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Remarks on Congressional Action on Tax Cut Legislation

December 17, 2011

Hello, everybody. In the last few weeks, I set out a simple principle: Congress should not go home for vacation until it finds a way to avoid hitting 160 million Americans with a tax hike on January 1. Extending the payroll tax cut that shows up in people's paychecks every week is an idea that I proposed in September as part of the "American Jobs Act."

At a time when so many Americans are working harder and harder just to keep up, the extra $1,000 or so that the average family would get from this tax cut makes a real difference when you're trying to buy groceries or pay the bills, make a mortgage or make a repair. And all kinds of independent economists agree: The number-one challenge facing businesses right now is a lack of demand from consumers, which is why more people spending money means companies that are more successful and more able to hire more workers.

Today Congress has finally agreed to extend this middle class tax cut into next year. And they've also agreed to another part of my jobs plan, extending unemployment insurance for millions of Americans who are out there trying as hard as they can to find a job. This is spending money that also benefits families and businesses and the entire economy. And it's a lifeline that would have been lost for more than 2 ½ million people in the first 2 months of next year if Congress had not acted.

So I'm very pleased to see the work that the Senate has done. While this agreement is for 2 months, it is my expectation—in fact it would be inexcusable for Congress not to further extend this middle class tax cut for the rest of the year. It should be a formality. And hopefully it's done with as little drama as possible when they get back in January.

This really isn't hard. There are plenty of ways to pay for these proposals. This is a way to boost the economy that has been supported by these very same Democrats and Republicans in the past. It is something that economists believe will assure that the economy and the recovery is on a more stable footing than it otherwise would be. And my preference, and the preference of most Americans, is that we ask the wealthiest few Americans to pay their fair share and corporations to do without special taxpayer subsidies to cover some of the costs. But I think that it's important for us to get it done.

We've got a lot more work to do for the people who sent us here. But today I'm glad that both parties in Congress came together, and I want to thank them for ensuring that as we head into the holidays, folks at home don't have to worry about their taxes going up.

So I had a chance to talk to Senator Reid and Senator McConnell. I thanked them for their cooperation on this issue. I'm looking forward to the House moving forward and getting this done when they get back on Monday. And hopefully we're going to be able to make sure that when everybody gets back next year we extend this further all the way to the end of the year.

Thank you very much, everybody.

NOTE: The President spoke at 12:30 p.m. in the James S. Brady Press Briefing Room at the White House.

Categories: Addresses and Remarks : Tax cut legislation, Congressional action.

Locations: Washington, DC.

Names: McConnell, Addison M. "Mitch"; Reid, Harry.

Subjects: Budget, Federal : Deficit and national debt; Congress : Bipartisanship; Congress : Senate :: Majority leader; Congress : Senate :: Minority leader; Economy, national : Economic concerns; Economy, national : Strengthening efforts; Employment and unemployment : Job creation and growth; Employment and unemployment : Unemployment insurance; Taxation : Tax code reform; Taxation: Payroll tax cut.

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