

Administration of Barack H. Obama, 2010

Remarks on Small-Business Legislation and Tax Reform

September 15, 2010

Good afternoon, everybody. I just met with my Cabinet and members of my economic team, and I wanted to speak about a few developments concerning our ongoing efforts to strengthen the economy and the middle class.

After months of partisan blockade in the Senate, we are finally on the verge of passing a small-business jobs bill that will cut taxes and provide loans for millions of small-business owners across America.

And while I am grateful for this progress, it should not have taken this long to pass this bill. At a time when small-business owners are still struggling to make payroll and they're still holding off hiring, we put together a plan that would give them some tax relief and make it easier for them to take out loans. It's a bill that's paid for; it won't add a dime to the deficit. It's a bill that was written by both Democrats and Republicans.

But for months, the Republican leadership in the Senate has said no. For months, they've used legislative maneuvers to prevent this bill from even coming up for a vote. And all the while, small-business owners kept waiting for help. They kept putting off plans to hire more workers and grow their businesses.

Now, thankfully, two Republican Senators—Senators George Voinovich and George LeMieux—have refused to support this blockade any longer. And because of their decision, this small-business jobs bill will finally pass. And I want to thank them for their efforts, because they understand that we simply don't have time anymore to play games—not just on this small-business jobs bill. Let me give you another example.

Right now we could decide to extend tax relief for the middle class. Right now we could decide that every American household would receive a tax cut on the first \$250,000 of their income. But once again, the leaders across the aisle are saying no. They want to hold these middle class tax cuts hostage until they get an additional tax cut for the wealthiest 2 percent of Americans.

We simply can't afford that. It would mean borrowing \$700 billion in order to fund these tax cuts for the very wealthiest Americans, \$700 billion to give a tax cut worth an average of 100,000 to millionaires and billionaires. And it's a tax cut economists say would do little to add momentum to our economy.

Now, I just don't believe this makes any sense. Even as we debate whether it's wise to spend 700 billion on tax breaks for the wealthy, doesn't it make sense for us to move forward with the tax cuts that we all agree on? We should be able to extend, right now, middle class tax relief on the first \$250,000 of income, which, by the way, 97 percent of Americans make less than \$250,000 a year. So right off the bat, 97 percent of all Americans would get tax relief on all their income. People who are making more than \$250,000 a year, say you're making a half a million dollars, you'd still get tax relief on half your income.

And everybody agrees that this makes sense. Middle class families need this relief. These are the Americans who saw their wages and incomes flatline over the last decade, who've seen

the costs of everything from health care to college tuition skyrocket, and who have been hardest hit by this recession.

Extending these tax cuts is right. It is just. It will help our economy because middle class folks are the folks who are most likely to actually spend this tax relief, for a new computer for the kids or for maybe some home improvement.

And if the other party continues to hold these tax cuts hostage, these are the same families who will suffer the most when their taxes go up next year. And if we can't get an agreement with Republicans, that's what will happen.

So we don't have time for any more games. I understand there's an election coming up, but the American people didn't send us here to just think about our jobs; they sent us here to think about theirs. They sent us here to think about their lives and their children's lives and to be responsible and to be serious about the challenges we face as a nation.

That's what members of both parties have now done with the small-business jobs bill. And I hope we can work together to do the same thing on middle class tax relief in the weeks to come.

Thanks very much, everybody.

NOTE: The President spoke at 4:43 p.m. in the Rose Garden at the White House. In his remarks, he referred to H.R. 5297.

Categories: Addresses and Remarks : Small-business legislation and tax reform.

Locations: Washington, DC.

Names: LeMieux, George S.; Voinovich, George V.

Subjects: Budget, Federal : Deficit and national debt; Business and industry : Credit freeze situation; Business and industry : Small businesses :: Lending fund, proposed; Business and industry : Small businesses :: Promotion efforts; Congress : Bipartisanship; Economy, national : Economic concerns; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Postsecondary education :: Affordability; Employment and unemployment : Job losses; Health and medical care : Affordability and costs; Legislation, proposed : "Small Business Jobs and Credit Act of 2010"; ; Congress : Bipartisanship; Taxation : Tax cuts, budgetary effects; Taxation : Tax relief.

DCPD Number: DCPD201000754.