provision.

I have tremendous respect for Chairman CAMPA and the members of the Ways and Means Committee, but I would like to note that not a single one of my colleagues on the other side of the aisle refuted what I spoke about before, about the fact that if the Republican tax bill were to pass, as opposed to the Democratic tax bill, there would be an increase in taxes on 225,000 military men and women, many of whom are in Active Duty overseas as we speak.

I mentioned in my remarks that under the Democratic bill, the EITC rate, the earned income tax credit under the bill would afford a sergeant in our Army today with 8 years of service, married and with three children, and has a basic pay of $34,723, would receive $3,500. If the Democratic plan an EITC benefit of $3,508.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. In yield the gentleman 1 additional minute.

Mr. CROWLEY. I want to be very clear about this, Mr. Speaker. The earned income tax credit under the Republican bill would only be $2,300. Now with the reason why that is under the Republican bill, that sergeant and his or her family would have a $1,118 tax increase. You can’t get around it. Those are the facts. Those are the numbers. They speak loud and clear. And not one of my colleagues on the other side of the aisle refuted that.

We have refuted the $250,000 issue as it pertains to small business owners. The reality is, the men and women on the front lines defending this democracy, defending our freedom, defending our way of life, allowing for small businessmen and women to prosper in this country, they’re not worth a tax break. They’re your neighbors. They’re our military men and women. There’s no getting around it. A vote for the Republican bill is a vote to increase taxes on military men and women. A vote for the Democratic substitute is a tax cut for our military men and women.

Mr. CAMP. I yield myself such time as I may consume.

I don’t have to refute what the Member from New York said because the nonpartisan Joint Committee on Taxation has already done that. They’ve said the matters the gentleman is talking about are not tax increases. Those are spending through the Tax Code. That spending was put into the stimulus bill. We know how unsuccessful that was in lowering our unemployment rate below 8 percent, as was promised.

So at this time, I yield 2 minutes to the distinguished gentleman from New York (Mr. REED).

Mr. REED. I thank the chairman for yielding.

I rise in opposition to the substitute amendment that we’re debating here, Mr. Speaker. Why is this, is it clear the Democratic substitute amendment that we’re discussing is a further expansion of tax increases that the Senate passed recently. I’m opposed to those tax increases.

We’re dealing with a situation where the proposed amendment will raise the estate tax and take 55 percent of our hardworking Americans’ assets when they pass away. They are raising taxes on dividends, gas at a time when senior citizens rely on those most in these dire economic times. They also seek to raise taxes on those making $200,000 to $250,000 and above. Raising taxes on those individuals goes right to the heart of our small businesses across America, coast to coast, North to South.

In this dire economic time, I actually agree with President Obama when he signed the tax rates in December 2010, when he said, when he said it pertains to small business owners. That’s what the Lauren Mishkins want, that’s the kind of dream that we need to provide for all American citizens, and that’s what this country desperately needs—a Congress that will take leadership.

There are times when you need to step aside, and there are times when you need to step up. We need to step up as a Congress and pass this Democratic substitute.

Mr. CAMPA. I yield 1 minute to the gentlewoman from Tennessee (Mrs. BLACK), a distinguished member of the Ways and Means Committee.

Mrs. BLACK. Mr. Speaker, as I have been back in the district talking to my constituents about visiting many of the businesses and the job creators in the district, I have continued to hear from them that if we place one more tax increase on them, they’re just not sure that they can survive.

Now these are good people that I go to the grocery store with, that I go to church with. I know how hard they’re working, and I know how hard their families are working in order to keep...
businesses going within our community. And when we know that two out of every three jobs are created by a small businessman or -woman, we impact those very folks who are creating the jobs for so many people in the district.

I hear this over and over again. And they look at me and say, Diane, please go back to Congress and please relay this to the Members of Congress, that we need to make sure that we have the certainty and that we don’t impact them—that we keep their businesses so that they have to close down and, once again, increase the amount of unemployment.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Mr. CAMP. I yield the gentlewoman an additional 30 seconds.

Mrs. BLACK. My colleagues on the other side of the aisle do not have a plan. Their plan is to increase the taxes on this group of people.

Second to that are those who continue—to say, especially those who are looking at planning for their families for the future, of what they’re going to leave for them—they’re not going to be able to leave those things that they’ve worked so hard for because the estate taxes are going to go up.

We cannot do this to the people in my district. I’m going to be here to fight for that.

Mr. LEVIN. I would ask my colleagues from Michigan how many further regulations do we have to go through?

Mr. CAMP. I yield the balance of my time.

Mr. LEVIN. I yield myself the balance of my time.

There are a few undisputed facts. Small business—97 percent of small businesses will receive the tax cut. Don’t listen to the propaganda to the contrary. Everyone will receive their tax cuts up to $250,000 of income. Don’t listen to propaganda that says otherwise. And income over $1 million, for who they have that, would receive under the Republican bill 70 times more than the typical family. And when the two bills are combined, 150 times more than the typical family.

Let me say just a word about tax reform, which I favor because—because I’ll be using it as an argument for inaction. But, look, let’s be realistic. No matter who controls Congress next year, there won’t be tax reform until maybe the spring or the summer. So are you going to use that same argument for tax reform, say, in a lame duck against middle-income tax cuts? Or in January, are you going to use the same argument? Are you going to use tax reform as a way to push the president to tax a middle-income taxpayer? In a word, the Republican bill is a path to nowhere for middle-income taxpayers.

Our substitute is a sure path. Pass it. The Senate already has. The President will sign it. Act now. Vote for the substitute.

I yield back the balance of my time.

Mr. CAMP. Mr. Speaker, I yield myself the balance of my time.

Speaker, as I travel around Michigan and my district, the Fourth Congressional District of Michigan, I often hear from many families that they think America is at a crossroads. They really question is the American Dream, is that dream that their children and grandchildren are going to have the opportunities that they had, is that dream still alive for their kids and their grandkids? The reason they ask is because we’ve been on the economic path that the majority has established for the last 3 years, and they will have these discussions about how they pay the bills, the bills to stay in their home or their apartment, wherever. Discussions on how they will pay for their children’s education, how their pensions are affected by all of this. The list goes on and on.

With one vote, we can alleviate that uncertainty. We’re not going to eliminate it, but we can lessen it. We have that responsibility. Let’s not miss an opportunity to do just that.

So I thank you, Mr. LEVIN, for your leadership and members of the committee for all of your hard work.

Mr. CAMP. I reserve the balance of my time.

Mr. LEVIN. I yield myself the balance of my time.
think maybe being from Michigan, I’m particularly sensitive to that because we’ve had tough times for more than a decade. We need to get people back to work. We need to get jobs growing in this country.

There’s really a choice: Which path are we going to be on? Which road are we going to take? Which lane are we going to be in? Are we going to be in the lane where we just simply raise taxes? No matter what segment it is, I don’t care, just name the segment, but one that we know will cost us 700,000 jobs?

Or will we go down a path where we extend current law for 1 year, as many bipartisan experts have called for. President Bill Clinton has called for it. The President’s former economic advisor, Larry Summers, has said let’s extend current law for a year. Let’s take the uncertainty out. And in the 20 hearings we’ve had on tax reform this year in the Ways and Means Committee, so many employers, so many tax experts, so many independent groups have come forward and said the uncertainty of all of this expiring tax policy is a huge problem.

And my friends would say, well, if only we’d raise taxes on people and small businesses and others who make $250,000, that’ll solve our problems. Well, it won’t. It’s just a piece of it. The Tax Code is so complex, with 5,000 changes over the last decade. I often say it’s 10 times larger than the Bible, with none of the good news.

The burden that this Tax Code is placing on our economy, it’s a huge wet blanket. Our GDP growth is just barely over 1 percent, the gross domestic product. Our economy is not growing enough; and if we don’t grow our economy, we can’t create the jobs that we need so desperately.

Let’s work together. Let’s pass this 1-year extension and provide the relief package that will lay out our principles for comprehensive tax reform that will also lay out a process to expedite this next year in the House and Senate. We’ve been working with the Senate to establish these procedures. They will go through regular committees in an open and transparent way, not just roll a bill out on the floor and say, oh, if we only ding that one segment, things will be okay. Let’s do this the right way.

This is the greatest country in the world. Let’s make this the greatest economic power in the world. Let’s reform our Tax Code for the first time in 26 years. Let’s make it a pro-growth, modern code that lets our U.S. companies compete around the world, lowers its rates and makes it simpler for people to file their taxes, lessens that burden, lessens that uncertainty and creates 1 million jobs in the first year alone.

It’s very clear which path we need to choose. Reject this substitute. Support H.R. 8. Get on the right path. Get on the path to job creation.

I yield back the balance of my time.

Ms. JACKSON of Texas. Mr. Speaker, I rise in strong support of H.R. 15, and ask my colleagues on both sides of the aisle to come together in support of H.R. 15, the Democratic alternative offered by our colleague from the Ways and Means Committee, Mr. Levin.

I have consistently supported and voted for middle class tax cuts, as I did two years ago when I voted for the Middle Class Tax Relief Act of 2010, and the extension of unemployment benefits.

The intelligent Democratic substitute offered by my Ways and Means colleague temporarily extends for one year, through 2013, the reduced tax rates and other tax benefits enacted in 2001 and 2003 that expire on Dec. 31—but only for incomes levels below $250,000 for joint tax returns and $200,000 for individuals. This is smart tax policy which acknowledges the deficit problem but does not squelch tax benefits for those most in need.

It also extends the expanded education tax credit, child tax credit and earned income tax credit benefits that were included in the 2009 stimulus law and extended in the 2010 tax law amendment. It has codified the Joint Select Committee on Deficit Reduction, which is possibly unconstitutional, and has had no impact on jobs and the unemployment problem. Yet today they want us to vote on a tax increase for the top 2 percent. This illustrates what happens when Congress does not work together in a bipartisan manner, laboring for the American people. We must work together and compromise.

The Senate gave us a layup by producing a bill last week which is virtually identical to the Democratic Substitute. All we have to do is act like Olympians and pass it.

The American people are asking the President and Members of Congress to move swiftly and take decisive action to help restore our economy in a fiscally responsible manner. I am disappointed that Republicans have insisted on holding tax cuts for working and middle class families hostage in order to benefit the wealthiest 2% of Americans.

I would like to thank President Obama for his determined leadership, support and commitment to protecting important tax relief issues for middle-income Americans and the nation’s small businesses and farmers during these challenging economic times. I would also like to thank the Members of Congress and their staff who worked diligently to bring this essential legislation to the House floor today in an attempt to do all that we can to protect the American people and move this nation toward fiscally responsible economic recovery.

I support those provisions of H.R. 8 which provide relief for middle-class families and small businesses who will see their taxes go down and get much needed certainty. But I cannot in good conscience support tax relief for millionaires and billionaires at a time when others need help just to make ends meet.

Unlike those provisions of H.R. 8 which benefit America’s struggling middle class, I do not support the provisions of this legislation which condition that desperately needed relief upon the unconscionably high cost of providing an unnecessary, expensive giveaway to the wealthiest Americans by providing a two year extension of Bush-era tax cuts for the wealthiest 2% of Americans while keeping their estate tax rate at 35% on estates valued at more than $5 million for individuals and more than $10 million for couples.
These giveaways to the wealthiest Americans during these dire economic times needlessly add billions of dollars to our skyrocketing deficit yet create no value for our ailing economy since these tax cuts are not tied to job creation and preservation.

ESTATE TAX AMENDMENT

I offered an amendment that would have set the Estate Tax at reasonable levels. My amendment would have allowed estates valued at $3.5 million or less to pay 35 percent, estates valued between $3.5 million and $10 million to pay a 45 percent rate, and estates over $10 million to pay a 55 percent rate. This commonsense amendment would have restored a sense of fairness to H.R. 8. According to the Center on Budget and Policy Priorities, the 2009 estate tax rules already are extremely generous, tilting in favor of the wealthy. The Tax Policy Center estimates that if policymakers reinstated the 2009 rules:

The estates of 99.7 percent of Americans who die would owe no estate tax at all in 2013. Only the estates of the wealthiest 0.29 percent of Americans who die—about 7,450 people nationwide in 2013—would owe any tax.

Moreover, under the 2009 rules, the small number of estates that were taxable would face an average effective tax rate of 19.1 percent, far below the statutory estate-tax rate of 45 percent. In other words, 81 percent of the value of these estates would remain after the tax, on average. An estate tax that exempts the estates of 997 of every 1,000 people who die and leaves in place an average of 81 percent of the very wealthiest estates is hardly a confiscatory or oppressive tax. Moreover, only 60 small farm and business estates in the entire country would owe any estate tax in 2013, under a reinstatement of the 2009 rules, and these estates would face an average effective tax rate of just 11.6 percent. Failing to tie tax cuts to job creation is irresponsible since it exacerbates our growing deficit without bolstering job creation.

My amendment does not address the step-up in basis. The exemption level and rate are consistent with parts of the estate tax proposal included in the President’s FY2010 and FY2011 Budgets and H.R. 16, the intelligent estate tax proposal being put forth by my colleague Mr. LEVIN of the Ways and Means Committee.

CLASSROOM EXPENSE DEDUCTION AMENDMENT

My second amendment would have provided tax relief to school teachers by providing them a deduction for qualified out-of-pocket classroom expenses of up to $250. The educator expense deduction allows teachers to write off some expenses that they incur to provide books, supplies, and other equipment and materials for their classrooms. I introduced this amendment and would like to acknowledge the work of my constituent legislation advocating this deduction. America’s teachers from Texas to Maine to Florida to Washington desire our renewed appreciation for their commitment to educating future generations.

Our children should not have to suffer because our teachers are given a Hobson’s Choice, forced to choose between using their own finances to effectively teach a class or forced to cut corners due to budgetary restrictions. We provide the increased quality of education by lessening the financial burden on them when they are trying to go above and beyond their responsibilities is certainly warranted.

While I am opposed to the provisions of H.R. 8 that amount to an expensive giveaway to the wealthiest 2% of Americans, I want to emphasize that I fully support job-creation and job creators. I also support President Obama’s vision for change. I share his commitment to fighting for low- and middle-income Americans who are the backbone of this country and our economy.

However, this legislation, H.R. 8, especially as it pertains to tax cuts for the top 2% of Americans and estate tax provisions that are regressive and inflate the deficit does not comport with this vision. I have serious misgivings about extending tax cuts for the wealthiest Americans at the expense of our deficit, especially if these tax cuts are not targeted towards job creation.

You may recall that in the Budget, the Administration calls for individual tax reform that: cuts the deficit by $1.5 trillion, including the expiration of the high-income 2001 and 2003 tax cuts. As a matter of sound fiscal policy, I am supportive of this 15 effort. I recognize the putative economic benefits that many attribute to the Bush Tax Cuts, but we must ask ourselves are they affordable? There is no amount of dynamic scoring that will help pummel the deficit. The President’s budget also eliminated inefficient and unfair tax breaks for millionaires while making all tax breaks at least as good for the middle class as for the wealthy; and observes the Buffett Rule that no household making more than $1 million a year pays less than 30 percent of their income in taxes.

The individual income tax is a hedgepodge of deductions, exemptions, and credits that provide special benefits to selected groups of taxpayers and favored forms of consumption and investment. These tax preferences make the income tax unfair because they can impose radically different burdens on two different taxpayers with the same income. In essence, Congress has been picking winners and losers.

There is absolutely no justification for huge tax cuts. The wealthiest tax brackets should not profit at the expense of programs keeping struggling families from poverty.

Bear in mind, the Republican’s 2012 budget cut $2 trillion dollars more than President Obama’s Debt Commission advised, and those cuts come from vital social services and safety nets for low income families, children and seniors.

Tax expenditures also reduce the economy’s productivity because decisions on earning, spending, and investment are driven by tax considerations rather than the price signals that a well-balanced, and fair free market economy produces. These expenditures, which are individually, are really no different than the much ballyhooed entitlement programs, but they have cute names and fancy lobbyists.

Moreover, tax expenditures make the tax system excessively complex for honest taxpayers who are trying to comply with the law while seeking the benefits to which they are legally entitled.

The system is so complex that most taxpayers even those with low incomes now use either an accountant, a tax preparer or tax software. A one-page form shouldn’t require a tax preparer who earns a percentage of the return, or a fee. It is not justifiable, especially when some commentators like to point out that a number of taxpayers pay no tax—well the same law conveniently forget to mention that these tax scofflaws earning $30,000 dollars a year more than make up for it with a long list of regressive taxes at the state and local level.

The alternative minimum tax, or AMT, was initially designed to ensure that all high-income taxpayers paid some income tax, has become the poster child for the tax system’s failure, requiring Congress to enact increasingly expensive temporary patches to prevent the AMT from encroaching on millions of middle-class households particularly those with children, in a web of pointless high tax rates, complexity, and unfairness.

On the deficit reduction front it is important to remember the economic crisis that the President inherited. In 2008 and 2009, when we experienced the worst recession since the Great Depression. The economy actually contracted, it shrank, at a rate of almost 9 percent in the fourth quarter of 2008.

We lost 800,000 private-sector jobs in January of 2009 alone, and unemployment was surging. Those are the conditions the President inherited—the car was swerving into the ditch. He was not the driver, but he was asked to come in on literally his first day of office, roll up his sleeves and figure out how to prevent the car from rolling farther down the hill. If you’ll recall we also faced a housing market that was in crisis, and we faced a financial market crisis as well that threatened to set off a global financial collapse. We have come a long way since then yet there is more work to be done.

The cloud looming over this Congress is an unintended “triple-witching hour” of tax increases and Sequestration measures that will take effect at the beginning of 2013. The expiration of the Bush Tax Cuts, the end of the recently extended Payroll Tax Cut, and increases in capital gains and dividends taxation will shock the conscience and wallets of the American people. That is why Congress needs to enact bi-partisan legislation that helps lower the deficit but does not wreak havoc on the financial soul of the middle class.

But again, tax reform that lowers the rate, reduces the deficit, and does not pick winners and losers is not easy, but let’s not forget, if President Reagan and then-Speaker Tip O’Neill could do it in 1986, anything is possible.
The so-called “99ers” have been sincerely looking for work for a very long time and have run out of resources to provide for their families and pay their mortgages, pay their bills and buy food. They simply want and need a job to pay for these obligations. H.R. 8 proposes to give tax cuts to the wealthiest Americans, but fails to provide for the so-called “99ers.”

H.R. 8 unfortunately is not ready for prime time. Let us come together for the American people and pass the Levin Substitute—a bill which has already passed in the Senate.

The SPEAKER pro tempore. All time. Let us come together for the American people and pass the Levin Substitute—a bill which has already passed in the Senate.

The question was taken; and theyeas and nays were ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The vote was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. DEFAZIO. Mr. Speaker, I have a motion to recommit at the desk.

SEC. 6. FINDINGS.

Congress finds the following:

(1) Section 2 of this Act (H.R. 8) extends tax cuts for millionaires instead of helping small businesses with tax cuts to invest in the future and create jobs.

(2) Small businesses would be better served by ending tax breaks for millionaires and instead using that revenue to expand the small business expenses provision, which fosters investment in new plants and equipment.

(3) This Act (H.R. 8) fails to extend extensions to the Child Tax Credit and the Earned Income Tax Credit, and it fails to extend altogether the American Opportunity Tax Credit. This tax relief encourages work, has lifted millions of Americans into the middle class, and helps middle class families pay for the costs of higher education.

SEC. 7. APPLICATION OF EXTENSION OF 2001 AND 2003 TAX REBATES TO CERTAIN HIGH-INCOME TAXPAYERS.

(a) Application of Extension of 2001 Tax Relief.

(1) Treatment of 25-, 28-, and 33-Percent Rate Brackets.—Paragraph (2) of section 1(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) 25-, 28-, and 33-Percent Rate Brackets.—The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

"(A) by substituting ‘25%’ for ‘28%’ each place it appears (before the application of subparagraph (B)), and

"(B) by substituting ‘28%’ for ‘31%’ each place it appears, and

"(C) by substituting ‘33%’ for ‘36%’ each place it appears."

(2) 35-Percent Rate Bracket.—Subsection (1) of section 1 of such Code is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) 35-Percent Rate Bracket.—The case of taxable years beginning after December 31, 2012—

"(i) the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer’s taxable income in the highest rate bracket shall be 35 percent to the extent such income does not exceed an amount equal to the excess of—

1737 Messers. JONES and JOHNSON of Ohio changed their vote from “yea” to “nay.”

Ms. EDWARDS, Ms. HAHN, Mrs. DAVIS of California, and Messrs. ELLISON, HINCHEY, and MORAN changed their vote from “yea” to “nay.” So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. DEFAZIO. Mr. Speaker, I have a motion to recommit at the desk.
SEC. 8. ADDITIONAL INCREASE IN SMALL BUSINESS EXPENSING.

(a) In General.—Section 179(b) of the Internal Revenue Code of 1986, as amended by section 3, is further amended—

(1) by striking "$300,000" in paragraph (1)(B) and inserting "$500,000";

(2) by striking "$300,000" in paragraph (2)(D) and inserting "$5,000,000"; and

(3) by striking paragraph (6).

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

Mr. DEFAZIO (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be suspended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. CAMP. I object. The SPEAKER pro tempore. Objection is heard.

The Clerk will read.

The Clerk continued to read.

Mr. DEFAZIO (during the reading). I ask unanimous consent that further reading be suspended.

The SPEAKER pro tempore. Is there objection?

Without objection, the reading is dispensed with.

There was no objection.

The SPEAKER pro tempore. Under the rule, the gentleman from Oregon is recognized for 5 minutes in support of his motion.

Mr. DEFAZIO. This is the final amendment to the bill. It won't kill the bill or send it back to committee. If adopted, the bill will be immediately amended and will proceed to final passage.

It's a pretty simple amendment. It would create a tax break for the real job creators in America, which are small businesses and middle-income families. A middle-income person with a job or a small business and enough money to go out and buy products made in America for his business—that's a key component of this—would be allowed an expensing.

The Republican version of the bill would limit the expensing to small businesses to $100,000 a year for the purchases of new equipment made in America. If this amendment is adopted, those same small businesses would be allowed to expense up to $1 million to purchase products made in America, which would put people back to work.

I know we've heard the headlines of the millionaires and billionaires because this tax increase, or restoration of the Clinton era rates, would only apply to incomes over $1 million. So a millionaire still gets the break on the first $1 million. It's only on income over $1 million that would go to the Clinton era rates.

They'll say they're the job creators and that it would depress job creation. Let's think back to the Clinton administration. We had a 30 percent top bracket on the millionaires and billionaires. We had 3.8 percent unemployment in the United States of America,
and we paid down debt for the first time since the Eisenhower administration. I’d like to go back to those old days.

Now, we’ve been doing the Bush tax cuts for 12 years. Where are the jobs? Where are the jobs from cutting taxes on people who make over $1 million? They aren’t creating those jobs. Let me give you two quick examples from my district, and they’re typical.

I have Palo Alto Software, a small business. They make software for business start-ups. We contacted them, and they said, Yes, we could invest way more than $2 million dollars of expensing, we would put more people back to work. But they said, ‘We’re limited in what they can do with huge tax breaks, their very expensive tax breaks. They can buy another vacation home in the Caribbean. They can buy a Lamborghini. Paris Hilton can go on a shopping spree in Paris. They aren’t creating those jobs. Let me give you two quick examples from my district, and they’re typical.

I appreciate my friend from Oregon touting the benefits of the Clinton administration when we had a Republican Congress. Let me just say I’ve welcomed the advice of former President Bill Clinton. He said extend all of the current tax cuts, let me just say that this would gut tax reform.

Say ‘yes’ to tax reform. Say ‘no’ to raising taxes. Say ‘no’ to this motion to recommit.

With that, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The question is on the motion to recommit.

The vote was taken by electronic device, and there were—AYES 181, NOES 246, and the motions to suspend with regard to the previous question is or-

AYES—181

Mr. DEFAZIO. Mr. Speaker, I demand a recorded vote. A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of H. R. 8, if ordered, and the motions to suspend with regard to House Resolution 750 and H. R. 4365.

The vote was taken by electronic device, and there were—aes 181, noes 246, not voting 3, as follows:

[Roll No. 544]

To reduce the deficit? We’ll just see more wasteful Washington spending. This isn’t a solution. America is at a crossroad. We’ve had 40 months of 8 percent unemployment. What do we get from them? Not a solution. We get a political ploy.

I appreciate my friend from Oregon touting the benefits of the Clinton administration when we had a Republican Congress. Let me just say I’ve welcomed the advice of former President Bill Clinton. He said extend all of the current tax cuts, let me just say that this would gut tax reform.

Say ‘yes’ to tax reform. Say ‘no’ to raising taxes. Say ‘no’ to this motion to recommit.

With that, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The question is on the motion to recommit.

The vote was taken by electronic device, and there were—aes 181, noes 246, not voting 3, as follows:

[Roll No. 544]

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Say ‘yes’ to tax reform. Say ‘no’ to raising taxes. Say ‘no’ to this motion to recommit.

With that, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The question is on the motion to recommit.

The vote was taken by electronic device, and there were—aes 181, noes 246, not voting 3, as follows:

[Roll No. 544]
So the motion to recommit was rejected. The result of the vote was announced as above recorded. The SPEAKER pro tempore. The question is on the passage of the bill. The vote was taken by electronic device, and there were—ayes 256, noes 171, as above recorded. A motion to reconsider was laid on the table.