

Our amendment also includes a provision that will help small businesses across our country. The provision would repeal an expansion of information reporting rules that was enacted this past year, otherwise known as 1099. Those rules expanded current information reporting requirements to include payments businesses make to corporations and payments for goods and property, not just services. This provision, known as the 1099 provision, imposes a record-keeping burden on small businesses that would take away from the time business owners need to expand their business and create jobs. This information reporting went too far, especially in this difficult economy. It is important that we repeal this expansion of information reporting.

Now, some will say that we should extend tax cuts for everyone, even the very rich. America is working through tough economic times. At the same time, our country has record deficits. Our amendment would balance these two concerns. Our amendment would extend all the tax cuts affecting middle and lower income Americans that Congress enacted in 2001 and in 2003 that sunset this year. Our amendment would also extend several expiring tax cuts benefiting middle and lower income Americans that Congress enacted in 2009. Our amendment would protect Americans who have been struggling to get by.

Our amendment would also benefit taxpayers with higher incomes. The cuts in our amendment apply to all of the income up to \$200,000 for individuals and \$250,000 for couples even if the taxpayer makes more than that. At the same time, we crafted our amendment with recognition of the mounting deficits our country faces.

Our amendment would not rely on the gimmick of temporarily extending tax cuts in order to mask their size, knowing that future Congresses will be unable to resist the temptation to keep extending these cuts. It is about priorities. Our amendment makes choices.

Our amendment would not make permanent all of the expiring tax cuts that Congress enacted in 2009. It would not make permanent tax cuts that benefit only those Americans who need them the least. Only 3 percent of Americans have incomes greater than \$250,000 for couples or \$200,000 for individuals.

Over the past quarter century, the average after-tax income of the wealthiest 5 percent has grown 150 percent.

At the same time in the past quarter century, the average after-tax income of middle-class Americans has grown by only 28 percent. So 150 percent for the top 5 percent—the wealthiest—and only 28 percent for middle-income Americans. Today, the bottom 80 percent of households receive less than half of all after-tax income. The benefits of recent economic growth have not been widely shared, so the middle

class should not be asked to tighten their belts as much as the high-income folks who have benefited the most.

As we come out of the great recession, we need to recognize the growing Federal budget deficit. In 2010, the deficit was \$1.3 trillion. That is the second highest level relative to the size of the economy since 1945. This was exceeded only by 2009's \$1.4 trillion deficit—\$100 billion more—and the Congressional Budget Office projects that deficits will remain high for the rest of the decade. That means the Federal debt will keep growing.

When we passed the 2001 tax cuts, the Federal Government was running a surplus. When we passed the 2001 tax cuts, economists projected big surpluses as far as the eye could see. Times have changed. We need to consider our current fiscal condition. With 15 million Americans still out of work, it is important that we keep our economy on the path to recovery by extending tax cuts for families who need them the most and who will spend it.

Our amendment strikes the right balance. It is a question of priorities. Our amendment says that we should not devote scarce resources to a larger tax cut for those at the very top. Our amendment says that we would be better off devoting those scarce resources to new tax incentives that promote investment and create new jobs or we would be better off devoting those scarce resources to reducing the Federal budget deficit and debt. Those are the choices we have to make.

Our amendment says: Let's make the middle-class tax cuts permanent. Our amendment says: Let's not allow tax cuts for middle-class Americans to be held hostage for tax cuts for those who make the very most. There is not an endless supply of money. We have to make choices.

I submit that these are the choices we need to make. I encourage my colleagues to support our amendment.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. BAUCUS. Mr. President, I suspend my request.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

UNEMPLOYMENT INSURANCE

Mr. BROWN of Ohio. Mr. President, I thank the senior Senator from Montana, who laid out exactly why his efforts to extend the Bush tax cuts to the middle class up to \$250,000 and to not extend them beyond that is the exact right public policy. It is good fiscal policy. It is good economic policy. It is good for our country. It is exactly the right thing to do. I thank him for his explanation of including the earned-income tax credit, which is the best tax incentive to help people who are working hard, playing by the rules, making \$20,000 to \$30,000 a year, get a much fairer tax—really encouraging work the way the IETC does.

I also thank the chairman of the Finance Committee, the senior Senator from Montana, for including the unemployment insurance in this because 85,000 Ohioans have lost their unemployment insurance. These are people—or many of them are, as I have read letters on the Senate floor and will read a couple today—who have worked for 20, 30, 40 years and simply can't find a job.

There are five people applying for every one job opening in my State and in this country. It is so important that these people continue to get some assistance. In spite of what some of my Republican colleagues suggest, unemployment insurance is insurance, not welfare. Their employer, on their behalf, pays into the unemployment insurance fund in their States. When they lose their jobs, because it is insurance, they should get assistance. It is like fire or health insurance. You don't want to use it, but you want it to be there if you need it. That is why it is so important. I appreciate Senator BAUCUS's discussion of why this is the right policy.

Before I read some letters from people about unemployment benefits, I want to talk about why that is the right policy. The Bush tax cuts primarily went to the wealthy in 2001 and 2003. As Senator McCASKILL said, it was an experiment. For 10 years, we tried to see if this worked. I didn't support that when it passed in the House many years ago because I thought they were tilted toward upper income people and not focused on the middle class. So it was an experiment in many ways where major tax breaks were given to the rich, and according to the so-called trickle-down economic theory, they would hire people and much would trickle down and they would provide jobs and strengthen the middle class.

What we saw during the Bush 8 years as the main thrust of the economic policy was the tax break for the rich. That was the stated policy; that if we cut taxes enough on the wealthiest Americans, it would drive the economy forward. But we know that in those 8 years of the Bush administration there was a 1 million net job increase, not enough to provide jobs to keep up with the growing population or not enough to provide jobs for the kids coming out of high school or those leaving the Army or those coming out of college.

So it is clear the experiment failed. They cut taxes for the rich and there was only a 1 million increase in jobs. It didn't work.

Look at the 8 years before that, the Clinton years—and these are facts, not opinions—where President Clinton did a mix of tax cuts, tax increases on the wealthy and spending cuts, and he balanced the budget. We ended up with a 22 million job increase with that economic policy, which we want to follow today, versus a 1 million job increase, which was not even enough to keep up with the growing population with the Bush economic policy.

It is clear what this means—not to mention what Senator BAUCUS pointed

out too. We are, in essence, borrowing \$700 billion from the Chinese to pay for these tax cuts. That is where we borrow a lot of money. We are talking about borrowing \$700 billion and putting it on a credit card for our children and grandchildren. The pages sitting here will get to pay off that \$700 billion in tax cuts for the rich, and then the \$700 billion is given to the wealthiest taxpayers. So they want to borrow from China, charge it to our children and grandchildren, and give it to millionaires and billionaires.

What kind of moral policy, let alone the bad economic policy, is that? It is bad fiscal policy to do anything but tax cuts for the middle class. It is bad economic policy. It is not fair to our children and grandchildren.

Also, I will make a comparison in this bill between unemployment benefits, extending and maintaining unemployment benefits to the 85,000 families in Ohio who found out 2 days ago their unemployment insurance was no longer. Some of those families will lose their homes, and a father will have to sit down with his 12-year-old daughter and say: Honey, we are going to lose this house and move somewhere else. The child will say: What school district are we going to be in, Dad? He would say: I don't know yet.

We know the hardship this will create if we don't extend these benefits. These people want to go back to work and they are trying to find jobs, but there are not enough jobs out there. They need money for gasoline to drive around and look for jobs, and they need all these things just to stay alive and have a decent standard of living. But take the money in the unemployment extension—as JOHN MCCAIN's chief economic adviser during his 2008 campaign said, \$1 put into unemployment benefits of a person in Zanesville or Lima or Hamilton, OH, that father or mother, that man or woman will spend that money because they need to. They need to buy shoes for their kids, food for themselves; they need to heat their homes and put gas in their cars. That money will be spent. Every dollar you put into unemployment generates \$1.60 in economic activity, and that will create jobs.

Conversely, a dollar in tax cuts for the wealthy—a dollar that goes to a millionaire—what are they going to buy that they are not already buying? They meet their needs. They have millions of dollars at their discretion to do it. They are not going to buy more food or go to a fancy restaurant or take an extra vacation. They have the money they need. That \$1 going to the wealthy, according to the analysis of JOHN MCCAIN's chief economic adviser, ends up generating about 30 cents in activity and creating significantly fewer jobs.

I want to read a couple of letters from people in my State of Ohio about what this legislation means in terms of unemployment benefits.

This is from Shanata from Montgomery County, in the Dayton area:

I have been out of work since February and have been receiving unemployment benefits. I am 36 years old and have been working since I was 16.

This is par for the course in the letters we get. These people have been working hard since a very young age.

I have applied for 100 jobs in the past month alone, and have found absolutely nothing. If unemployment stops, I will have even less. I am in school full-time, but I know that I can't return in January since I will have absolutely no way to pay my bills. Unemployment is not allowing me to go on trips, eat out every day, shop 'til I drop, or anything else frivolous. I just need to keep a roof over my head and food in me and my daughters' stomachs. Please work diligently to help extend unemployment for those who will have nothing without it.

This is Dagney from Lorain County, my home county, between Cleveland and Toledo:

Please, Senator, please do everything you can to get the unemployment extension passed. I have been unemployed for more than a year and have not found a job yet. We are two months behind on our mortgage and I am so afraid we are going to lose our house. We have exhausted our savings and my husband is off work too due to an accident. I am so worried. Please help us.

This is from Carol from Summit County, in Akron:

I am writing for myself and thousands of other unemployed Ohioans whose unemployment benefits are running out. We need help.

Mr. President, again, 85,000 families lost their benefits in my State alone three nights ago.

I am 61 years old and have been on unemployment since June 2010 and my benefits run out December 20. There are no extensions at this time and there are no jobs for a senior citizen with over 40 years of work experience. Believe me, I have tried everything from Walmart to McDonalds. I have no savings and lost what little retirement I had a couple years ago with many others. I'm not asking for a handout—just some help until the job market picks up out here. Please encourage Congress to provide at least one more extension—without it, many Ohioans will be destitute. I never thought when I was raising my family as a single mom that I would find myself in this position at this age.

I know my colleagues want to do the right thing. I believe even those who vote no on everything that I believe in, I think they want to do the right thing. I just wonder—I know they get letters like this because every one of us—whether you are in Missoula or in Eugene or in Dayton, every one of us gets letters from constituents in our States who are hurting, even in States that have pretty good economies. I don't know if they don't read them or if our colleagues never meet people like this. I assume our colleagues probably don't visit food pantries as I do, but some of my other colleagues do and hear the stories. I don't know that I have been to a food pantry in the last 2 years where I don't hear a volunteer—and most of them are staffed by all volunteers—or a paid director say: You know, see those people over there? They used to bring food in, and now they are picking up food. That is the story I hear time after time.

I don't think my colleagues are hard hearted or callous. I just wonder if they know, or if they are hearing from, people like Carol and Shanata and Dagney, or if they are not visiting food pantries and stopping at a union hall and talking to an out-of-work carpenter or a laborer who hasn't been called to a worksite for 7 or 8 months.

I have said to the majority leader that I think we should stay here until New Years. I would rather be home with my family; family is very important to me. But if we don't continue these unemployment benefits, we are going to ruin the holidays for those 85,000 Ohioans—and that number keeps growing—so we don't deserve much of a holiday either if that is the best we can do.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask unanimous consent to speak as in morning business for up to 20 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BAUCUS TAX PROPOSAL

Mr. BINGAMAN. Mr. President, let me start by thanking Senator BAUCUS for putting forward his proposal on tax issues. It is a responsible course for us to follow. It is one I can vote for without reservation.

He is basically saying: Look, let's ensure the first \$250,000 that is earned by any and all Americans in this next year will be subject to the lower tax rates that were put in place during President Bush's time in office—the tax rates that were adopted essentially in 2001. Of course, it also contains other very useful provisions to reinstate the estate tax at a reasonable rate, with a significant amount exempted from the estate tax. It has provisions for energy tax—the extending of energy tax provisions, which I think are very important to the country. But we had a hearing yesterday in the Finance Committee. I am privileged to serve on that committee that Senator BAUCUS chairs. We had a very good hearing on the whole issue of Federal revenues and outlays. I thought some useful information came out there. I was able to speak very briefly with Doug Elmendorf, the head of the Congressional Budget Office. I was particularly impressed with one chart he presented in his materials. I have made a copy of that, essentially, that I want to go through and explain because I think it puts this entire discussion into context.