

working. The nearly trillion-dollar stimulus plan that was supposed to create jobs immediately and keep unemployment below 8 percent failed, and now our children and our children's children are stuck with the bill that will be on their credit cards for a long time. But now the administration is pushing for even more tax increases in order to finance their massive spending spree.

Each time I return home, I am reminded of the anger and the distrust that my constituents have for Washington. The people of my State are angry. They are on fire. They have every right to be. The people in Missouri know that additional tax revenue generated from their hard work will not be used to pay down our national debt but, instead, it will be used for more spending they do not want and the country cannot afford. The people in Missouri know they cannot afford these tax increases. They want to keep more of their hard-earned paychecks so they can support their families.

On dividends and capital gains, the administration believes that taxes should go up. They also believe these two types of taxes on investment should be treated differently, with dividends being taxed as high as nearly 40 percent.

Higher taxes on investment income will halt new investment and force these investors with much needed capital on to the sidelines. If you tax something, you get less of it. If you reduce taxes, you get more of it.

But since Congress passed the 2,000-plus page regulatory overreach bill this year, we have seen a drop in capital formation, and tax increases will only continue to discourage private productive capital formation in the non-governmental private sector.

The looming tax increases will raise the price of capital and make lending much more expensive than it would be if we had properly reined in the bad actors and allowed the lending system to revert to practices based on creditworthiness, which means it will be even harder for our small businesses to get the lending, borrow what they need to continue to meet their payrolls, continue to employ workers, and keep their lights on.

Dividends are payments made to shareholders by a profitable firm. They are the owners of the firm. Many of the folks who receive dividend income are not multimillion-dollar investors but, rather, many of them are seniors who rely on this as a supplement to their retirement income. We should not raise taxes on seniors who rely on this income.

Recently, I heard from a utility in my State that came in and talked about the increased dividend tax and the concern as to what it would do to their shareholders. Many of their investors are senior citizens who are by no means rich and who live off of this income every day. They do not want to have, and they cannot afford to have,

the government reach into their pockets and take more money.

On the estate tax, death should not be a taxable event. There should not be taxation without respiration.

The death tax hurts small, family-owned businesses, especially our family farmers. According to the Farm Bureau, individuals, family partnerships, or family corporations own 98 percent of our Nation's 2 million farms and ranches.

When faced with the death tax, farmers and ranchers are in an especially tough spot with most of their assets tied up in land and buildings, livestock and equipment. This gives them little flexibility when settling an estate. Unlike an investor with a stock portfolio, they can't simply sell off the stock and move on.

The death tax punishes the American dream, making it virtually impossible for the American family to build wealth across generations, and this is particularly true for family farms.

The death tax is antisavings, antifamily, and anti-investment. Quite simply, it is un-American, and it should be eliminated, or at least it should be reduced.

Sadly, because of the Senate's failure to repeal this tax, I have signed on to the next best alternative—a bipartisan bill introduced by Senators LINCOLN and KYL which would increase the exemption for families to \$5 million from the \$3.5 million under the previous law.

Under the President's plan, when you die, your estate will be taxed at a whopping 55 percent for assets above \$1 million. The Kyl-Lincoln bill I am cosponsoring would reduce this rate to 35 percent for assets above the \$5 million exception.

Why is this important? Let me talk about farm country, where I live. Everybody knows that a successfully operated family-owned grain or corn or soybean farm is likely to have \$1 million worth of land and likely more than \$1 million worth of farm equipment so they can be a productive farmer in the world competitive economy. The President's plan would force these family farms to close rather than pass to the next generation of family farmers.

I say to my colleagues, unless Congress acts now, in less than 100 days Americans will be hit with the largest tax hike in our Nation's history. That is why I have joined with Senators MCCONNELL, GRASSLEY, and others to stop these tax hikes, cosponsoring the Tax Hike Prevention Act. This bill prevents the tax hikes scheduled for next year, permanently passes the alternative minimum tax, and protects families from increased death taxes.

For most Americans across the Nation, recovery is what we desperately need. We need it in my State and we need it in every State. Small businesses are not hiring new workers or expanding. It is not just the uncertainty; it is the certainty of what the Federal Government is doing to them. Also, unemployment has been hovering

at almost 10 percent. More than 3 million Americans have lost their jobs since February of 2009, and more have quit looking or are underemployed.

One of the best ways to help our economy and end the uncertainty that is crippling job creation is to stop the coming tax hikes. In addition to helping small businesses, stopping the coming tax hikes would let Americans keep more of their paychecks that they can save and invest. Our citizens know how to spend their money better than any government bureaucrat.

We have tried it with the government money. We have tried it with the government stimulus. The government stimulus stimulated the expansion of government. That is not productive. Let's try it the other way. Let's go back to what we used to do in this country and let the private sector work and develop useful products and services, sell those products, gain a profit, and hire more workers. It is time this Congress acts, and I hope they will act soon.

I thank the Chair and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

#### TAX POLICY

Mr. JOHANNES. Mr. President, I rise today to speak about something that is enormously important, and that is tax policy and the economy.

Over the most recent break, I had the opportunity to go out across the State of Nebraska. I traveled throughout the State and I conducted 14 townhall meetings. I listened to a lot of concerns, but there was one issue that dominated all of the discussion and that was the state of our Nation's economy. Nebraskans, like all Americans, are wondering when the economy will turn around. They are wondering when this administration is going to actually take action to support job creators instead of just talking about it.

A recent CNN poll shows that 57 percent of Americans disapprove of the President's handling of the economy. The President's job agenda to date has simply failed to produce the results that were promised.

Take a look at the economic stimulus that cost taxpayers \$862 billion—\$1 trillion if you add interest—and it has come up short. Instead of more government spending that fails to create jobs, we need to create a progrowth environment that fosters job creation that is so desperately needed in every part of this great Nation. In order to do so, we must first and foremost give individuals and businesses some degree of certainty about the future. Unfortunately, the health care bill and the financial bill are doing exactly the opposite. Businesses are actually fearful of the regulatory environment and the list of pending tax hikes, causing them to wait out the anxiety and stay on the sidelines.

The National Federation of Independent Business describes it this way:

Uncertainty about the economy and looming tax hikes have kept this sector from hiring new workers, resulting in a weak economic recovery and slow to nonexistent job growth.

But the NFIB doesn't stop there. They further describe this:

Congress can take an important step to address the uncertainty by holding a vote and passing legislation extending all of the expiring tax rates. No small business owner should face higher taxes.

At a time when Americans are struggling in their businesses to meet next month's payroll, they don't need more uncertainty from Washington. What they need are assurances from their government that there will be no more taxes or unnecessary regulatory burdens piled on top of them at a time when their plates are already overflowing.

Even White House economic adviser Larry Summers recently acknowledged the importance of providing businesses with certainty about the future. He said something actually quite profound:

Confidence is the cheapest form of stimulus, and we've got to be very attentive to creating an economic environment in which there is confidence.

I agree with him.

One way to help eliminate this uncertainty and bring confidence back to the economy is to continue the current tax rates. Failing to do so will only cause further uncertainty and inadequate growth. Most alarmingly, letting these tax rates increase will result in the largest tax hike in American history. Let me repeat that: One hundred days from today, the largest tax hike in history will take effect, unless Congress acts.

Considering the state of our economy, with a lackluster growth rate of 1.6 percent and unemployment at 9.6 percent, with real unemployment in the double digits, tax increases are the last thing Americans need. Tax increases are the last thing our job creators need.

It is no surprise that businesses aren't willing to take the chance to expand and to hire. We keep hearing the President and his administration tell businesses to create jobs, to get off the sidelines. We keep hearing the President say that. Meanwhile, the same administration has increased taxes, imposed mandates, created uncertainty, and now is willing to allow this massive historic tax increase to hammer our job creators. It simply makes no sense. Why would an administration that is supposedly committed to small businesses try to take more of their money while at the same time urging them to spend more money on expanding and creating jobs? Maybe it is because they claim that only rich Americans—rich Americans—would be impacted.

As small business owners across the country can tell us, this is simply a false notion. Many small business owners file as individuals and, therefore,

report income above \$200,000. We rely heavily on these small businesses to use that capital to create jobs to boost our economy.

Over the past 15 years, small businesses have been responsible for generating—get this—64 percent of all of our new jobs. Under the administration's proposal, the Joint Committee on Taxation estimates that nearly 750,000 taxpayers with small business income will be hit with a tax increase 100 days from today. I don't get it. I can't fathom why we would raise taxes on job creators when we are facing record unemployment and a sputtering economy.

It is not just small businesses. It is also family farms and ranches that would be caught up in the net of this massive tax increase. Suddenly, they would all find themselves classified as the "rich" people this administration claims are the only ones impacted by this foolhardy policy.

It is unfair and unwise policy I am speaking about. What our small businesses, farms, and ranches need now is a stable economic environment, not tax increases from their government. It is time for government to stop suppressing businesses and give them a chance to grow in a certain environment—to expand, create jobs, to buy new equipment—because that is what will fuel job growth in this Nation. Our small businesses are the heart of our economy. We need to give them the opportunity to move our economy forward, not be stifled by government policies.

The original intent of the tax cuts when instituted nearly 10 years ago was to free up capital for these entities to grow, to hire, and to produce. In fact, in 2007, once these tax breaks had taken effect, our tax collections achieved an all-time high in this Nation. Let me repeat that. In 2007, once these tax rates took effect—they were fully in place—our tax collections achieved an all-time high. The reason is obvious. When you have people working, they pay taxes, they add to the economy, they fuel economic growth.

The bottom line is that tax breaks help to get our economy moving which, in turn, generates revenues. We saw it in 2007. Even Christina Romer, the former chairwoman of the President's Council of Economic Advisers, recently published some research on tax policy. I am quoting:

Tax cuts have very large and persistent positive output effects.

In contrast, she wrote:

Tax increases appear to have a very large, sustained, and highly significant negative impact on output.

I couldn't agree more.

Standing idly by while taxes skyrocket at the end of this year, in 100 days, will—and it is very predictable—have a chilling effect on American businesses and, therefore, hard-working families. It is time that the actions of this administration and this Congress match the promises being made about creating an environment that fosters growth instead of hindering it.

The American people are no longer willing to accept empty words at face value. They want to see policies that match promises. Fortunately, it is not too late. This administration and this Congress still have an opportunity to make good on their promises to small businesses, to those working families, but it will mean taking action to prevent a massive tax hike on January 1, 2011.

I ask all of my colleagues to show they are willing to work together to fulfill their promises to small businesses. Let's deliver on those promises to provide stability instead of uncertainty. Let's work together to prevent a huge tax hike on our job creators in 100 days.

The American people—hard-working families—deserve no less.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BURRIS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE DISCLOSE ACT

Mr. BROWN of Ohio. Mr. President, just yesterday, the Columbus Dispatch, the second largest paper in my State, reported that one single Cincinnati-based corporation gave more than \$450,000 to Karl Rove's outfit. Lest we forget, Karl Rove was the very political person in the Bush administration who was sort of the mastermind of dirty tricks and of raising tons of special interest money and the mastermind on a lot of the sort of, shall we say, disinformation coming out of the White House in the Bush years during the lead-up to the Iraq war—that Karl Rove. Again, the Columbus Dispatch reported that one single Cincinnati-based corporation gave more than \$450,000 to Karl Rove's outfit to support advertising for one single Ohio Senate candidate.

That was reported from a generally conservative newspaper. The Columbus Dispatch is no friend of Democrats. They are a pretty Republican organization, although the reporters are fair-minded. So one corporation sent \$450,000 to one single Senate candidate. That corporation can do that because of the Roberts Court decision—the Supreme Court decision, with its new ultraconservative Court, which is perhaps more conservative than any Court in the 21st or 20th centuries, in a case called *Citizens United*. It is an outright corruption of our democratic process. But with the *Citizens United* case, it is a reality.

The Supreme Court opened the floodgates, allowing multinational, large corporations to bankroll their favorite political candidates and build a Congress in their image. They don't have