

should be proud of her hard work and accomplishments. I salute her today for working so hard at making her life about serving others and working in her community.

#### TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from California (Mr. GARAMENDI) is recognized for 60 minutes as the designee of the majority leader.

Mr. GARAMENDI. Madam Speaker, thank you so very much for the opportunity to address the House on a rather important matter.

I got a call from my accountant, and he said, Are you going to get your tax information in so we can actually get you filed by the 15th? I said, I will do my best.

So we're in the process of doing that. So I suspect most Americans are also thinking seriously about taxes. And what I want to talk about tonight and share with my colleagues from Wisconsin, Ohio, and New York is the tax issues that have come about over these last 15 months.

I left California this morning to fly here to Washington, D.C., and this session, and as I picked up the Sacramento Bee, on the front page was a headline that said, Tax refunds the largest ever, 2,600 and some dollars per family in California. I said, Whoa, how did that happen? I thought taxes had gone up. I looked into it and asked my staff to dig out some information, and, in fact, taxes have actually gone down in a very, very serious way here as a result of the stimulus bill that was passed.

Now, one of my, I guess, sad situations is I wasn't here to vote for the stimulus bill. I was just elected in November of 2009, so I didn't have the opportunity to really vote for what turns out to be one of the largest middle class tax cuts in American history. So when I arrived here in Washington, I asked some of my friends and colleagues help me understand and explain how it came to be that these incredible and important tax cuts actually happened.

The first thing they said was, Yes, the stimulus bill did it. We voted for these tax cuts, I think over \$300 billion, and not one Republican voted for the tax cuts. I'm going. That is not true. All they talk about is tax cuts. You mean they didn't vote for the tax cuts?

No. Not one Republican voted for the tax cuts.

I asked my colleague, Dr. KAGEN from Wisconsin, to share his insights and his perspective on what took place with the stimulus bill, which was 14 months ago.

Dr. KAGEN.

Mr. KAGEN. Thank you for yielding and thank you for bringing up this subject about tax cuts. But really the American people have to pay attention, because they have to ask the question,

Whose side are you on? Whose side are we on, and how did we get into this mess?

We fell into an economic ditch. We were driven into it by a number of different factors, but, first and foremost, it was a failed economic policy. It was a policy wherein we had two wars at the same time and haven't paid a single dime for them. We have had two tax cuts to the very rich; haven't paid a penny for those either. We also had, in the last administration, a \$400 billion handout to big drug companies, not paying for a penny of that either. All deficit spending, not paying our way.

And then we fell into this terrible situation of the mortgage fiasco where people were buying things that didn't really exist. Fell into another \$10 trillion hole. And at the tail end of the last administration, their friends asked them, in the administration, to open up the door to the Treasury, and the Wall Street banks looted our Treasury for nearly a trillion dollars. Again, we haven't paid a dime for that.

And then came a great recession. Not just here in the United States, but this great recession took us all the way around the globe. It wasn't just the United States that began to see the tremendous loss of jobs. Last year, January, over 700,000 people lost their job. This year, much less.

So we're beginning to move up, but we are moving up, first and foremost, by living within our means. We didn't have, during the Bush administration, the laws we did have on the books during President Clinton. We handed over to the Republican Party a surplus, a budget surplus that would amount to over \$5 trillion. And what did they do? They spent us into a ditch. We have reinstated pay-as-you-go rules so we can't bring a bill to the House floor and consider it for anything unless we show how we're going to pay for it by either raising revenue or reducing other programs.

So along came the Recovery Act, the American Recovery and Reinvestment Act of 2009, and in February, we passed it through the House, the Senate, and the President signed it. And this \$787 billion investment in America was aimed at providing middle class families—the hardworking people who have really created prosperity in the past—the biggest tax cut in American history. And I thought tonight we should have a conversation about eight of these tax cuts that are available right here and right now giving the American people an opportunity to see that we are on their side.

Mr. GARAMENDI. Let's do that. We will go through those eight specific tax cuts that really helped American families, middle class families. And I would like to have our colleague from New York, Mr. PAUL TONKO, take up and tell us the New York piece of it. And then in a few minutes, our colleague from Ohio, BETTY SUTTON, will join us.

So, Mr. TONKO.

Mr. TONKO. I think the important thing here with the tax situation is

that, you know, Representative KAGEN is exactly right. What we were targeting, what we were focusing, is the bulk of American workers out there, middle-income Americans who were requiring some kind of relief. And as we made it our task in a laser-sharp, focused way to stop the bleeding of this recession, we wanted to make certain that there was some more purchase power for America's working families.

And one of the very first measures was the Making Work Pay tax credit, which we will speak to, at least a \$400 benefit for an individual or, for those filing jointly as a couple, \$800. Now, this an incremental benefit that began in 2009 and continues through 2010. And I think it's important for us so as to get that buying power out there to encourage people to perhaps pick up some of the purchasing that they wanted to do that they were not able to do.

It's important for us to make certain that if you've done your taxes, if you missed this opportunity in 2009, make certain you're asking those who may prepare these taxes for you to check out these benefits. You should file under Schedule M of the 1090 form to make certain that this particular credit is taken advantage of. It is putting a great benefit out there for some 110 million working families.

And I believe that the working Americans who are going to be benefiting from this, the dollars that are saved, the benefit that is provided here, was nearly a hundred billion dollars into the pockets of our Americans that are of that category. So I think this is an important benefit that comes at a time when we needed to strengthen that purchase power.

And I think that you're absolutely right that we need to share this message with Americans out there, especially as they come to the close of their tax prep work. Be mindful also that you can further amend if you miss some of these benefits, because they were geared specifically for those categories of individuals we address here this evening.

Mr. GARAMENDI. There's a heads-up for all of the taxpayers, all the working men and women out there that may not have taken advantage of this \$400 per person or \$800 per family, to make sure that in their tax return they actually reach out and get that benefit. So that's a significant reduction in their taxes.

Mr. TONKO. Absolutely. And Representative GARAMENDI, I would commend you for bringing us together tonight so as to alert people to these benefits. They are part of the Recovery Act. The Recovery Act has been, you know, driving a very strong outcome for so many American families out there, and we just want them to know of the benefits associated with the act.

Mr. GARAMENDI. Thank you, Mr. TONKO.

I know the normal greeting on the floor is "the gentlewoman from Ohio," but I've watched this Representative

work on the floor and on the committees, and while she's extraordinarily polite, I'm not sure that—well, let's just say tenacious and determined.

Thank you for joining us, Representative SUTTON from Ohio.

Ms. SUTTON. Thank you very much, Mr. GARAMENDI, and thank you for leading us here on the floor tonight to talk about such important things, you know, what we're doing to help the American people in this time of challenge as we pull together and pull forward.

And I guess I appreciate that introduction. I think that the point is I, like you, my colleagues who are here on the floor tonight, am willing to do what it takes to make things work for the people I'm honored to represent in the 13th Congressional District of Ohio.

Mr. GARAMENDI. Would that be the Cleveland area?

Ms. SUTTON. Well, it's outside of Cleveland. I represent Lorain County, Summit County, Medina County and part of Cuyahoga County as well. So it is the salt of the Earth.

Mr. GARAMENDI. Now, there's a piece of information I'm going to carry with me the rest of my life, four counties.

Ms. SUTTON. That's right. And you should visit. We'd love to have you. Come out and see all of the great things and all of the potential that those who I am so privileged to serve have and what our area has to offer.

But thank you for bringing us to the floor tonight to talk a little bit about some of the tax benefits that exist in the American Recovery and Reinvestment Act and just in general to talk about the American Recovery Act, because we all know that it was critically important at the time it was passed back in the early part of last year, that all the economists from across the board were saying that we have to keep our economy from going off of the edge, and we stepped up to the plate and we acted. And it's really important that people understand what it is that this bill actually did.

You know, it was all about fostering our Nation's economic recovery, creating and saving jobs, providing services to people affected by the recession. And, of course, as you point out, part of that was about these tax credits and these tax benefits. And we all know that this was a huge middle class tax cut, families getting up to \$800.

Certainly in Ohio, I would just share with you in the 13th Congressional District, many of our families were beneficiaries of these tax cuts. So the mission to improve the lives of the families in northeast Ohio who I serve during these challenging times continues.

But it is worth noting that the Council of Economic Advisers has reported that the Recovery Act created or saved as many as 2.4 million jobs nationally and up to 79,000 in Ohio. And for me, probably like all of you here tonight, jobs, jobs, jobs is what I am most interested in delivering to the American

people and facilitating opportunity for them to go to work and be able to raise a family and have the kind of life that makes this country so very great.

So I know we're just getting started in our discussion. I look forward to talking more about the tax benefits and the other great things that were in this bill and all of the other pieces along the way that we are putting into place for the near term and to generate that sustainable growth that we need in both our economy and in the job market out there, because far too many people are, unfortunately, still hurting.

Mr. GARAMENDI. I want to come back to you in a few moments and pick up something that really did stimulate the American economy, not directly on tax policy but something that was very, very important. And we'll just let people be curious about what it was that created the highest monthly volume of automobile sales in the most recent years.

Mr. KAGEN, we were talking earlier about some of these eight principal things, and I know you wanted to pick up another one. We started to talk about the Making Work Pay, \$400 per person and \$800 per couple.

Why don't you talk about another one and carry it for a while.

Mr. KAGEN. Aside from Making Work Pay, which really focuses on middle class families, let me step back a little bit and remind everybody that back in Wisconsin we don't call it the Recovery Act. We call it the stimulus bill. That is just the slang of where we are in northeast Wisconsin. But we look at the stimulus bill, it didn't meet everybody's expectations in terms of all of the jobs we were hoping to see because we were in such a deep economic hole, but we focused on those people who needed help the most, in particular, the unemployed.

□ 2030

Now, today, in northeast Wisconsin, there are about 35,000 people who are underemployed and unemployed. They are looking for work. We are hard-working people. Give us a level playing field. We can compete and outwork anybody anywhere in the world.

For unemployed workers, immediately the Recovery Act gave \$25 a week in additional spending power to help them get through the week. We also covered 65 percent of COBRA, which is when you fall out of work, you now need some insurance, but you get COBRA insurance. And the Federal Government stepped up to cover 65 percent of that cost of guaranteeing you have got insurance.

Mr. GARAMENDI. Everybody that I talk to about COBRA says, well, wait a minute, nobody can afford COBRA. They are unemployed. How could they possibly afford COBRA? And you are telling us that in the stimulus bill, in the Recovery Act, that 55 percent of the cost of COBRA—you lose your job, you want to continue your health insurance, that is covered?

Mr. KAGEN. Sixty-five percent is covered by the Federal Government. We went beyond that, because we made sure that there was money there for stabilization of State governments. So we helped the States to stabilize their State governments, help unemployed and made sure that people had their own money that they have earned in their own pockets. You know, the old idea is, you have earned the money. It ought to be yours. Keep it in your pocket. You are going to be a better investor of that revenue than the Federal Government. Well, we have done that.

We also did it for students in the American Opportunity Credit Act, where we gave up to \$2,500 back to the parent or parents or to the student for their educational expenses.

Mr. GARAMENDI. Now, that's a very important one. All of the economists that look to the future of this Nation and our ability to compete say that we have to have a well-educated workforce. And so in the stimulus bill there is a \$2,500 tax credit for the family or for the student.

Mr. KAGEN. That wasn't in the stimulus bill. That was in the American Opportunity Act. In the stimulus bill for students, we had tax credits of up to \$2,500 for 25,000 students in my district. So 25,000 students benefited from having that tax credit immediately available.

We also increased the Pell Grant amounts up to \$5,350 in the stimulus bill. Stafford loans were increased to \$2,000. So we made it possible for students who want to move up to have that higher education become more affordable. The best time to be in college or technical school is during an economic slowdown or a recession, because then, when the jobs are available, you will have moved up and can step out into a higher payment level.

Mr. GARAMENDI. This is a very, very important piece of getting ready for the recovery and preparing our students and our workers for the opportunities out ahead.

Mr. TONKO, you wanted to pick up another piece of this, so have at it.

Mr. TONKO. Yes. Well, one of my favorite topics is energy. No matter where we live, whether it's California, Ohio, Wisconsin, those representatives hear what I hear, that we need to understand that we can control our destiny when it comes to energy as consumers. We are the most gluttonous in the world. And whether that resource is developed here in a domestic fashion, which I believe ought to be our thrust, or whether it's done through imports that are just not, I think, the choice for Americans as we move forward. But, regardless, whatever that base of supply is, we need to strive for energy efficiency and conservation.

And what I like about a number of the tax situations that we are doing in the Recovery Act or in general policy format is that we are looking at the big picture. We are putting it into a context that promotes sound policy.

So as we expand or continue tax credits for renewables, we make certain that we are providing that production tax credit that really ignites the efforts to build our supply here domestically. I think that is so critically important to not only our energy independence and our energy security but our national security.

Just recently I hosted, during our recess for Passover and Easter, the only stop in the State of New York made by the bus tour with Veterans for American Power. And three veterans just recently doing a tour in Iraq and Afghanistan spoke at that event. They call it Operation FREE, and they talk about the wisdom of transitioning our energy needs to domestic produced, American power. They call this Veterans for American Power. They talked about the ravaging on our troops done by dollars sent to the treasuries of those unfriendly nations that are supplying our fossil-based needs.

So this production tax credit will take us along the message that the veterans are sharing. Veterans who have served us in uniform, in Iraq and Afghanistan, have said we are not doing the right energy policy. This will encourage it with these production tax credits.

Then we provide households—American residents will be benefited by these tax credits that will enable them to get as much as 30 percent of a tax credit up to \$1,500 based on the work that they have done on their homes with energy efficient furnaces, with the replacement of windows or doors, with insulation. This will be a smart move that will enable them through the years to reduce the cost of operating that home.

I think this is wise policy and a great tax benefit for our American taxpayers.

Mr. GARAMENDI. So for somebody that goes into their home and puts in energy efficient windows or a solar system or solar hot water, they can get 30 percent tax credit on that.

It is very interesting that, again, during the recess, the number of new businesses that come about as a direct result of that tax credit, advertising all over the radio about this company or that company going to be putting in new windows or a solar system, so businesses are actually coming about because of the tax credit that's available to homeowners.

Mr. TONKO. I would also mention, if I might, the jobs associated with the production tax credit, be it wind or solar or geothermal, waste energy projects. All of these efforts are critically important to providing that capacity that we need as a Nation and providing for that capacity with American jobs. As we transition to these renewables, I think that this is a great way to grow jobs and to strengthen our energy security in the process.

Mr. GARAMENDI. So here is a tax credit, part of the stimulus bill, that actually provides up to 30 percent cred-

it on the cost of one of these new energy systems, windows or solar.

Mr. TONKO. Furnaces.

Mr. GARAMENDI. And, at the same time, it creates new businesses. That's a win/win in a green economy if there ever was one.

I am looking over here at our representative from those four marvelous counties outside of Cleveland, and I was thinking about the automobile industry and the energy that is, I think, some 80 percent of our oil is actually consumed in automobiles. You have had a great deal to do with the automobile industry, Representative SUTTON. Could you share with us some of your experience and some of what was in this tax bill?

Ms. SUTTON. Absolutely, I will be honored to do so; and I appreciate, Representative TONKO, your bringing up the tax credit. I want to point back, before I get to what we have teased about a little bit here—

Mr. GARAMENDI. Go anywhere you would like.

Ms. SUTTON. We are not going there quite yet, but what I want to talk about first is that, in the recovery stimulus bill, one of the things that was put to use where I live in Elyria, Ohio, was a Department of Energy investment to create a BASF catalyst plant. So we are now creating the largest lithium ion facility in North America right in that district outside of Cleveland, Ohio, in Elyria, Ohio, positioning Ohio to be a leader as we move to the next generation of vehicles powered by lithium ion batteries, because that's the biggest market for the future.

So we get the jobs to build the factory, then we get the jobs to work in the factory, and then we get all the jobs down the road that are sustainable as we develop this. And we, in the meantime, of course, are producing cars. They were going to produce these batteries that are going to be good for consumers because they are going to be more cost-effective and efficient for them.

It's going to improve, obviously, our environment, but it puts us ahead. This is what America is about. It's about innovation. It's about moving forward with new products and ways but powered by American workers.

So I definitely come from a part of the country where the domestic auto industry is a very important piece of our puzzle. We have a lot of families that depend upon the domestic auto and related industries for their livelihood, and, okay, we will finally get to it. One of the things that I was so proud of and that was actually in some ways funded in part, at least, by the recovery stimulus bill was the CARS Act, more commonly referred to as the Cash for Clunkers Program.

Mr. GARAMENDI. Whoa, the Cash for Clunkers, I thought you might want to talk about that. You were the author of that piece of legislation.

Ms. SUTTON. I was indeed. And, as I indicated, it was called the CARS pro-

gram, but it was really about people. It was about our friends and our neighbors that number in the tens of thousands in every State, not just Ohio or Michigan but across the country, those people who rely upon the auto and related industries for their livelihood, to put food on the table, to reach the middle class and stay in the middle class.

With the CARS Act, the Cash for Clunkers Program, the goal was multiple, the goals were multiple. What we did was, obviously, the results are in. We have seen study after study. What we did is we put about 60,000 or so people back to work because of the CARS Act, because of Cash for Clunkers in the auto and related industries. We moved the GDP as a result of the program from a range of \$3.8 billion to \$6.8 billion, an increase in GDP just due to that one very limited program of less than a month, less than a month.

What we also did, we just got another study back with the program that provided incentives to consumers to, of course, trade in their old gas-guzzling cars, to get more fuel-efficient cars, gave them incentives to do that, helping them in this time of need to get something they needed but couldn't afford, get those jobs shored up, get the improvements in the environment.

We saw an environmental gain in the cars turned in from the ones that were turned in to purchase of 60 percent. So those consumers are going to continue to save for years to come, somewhere in the neighborhood of a thousand dollars a year. Seven hundred to a thousand dollars a year is the estimate. So this was a program that was win/win/win.

And we saw a recent study, if that wasn't good enough.

Mr. GARAMENDI. Well, I am going to interrupt you for a moment. Because I wasn't yet in Congress when this piece of legislation went into law. So I immediately started looking around and seeing about the clunkers that I have on my ranch. And I have this old beat-up Bronco, and I thought, oh, oh, there is my clunker. I am going to trade that thing in for a new efficient model.

And it turned out because it wasn't running, I had it on the not-for-the-highway license, in other words, it was just on storage, and your bill was written in such a way that I couldn't take advantage of this. So I have got a little problem with the way in which you wrote that bill, but for the rest of America it was a great idea.

Mr. KAGEN. Well, from the people of Wisconsin, the Wisconsin auto dealers want to thank Representative SUTTON and the House of Representatives dominated by the Democrats at the current time, because you emptied half of the inventory of all of our sales lots. Not only did we empty the inventory, because of that we started several steel plants up and going. So we generated jobs.

The whole idea of the American Recovery and Reinvestment Act, the

stimulus act, was to do what? It was to stabilize State governments, provide the biggest tax cut in American history, and save or create millions of jobs. By that measure, it was a success. Yes, we would like it to have done more. We think we need to do more now. That's what we are working on.

But let me bring your attention back away from the cars to the homebuyers. The First-Time Homebuyers Tax Credit, which expires in a few days, if you are thinking about getting a home, you can get an \$8,000 tax credit back. We have just lowered the cost of getting into your first home. If you have been in a home for a while, I think it's 5 years, you get \$6,500 back by getting into another home.

You don't have a lot of time left. Get the paperwork going. Visit your real estate office in Wisconsin. Look, come to live in northeast Wisconsin. You don't have to go to California. We have got a lower overhead there, lower cost of living.

Mr. GARAMENDI. We want those homes bought in California.

Mr. KAGEN. Well, the whole idea is this is not just a stand-alone. This is a whole cadre, a whole way in which we are trying to lower your cost of doing business to keep you in your home. Whether it's the making work pay, whether it's American Opportunity Tax Credit or the First-Time Homebuyer Tax Credit, the Democrats are on your side helping you to stay in your home, helping you to get employed at that higher-wage job, to make sure we can work our way through this recession back into prosperity.

□ 2045

The First-Time Home Buyers Tax Credit is soon to expire, so I would urge everyone listening, talk to your family, maybe this is the time you want to move into your first home.

Mr. GARAMENDI. Once again, most of these tax reductions came about through the stimulus bill, the American Recovery and Reinvestment Act, which was February of 2009. And I will point out, as I did at the opening, that not one Republican voted for these extraordinarily important tax reductions that are great for individuals, for families, for working men and women, for middle class America, and at the same time, are creating new jobs in the green economy and the automobile industry, and even for those folks that are selling cars in Wisconsin.

Mr. TONKO, you had something you wanted to add here?

Mr. TONKO. Yes. I was just going to indicate that when we look at the impact of the Recovery Act, the stimulus package on our State economies, Dr. KAGEN, Representative KAGEN, is very correct that the whole effort here was to provide that job growth, it was to provide stability, it was to really boost the buying power of the American public. That largest tax cut in American history for working families is something that has obviously worked.

When we look at the record now in New York State, 98 percent of working families in New York were benefited in 2009. They were getting, on average, a benefit of \$1,340—nearly \$1,340. That's a tremendous boost to the economy of our State. And there are public efforts that were made for education and relief to government so that we would not see additional cuts; we could retain jobs along with create jobs.

We are also benefited by the fact that just about all income levels receive some sort of tax relief. There are those from the administration of Ronald Reagan, very conservative thinkers, who are saying this is a very good outcome that we're looking at now with the Obama administration. This was a great bit of leadership that saved us from this ever-deep, ever-long recession.

It was pointed out by my colleague, Representative SUTTON, that this stimulus package enabled the growth of jobs that came via factory manufacturing. Well, in my district in Schenectady, which is the birthplace of electricity with GE's headquarters, we are now transitioning into something different than a lithium ion battery. And the diversity that we're encouraging here is important. They're looking at a sodium-based battery that will enable us not only to utilize that innovation for the generation of energy and for heavy vehicle fleets, heavy-weighted vehicle fleets, but also for the storage of intermittent power. Now, there is the lynchpin; the battery is that lynchpin that takes us to a new realm, a new plateau in job creation with an innovation economy.

And, again, what I like about the focus here is that we look at the big picture. We don't thrust throw a tax cut for the sake of a tax cut, but we incorporate the thinking of how it ripples into the economy with the policy impact that it makes. And if we can invest in a way that finds us growing jobs with technology with the innovation economy, we are then creating that smart outcome that will allow our industries here that are American based and our businesses to compete effectively and to win those contracts in a global marketplace. It doesn't have to be cheaper; it needs to be smarter.

And while I have the mic here, I just have to mention to Representative SUTTON that repeatedly, as Representative KAGEN indicated, I will have people ask me if I was part of that effort promoted by Representative SUTTON. And I said, look, she's not only a colleague, she's a friend. And I appreciate the fact that as we strengthen the American auto industry we are able to, again, see all the subcontracting that is part of that. It has a way of spreading the concentric circles out; it is the pebble-and-the-pond outcome. And we have all been made stronger because of that investment through the auto industry that came through Cash for Clunkers that again triggered a lot of reaction.

Mr. GARAMENDI. I'd call it a boulder that she threw into the pond, and the ripples that came from that actually touched a family that my wife works with. She was at the California State fair, and this lady works with her at the State fair. The lady's husband is a salesman. In the fall, or in August, he was about to lose his job, but then the Cash for Clunkers came along, and sales shot up at his shop. And he was able to sustain his employment and continues to this day to continue to be employed. It got him past that hurdle.

Representative KAGEN, surely there are things going on in Wisconsin that you're going to share with us here in the next few moments about these tax cuts and the way in which they work.

Mr. KAGEN. I would put it into two categories. When we talk about restoring our economy—or to use a medical phrase, “resuscitating our economy”—it will be small business owners that drive the job creation. Small businesses are 93 percent of all employers in the country. When we do create jobs, eight out of 10 new jobs are coming from small business owners. And we produce, in small business, 52 percent of our Nation's gross domestic product.

So take a look just for a moment at what the Recovery Act, the stimulus bill, did for small business. First, we had the Small Business Administration, section 7A and 504 loans, where the guarantee by the Federal Government moved up from 75 to 90 percent. That 90 percent guarantee made it possible for many small businesses to get access to credit that they needed to continue to survive.

Another small business advantage was a 3-year extension to the production tax credit, the PTC. Thirty percent investment tax credit, or ITC, for renewable energy, helping our wind, our non-fossil fuel base, non-Saudi Arabian outside-of-our-country energy. Renewable energy bonds, which are now becoming available, extension of depreciation loans, 50 percent of the purchase price expensed right away; 5-year carryback net operating loss. For a small business operator, this is a tremendous boom. You can survive this economy recession by this—

Mr. GARAMENDI. That is actually a tax reduction in the early years in allowing those expenses to be spread out.

Mr. KAGEN. And you can allow up to \$250,000 of depreciation on something you've invested in right away.

So we understand the importance of small business. Now, I'm co-chairperson of the Congressional Business Owners Caucus. We came up with some wonderful ways in which the President could begin to lower the cost of labor. Lowered cost of labor means we can compete on a better playing field with our foreign competition. We had come up with a very simple way to do it on form 940 by reducing the amount of taxes you will pay. We give you a tax credit back if you simply increase the amount of money that you're paying to

your employees, whether you hire more people, rehire people that have been laid off, or simply pay your existing workforce more money. That was converted into the Hiring Act. So the Hiring Act now and the HIRE Act really has a tax credit available for small business. So we're helping small business and we've got to do more.

What we've done so far has got us to this point, but we've got to do more. And we are working with the SBA Director, Karen Mills, to do just that. That's on the business end of it. But right now, in northeast Wisconsin, business owners are telling me, KAGEN, we don't want more credit necessarily; we need more customers coming in the door, we need more contracts. Then we can really go to the bank and say we've got somebody here that wants us to produce something for them. That's why we focused not only on small business, but on tax cuts for working families.

The next one I would mention is the residential energy tax credit, up to \$1,500 for weatherization improvements on your home that you did in 2009. You still have a few days to claim that credit on your tax return for 2009. Take advantage of that opportunity. Take a look with your tax preparer or your accountant if you have one. Talk to somebody who is in your family that is preparing your taxes. Take a look at what you've done for your home, because you can get up to \$1,500 back in your pocket straightaway.

The other one I'd like you to take advantage of is the sales tax deduction for vehicle purchases.

Mr. GARAMENDI. Maybe we will pass that to Representative SUTTON.

Ms. SUTTON. Sure. Absolutely. Part of the recovery stimulus act also provided that taxpayers can deduct the State and local sales tax they paid for new vehicles purchased from February 17 of 2009 all the way through December 31 of 2009 under the vehicle sales tax deduction. And then in those States that don't have a sales tax, there are other taxes and fees that may be deducted. So you have to ask your tax preparer or look into that if you're in a State that doesn't have sales tax.

So not only did we offer the incentives that were very effective in shoring up jobs, improving our environment, getting older, unsafe cars off the road; we also provided the opportunity to deduct that sales tax.

And I just can't let this go, Representative GARAMENDI, because a moment ago when you were talking about going to the dealership and trying to trade in your car and it wouldn't qualify—

Mr. GARAMENDI. Well, it just wasn't running, that was the problem. It was a real clunker.

Ms. SUTTON. But what we did find out—and this is really welcome news and it's pretty recent, and I'm not sure that all of you have had a chance to look at it—but according to the Maritz Automotive Research Group, they con-

cluded that Cash for Clunkers created significantly more incremental car sales than previously estimated—and this is the important part—without negatively impacting future automotive sales. About 90 percent of the cars purchased under the program, about 542,000 consumers bought vehicles specifically because of the program. And, further, they reported that people like you, perhaps, another 223,000 people came to dealerships after hearing about the program to see if they qualified. They discovered they didn't qualify, and they bought cars anyway, sending those ripple effects out there to the benefit of us all.

Mr. GARAMENDI. You said 213,000?

Ms. SUTTON. 223,000.

Mr. GARAMENDI. And one. That one was my wife and I.

Ms. SUTTON. Well, thank you for supporting the economy.

Mr. GARAMENDI. We couldn't get rid of that old, broken-down Bronco, but we were in the market for a new car and we did buy one.

We've gone through several parts of the tax policy and the stimulus program. And a lot of folks out there think the stimulus program didn't do any good. Well, we know that in terms of the macroeconomics of the Nation, that it actually did. Together with the bank bailout—which I've got a lot of problems about the way that was done, and that was in the previous administration, in the years of the Bush administration—but together it stopped the collapse. Other nations did their piece of it too, but it stopped the collapse. And just this last month in March we actually saw job growth in America; we actually saw jobs growing, net increase in the number of employed people. Whether that's going to continue month to month in the future, we hope so, but the stimulus program actually has worked. It has reduced the tax burden for American families, for the middle class, the largest middle class tax cut in anybody's memory, and at the same time has created a lot of new jobs.

Mr. TONKO, you talked about the holistic approach, that this wasn't just about tax cuts for this and tax cuts for that, but there was a larger program that was envisioned here.

Mr. TONKO. Well, I think in New York, obviously, the benefit that comes via the child tax credit or the earned income tax credit is something that needs to be paid strict attention to. We are helping, we are empowering some of the—well, in this case, the poorest three-fifths of taxpayers out. The tax credit for children is stretched to at least \$1,000—up to \$1,000. The earned income tax credit—

Mr. GARAMENDI. That's \$1,000 per child. That is the child tax credit.

Mr. TONKO. Exactly. And then with the earned income tax credit we stretch the eligibility, and we further reduce the marriage penalty. And so there is an awful lot here that speaks to many, many people who have bene-

fited. That's why it is historic in nature. It's the largest such tax cut for working families in America. And this is a major plus. This is an empowerment to these families that when given this opportunity were able to make these purchases out there from American businesses that then called in more people, were beginning to see the job count rise.

We have to remember the last 4 or 5 months of the previous administration was recording somewhere between a 700,000 and 800,000 job loss per month, per month. Now we saw in January, was it 22,000, climbed a little with the tough weather and climate and impacts out there across the country to some 36,000 in February, and now in March we see this 126,000-plus job count. We are seeing the swing go upward.

Representative KAGEN and I talked earlier this evening about that graph, that linear graph that was just plummeting downward for several months and hit its lowest point in December of 2008 and then began to swing up so that we dropped, was it 17? The American families' wealth dropped by some \$16 trillion. Now it's swinging up beyond \$5 trillion, \$6 trillion as we climb upward. Is it going to happen overnight? Not necessarily. It most likely won't. But this was coming for a long time. It was failed economic policies that were driving down this country's economy that impacted the world economy. And the question here is, do we want to go back to those failed policies or do we advance the agenda of progressive policies that will now make us join together in that climb upward where we're seeing the wealth of American families beginning to crawl back, climb back? We're on a good course, and we need to stay the course. And the four of us here this evening are on that message of looking at what's happening here, tax credits that will benefit, investment in job creation, and a turning around of the economy.

And Representative GARAMENDI, for bringing us together I say thank you again because this message needs to be heard.

□ 2100

Mr. GARAMENDI. Mr. KAGEN, I think you want to have some final words here, and then the remaining two of us, and then we will wrap this up.

Mr. KAGEN. Well, when it comes to asking the question who is on your side, the answer is clearly we are on your side. We are delivering tax cuts to the middle class like never before. We are making certain that you will be in your house if you get sick, not the poorhouse. We are delivering earned income tax credits. In northeast Wisconsin, 61,500 people benefited from that.

With regard to the stimulus bill, in my home county of Outagamie County, we delivered \$50 million of tax cuts and millions more in educational support. Without that life's breath, we wouldn't

have an economy to talk about any longer.

Mr. GARAMENDI. You were telling me earlier that you have some 50,000 college students in your district?

Mr. KAGEN. Exactly. We have got 53,000 college students who can take advantage—

Mr. GARAMENDI. So this tax credit for families and students—

Mr. KAGEN. Is very significant. We really do believe in higher education in northeast Wisconsin. All of Wisconsin is progressive-minded socially and fiscally responsible, just like this House of Representatives is today.

Mr. GARAMENDI. And we have seen the advantage of these tax credits in the stimulus bill in the manufacturing heart of America, which is just outside Cleveland, represented by Congresswoman SUTTON.

Congresswoman?

Ms. SUTTON. Thank you, Representative GARAMENDI, and thank you for getting us down here to the floor to talk about these important points.

The question really is do we want to continue that path towards positive job growth. We started last year. Eight hundred thousand jobs a month we were bleeding because of the failed economic policies of the past administration, but now we are at a place where we are seeing that positive growth. We also saw a headline today in our local paper entitled "Deficit Falls Dramatically in March."

So the bottom line is this. We have to act responsibly to take us from those failed policies to a place of renewal and an economy that doesn't just work for the privileged few who enjoyed those tax cuts, the top 2 percent who enjoyed those deficit-funded tax cuts under the Bush era. We have to take us to a place where it is an economy that the folks that I am proud to represent in Lorain and Akron and Barberton will indeed join in the vitality of this Nation, of our communities, of our economy, of the opportunity, all that we have to represent in this country.

So I am glad to be here. I am glad to do the work that it takes every day to put one foot in front of the other and fight with the spirit of the people that I represent to take us responsibly to a place that is positive not just for us here in the Capitol, but most importantly, for them at their homes.

Mr. GARAMENDI. Thank you very, very much.

For me, having arrived just 3 months ago in a special election and not being able to vote on this extraordinary stimulus bill as the three of you did, I really want to congratulate you and thank you for the work that you have done here. And to be able to join in the continuing process of growing the American economy, using very wise and targeted tax cuts to help working men and women, working families and middle class, focusing there, which is really the heart of America, and to see what you have done and then the new

follow-up legislation that we worked on in December, January, and February and through the rest of this year, it is a great privilege for me to be able to work with you on that.

Then to find that these tax cuts are actually creating new businesses. The green economy, it is actually happening. I hear the advertisements on the radio in California and in the newspaper, new businesses starting up to install the solar panels, to do the caulking, to do the windows, to move us into energy independence. This is really a great moment in which we are transitioning the American economy, and, frankly, it is the Democrats that are doing that.

Most of the work, the heavy lifting this last year was done without any Republican support. It was done by the Democrats. We don't want to be too partisan here, but we also need to point out the real facts of who it is that voted for \$300 billion of tax cuts for middle-income Americans. It was the Democrats. We need to understand who it is that's moving forward with the green economy. It was the Democrats that did that. And we have got more to do.

And we are going to come back on the floor in the days ahead and we are going to talk about some of the specific tax cuts that went to businesses to stimulate the small businesses—we covered mostly working families today, but we need to do that—and then the jobs bills that have been passed.

It is a great privilege to work with you, and I want to thank you for the opportunity to share this evening. Thank you very much.

Madam Speaker, I yield back my time.

#### HEALTH CARE REFORM

The SPEAKER pro tempore (Ms. PINGREE of Maine). Under the Speaker's announced policy of January 6, 2009, the gentleman from Georgia (Mr. GINGREY) is recognized for 60 minutes as the designee of the minority leader.

Mr. GINGREY of Georgia. Madam Speaker, I thank my leadership for allowing me to speak to my colleagues over the next hour in regard to guess what? Health care reform, Madam Speaker. And I am going to be joined by several colleagues on the Republican side of the aisle who are physician Members, as I am, as you know, Madam Speaker, a physician Member.

And we are all just returning to Washington after the 2-week Easter recess, a time that I think Members on both sides of the aisle hopefully enjoyed with their constituents. I know certainly that I did. Also a little bit of family time celebrating Easter and the Passover. And now we are, of course, back here in Washington inside the beltway, and the wars, as we say, begin again.

But the time that I spent, these 2 weeks, in my district, the 11th of Geor-

gia, northwest Georgia, in my nine counties that I represented, gave me, once again, an opportunity to meet with my constituents. We did that in a one-on-one format, and we did it in a town hall meeting format, several of those, and we did the tele-town hall meetings, I think a couple of those.

But I can tell you, Madam Speaker, the people in my district, the 11th of Georgia and the State of Georgia, are not happy. They are not happy with the Health Care Reform Act, the patient, whatever the acronym is for this bill. The people didn't want it. They made that very clear in every poll taken over the past year as we led up to the unfortunate passage of this massive takeover of one-sixth of our economy. Folks did not want that, and they still don't. And I think they're expressing that to Members on both sides of the aisle as they go home, and Members are going to be held accountable. I know, Madam Speaker, that Members on both sides of the aisle understood that when they either voted for or against this bill. And the American people are no happier today than they were 3 weeks ago.

I would like, at this point, to yield to my colleague from Tennessee, Dr. PHIL ROE, a fellow physician and also a fellow OB/GYN specialist. Dr. ROE, being from Tennessee and practicing a number of years and delivering a lot of babies there in that State, knows all too well what happened with TennCare and had said the whole time that he has been in this 111th Congress—this is his first term—that you had the perfect pilot program for this bill that the Democratic majority insisted on passing against the will of the American people right in his home State of Tennessee.

And I would like to yield to him now, Madam Speaker. And maybe he can yield some light on what that experiment showed over an 8- or 10-year period in the Volunteer State.

Mr. ROE of Tennessee. Dr. GINGREY, thank you, and it is good to be back.

I, as you, enjoyed being with family, as I am sure most of our Members on both sides of the aisle did. And I also got the opportunity to view one of the greatest basketball games that has ever been, which is the Final Four in Indianapolis, and my hat's off to the Duke Blue Devils and to the Butler team that played such a great basketball game.

□ 2110

One of the reasons I had for running for Congress, I was very happy in a medical practice in Tennessee. I was mayor of our local community, the largest one, Johnson City, Tennessee, the largest community in our district. But I knew that this health care debate was going to occur, and I wanted to be part of that debate.

Unfortunately, none of us on the Republican side were consulted, so we were only in the debate in a peripheral way. And the reason that I wanted to