

## Statement on Senate Passage of Tax Reform Legislation *January 1, 2013*

Leaders from both parties in the Senate came together to reach an agreement that passed with overwhelming bipartisan support today that protects 98 percent of Americans and 97 percent of small-business owners from a middle class tax hike. While neither Democrats nor Republicans got everything they wanted, this agreement is the right thing to do for our country, and the House should pass it without delay.

This agreement will also grow the economy and shrink our deficits in a balanced way: by investing in our middle class and by asking the wealthy to pay a little more.

What's more, today's agreement builds on previous efforts to reduce our deficits. Last year, I worked with Democrats and Republicans to cut spending by more than \$1 trillion. Tonight's agreement does even more by asking

millionaires and billionaires to begin to pay their fair share for the first time in 20 years. As promised, that increase will be immediate, and it will be permanent.

There's more work to do to reduce our deficits, and I'm willing to do it. But tonight's agreement ensures that, going forward, we will continue to reduce the deficit through a combination of new spending cuts and new revenues from the wealthiest Americans. And as we address our ongoing fiscal challenges, I will continue to fight every day on behalf of the middle class and all those fighting to get into the middle class to forge an economy that grows from the middle out, not from the top down.

NOTE: The statement referred to H.R. 8.

## Remarks on Congressional Passage of Tax Reform Legislation *January 1, 2013*

*The President.* Happy New Year, everybody.

*Audience members.* Happy New Year, Mr. President.

*The President.* A central promise of my campaign for President was to change the Tax Code that was too skewed towards the wealthy at the expense of working middle class Americans. Tonight we've done that. Thanks to the votes of Democrats and Republicans in Congress, I will sign a law that raises taxes on the wealthiest 2 percent of Americans while preventing a middle class tax hike that could have sent the economy back into recession and obviously had a severe impact on families all across America.

I want to thank all the leaders of the House and Senate. In particular, I want to thank the work that was done by my extraordinary Vice President, Joe Biden, as well as Leader Harry Reid, Speaker Boehner, Nancy Pelosi, and Mitch McConnell. Everybody worked very

hard on this, and I appreciate it. And, Joe, once again, I want to thank you for your great work.

Under this law, more than 98 percent of Americans and 97 percent of small businesses will not see their income taxes go up. Millions of families will continue to receive tax credits to help raise their kids and send them to college. Companies will continue to receive tax credits for the research that they do, the investments they make, and the clean energy jobs that they create. And 2 million Americans who are out of work, but out there looking, pounding the pavement every day, are going to continue to receive unemployment benefits as long as they're actively looking for a job.

But I think we all recognize, this law is just one step in the broader effort to strengthen our economy and broaden opportunity for everybody. The fact is, the deficit is still too high, and we're still investing too little in the things