

ESTIMATE OF THE STATUTORY PAY-AS-YOU-GO EFFECTS FOR H.R. 4994, AN ACT TO EXTEND CERTAIN EXPIRING PROVISIONS OF THE MEDICARE AND MEDICAID PROGRAMS, AND FOR OTHER PURPOSES (AS INTRODUCED ON DECEMBER 7, 2010—ERN10381; ASSUMED ENACTMENT LATE DECEMBER 2010)

[By fiscal year, in millions of dollars]

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011– 2015	2011– 2020
	Net Increase or Decrease (–) in the On-Budget Deficit											
Total On-Budget Changes .....	12,035	7,038	299	–742	–1,849	–2,893	–3,626	–4,037	–4,336	–4,662	–16,782	–2,772
Less:												
Current-Policy Adjustment for Medicare Payment to Physicians <sup>1</sup> .....	9,624	4,881	0	0	0	0	0	0	0	0	14,505	14,505
Statutory Pay-As-You-Go Impact .....	2,412	2,157	299	–742	–1,849	–2,893	–3,626	–4,037	–4,336	–4,662	2,278	–17,276

Notes: Components may not sum to totals because of rounding. This legislation would freeze Medicare's payment rates for physicians' services at the current level through the end of December 2011 and extend many other expiring provisions in Medicare. Additionally, the legislation would limit the aggregate amount recovered from reconciliation of income used for determining eligibility for tax credits provided through health insurance exchanges.

<sup>1</sup> Section 7(c) of the Statutory Pay-As-You-Go Act of 2010 provides for current-policy adjustments related to Medicare payments to physicians.

Sources: Congressional Budget Office, Staff of the Joint Committee on Taxation.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 4994), as amended, was read the third time and passed, as follows:

#### H.R. 4994

*Resolved*, That the bill from the House of Representatives (H.R. 4994) entitled “An Act to amend the Internal Revenue Code of 1986 to reduce taxpayer burdens and enhance taxpayer protections, and for other purposes.”, do pass with the following amendments:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Medicare and Medicaid Extenders Act of 2010”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—EXTENSIONS

Sec. 101. Physician payment update.

Sec. 102. Extension of MMA section 508 reclassifications.

Sec. 103. Extension of Medicare work geographic adjustment floor.

Sec. 104. Extension of exceptions process for Medicare therapy caps.

Sec. 105. Extension of payment for technical component of certain physician pathology services.

Sec. 106. Extension of ambulance add-ons.

Sec. 107. Extension of physician fee schedule mental health add-on payment.

Sec. 108. Extension of outpatient hold harmless provision.

Sec. 109. Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.

Sec. 110. Extension of the qualifying individual (QI) program.

Sec. 111. Extension of Transitional Medical Assistance (TMA).

Sec. 112. Special diabetes programs.

#### TITLE II—OTHER PROVISIONS

Sec. 201. Clarification of effective date of part B special enrollment period for disabled TRICARE beneficiaries.

Sec. 202. Repeal of delay of RUG-IV.

Sec. 203. Clarification for affiliated hospitals for distribution of additional residency positions.

Sec. 204. Continued inclusion of orphan drugs in definition of covered outpatient drugs with respect to children's hospitals under the 340B drug discount program.

Sec. 205. Medicaid and CHIP technical corrections.

Sec. 206. Funding for claims reprocessing.

Sec. 207. Revision to the Medicare Improvement Fund.

Sec. 208. Limitations on aggregate amount recovered on reconciliation of the health insurance tax credit and the advance of that credit.

#### Sec. 209. Determination of budgetary effects.

##### TITLE I—EXTENSIONS

##### SEC. 101. PHYSICIAN PAYMENT UPDATE.

Section 1848(d) of the Social Security Act (42 U.S.C. 1395w-4(d)) is amended by adding at the end the following new paragraph:

“(12) UPDATE FOR 2011.—

“(A) IN GENERAL.—Subject to paragraphs (7)(B), (8)(B), (9)(B), (10)(B), and (11)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2011, the update to the single conversion factor shall be 0 percent.

“(B) NO EFFECT ON COMPUTATION OF CONVERSION FACTOR FOR 2012 AND SUBSEQUENT YEARS.—The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2012 and subsequent years as if subparagraph (A) had never applied.”.

##### SEC. 102. EXTENSION OF MMA SECTION 508 RECLASSIFICATIONS.

(a) EXTENSION.—

(1) IN GENERAL.—Section 106(a) of division B of the Tax Relief and Health Care Act of 2006 (42 U.S.C. 1395 note), as amended by section 117 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110-173), section 124 of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110-275), and sections 3137(a) and 10317 of the Patient Protection and Affordable Care Act (Public Law 111-148), is amended by striking “September 30, 2010” and inserting “September 30, 2011”.

(2) SPECIAL RULE FOR FISCAL YEAR 2011.—

(A) IN GENERAL.—Subject to subparagraph (B), for purposes of implementation of the amendment made by paragraph (1), including (notwithstanding paragraph (3) of section 117(a) of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110-173), as amended by section 124(b) of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110-275) for purposes of the implementation of paragraph (2) of such section 117(a), during fiscal year 2011, the Secretary of Health and Human Services shall use the hospital wage index that was promulgated by the Secretary of Health and Human Services in the Federal Register on August 16, 2010 (75 Fed. Reg. 50042), and any subsequent corrections.

(B) EXCEPTION.—Beginning on April 1, 2011, in determining the wage index applicable to hospitals that qualify for wage index reclassification, the Secretary shall include the average hourly wage data of hospitals whose reclassification was extended pursuant to the amendment made by paragraph (1) only if including such data results in a higher applicable reclassified wage index. Any revision to hospital wage indexes made as a result of this subparagraph shall not be effected in a budget neutral manner.

(3) ADJUSTMENT FOR CERTAIN HOSPITALS IN FISCAL YEAR 2011.—

(A) IN GENERAL.—In the case of a subsection (d) hospital (as defined in subsection (d)(1)(B) of section 1886 of the Social Security Act (42 U.S.C. 1395ww)) with respect to which—

(i) a reclassification of its wage index for purposes of such section was extended pursuant to the amendment made by paragraph (1); and

(ii) the wage index applicable for such hospital for the period beginning on October 1, 2010, and ending on March 31, 2011, was lower than for the period beginning on April 1, 2011, and ending on September 30, 2011, by reason of the application of paragraph (2)(B);

the Secretary shall pay such hospital an additional payment that reflects the difference between the wage index for such periods.

(B) TIMEFRAME FOR PAYMENTS.—The Secretary shall make payments required under subparagraph (A) by not later than December 31, 2011.

(b) CONFORMING AMENDMENT.—Section 117(a)(3) of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110-173) is amended by inserting “in fiscal years 2008 and 2009” after “For purposes of implementation of this subsection”.

##### SEC. 103. EXTENSION OF MEDICARE WORK GEOGRAPHIC ADJUSTMENT FLOOR.

Section 1848(e)(1)(E) of the Social Security Act (42 U.S.C. 1395w-4(e)(1)(E)) is amended by striking “before January 1, 2011” and inserting “before January 1, 2012”.

##### SEC. 104. EXTENSION OF EXCEPTIONS PROCESS FOR MEDICARE THERAPY CAPS.

Section 1833(g)(5) of the Social Security Act (42 U.S.C. 1395(g)(5)) is amended by striking “and ending on” and all that follows through “2010” and inserting “and ending on December 31, 2011”.

##### SEC. 105. EXTENSION OF PAYMENT FOR TECHNICAL COMPONENT OF CERTAIN PHYSICIAN PATHOLOGY SERVICES.

Section 542(c) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (as enacted into law by section 1(a)(6) of Public Law 106-554), as amended by section 732 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (42 U.S.C. 1395w-4 note), section 104 of division B of the Tax Relief and Health Care Act of 2006 (42 U.S.C. 1395w-4 note), section 104 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110-173), section 136 of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110-275), and section 3104 of the Patient Protection and Affordable Care Act (Public Law 111-148) is amended by striking “and 2010” and inserting “2010, and 2011”.

##### SEC. 106. EXTENSION OF AMBULANCE ADD-ONS.

(a) GROUND AMBULANCE.—Section 1834(l)(13)(A) of the Social Security Act (42 U.S.C. 1395m(l)(13)(A)) is amended—

(1) in the matter preceding clause (i), by striking “2011” and inserting “2012,”; and

(2) in each of clauses (i) and (ii), by striking “January 1, 2011” and inserting “January 1, 2012” each place it appears.

(b) AIR AMBULANCE.—Section 146(b)(1) of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110-275), as amended by sections 3105(b) and 10311(b) of Public Law 111-148, is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

(c) SUPER RURAL AMBULANCE.—Section 1834(l)(12)(A) of the Social Security Act (42 U.S.C. 1395m(l)(12)(A)) is amended by striking “2011” and inserting “2012”.

**SEC. 107. EXTENSION OF PHYSICIAN FEE SCHEDULE MENTAL HEALTH ADD-ON PAYMENT.**

Section 138(a)(1) of the Medicare Improvement Acts for Patients and Providers Act of 2008 (Public Law 110-275), as amended by section 3107 of the Patient Protection and Affordable Care Act (Public Law 111-148), is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

**SEC. 108. EXTENSION OF OUTPATIENT HOLD HARMLESS PROVISION.**

Section 1833(t)(7)(D)(i) of the Social Security Act (42 U.S.C. 1395l(t)(7)(D)(i)), as amended by section 3121(a) of the Patient Protection and Affordable Care Act (Public Law 111-148), is amended—

(1) in subclause (II)—

(A) in the first sentence, by striking “2011” and inserting “2012”; and

(B) in the second sentence, by striking “or 2010” and inserting “2010, or 2011”; and

(2) in subclause (III), by striking “January 1, 2011” and inserting “January 1, 2012”.

**SEC. 109. EXTENSION OF MEDICARE REASONABLE COSTS PAYMENTS FOR CERTAIN CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED TO HOSPITAL PATIENTS IN CERTAIN RURAL AREAS.**

Section 416(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (42 U.S.C. 1395l-4), as amended by section 105 of division B of the Tax Relief and Health Care Act of 2006 (42 U.S.C. 1395l note), section 107 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (42 U.S.C. 1395l note), and section 3122 of the Patient Protection and Affordable Care Act (Public Law 111-148), is amended by striking “the 1-year period beginning on July 1, 2010” and inserting “the 2-year period beginning on July 1, 2010”.

**SEC. 110. EXTENSION OF THE QUALIFYING INDIVIDUAL (QI) PROGRAM.**

(a) **EXTENSION.**—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)) is amended by striking “December 2010” and inserting “December 2011”.

(b) **EXTENDING TOTAL AMOUNT AVAILABLE FOR ALLOCATION.**—Section 1933(g) of such Act (42 U.S.C. 1396u-3(g)) is amended—

(1) in paragraph (2)—

(A) by striking “and” at the end of subparagraph (M);

(B) in subparagraph (N), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

“(O) for the period that begins on January 1, 2011, and ends on September 30, 2011, the total allocation amount is \$720,000,000; and

“(P) for the period that begins on October 1, 2011, and ends on December 31, 2011, the total allocation amount is \$280,000,000.”; and

(2) in paragraph (3), in the matter preceding subparagraph (A), by striking “or (N)” and inserting “(N), or (P)”.

**SEC. 111. EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE (TMA).**

Sections 1902(e)(1)(B) and 1925(f) of the Social Security Act (42 U.S.C. 1396a(e)(1)(B), 1396r-6(f)) are each amended by striking “December 31, 2010” and inserting “December 31, 2011”.

**SEC. 112. SPECIAL DIABETES PROGRAMS.**

(1) **SPECIAL DIABETES PROGRAMS FOR TYPE 1 DIABETES.**—Section 330B(b)(2)(C) of the Public Health Service Act (42 U.S.C. 254c-2(b)(2)(C)) is amended by striking “2011” and inserting “2013”.

(2) **SPECIAL DIABETES PROGRAMS FOR INDIVIDUALS.**—Section 330C(c)(2)(C) of the Public Health Service Act (42 U.S.C. 254c-3(c)(2)(C)) is amended by striking “2011” and inserting “2013”.

**TITLE II—OTHER PROVISIONS****SEC. 201. CLARIFICATION OF EFFECTIVE DATE OF PART B SPECIAL ENROLLMENT PERIOD FOR DISABLED TRICARE BENEFICIARIES.**

Effective as if included in the enactment of Public Law 111-148, section 3110(a)(2) of such Act is amended to read as follows:

“(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall apply to elections made on and after the date of the enactment of this Act.”.

**SEC. 202. REPEAL OF DELAY OF RUG-IV.**

Effective as if included in the enactment of Public Law 111-148, section 10325 of such Act is repealed.

**SEC. 203. CLARIFICATION FOR AFFILIATED HOSPITALS FOR DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.**

Effective as if included in the enactment of section 5503(a) of Public Law 111-148, section 1886(h)(8) of the Social Security Act (42 U.S.C. 1395uu(h)(8)), as added by such section 5503(a), is amended by adding at the end the following new subparagraph:

“(I) **AFFILIATION.**—The provisions of this paragraph shall be applied to hospitals which are members of the same affiliated group (as defined by the Secretary under paragraph (4)(H)(ii)) and the reference resident level for each such hospital shall be the reference resident level with respect to the cost reporting period that results in the smallest difference between the reference resident level and the otherwise applicable resident limit.”.

**SEC. 204. CONTINUED INCLUSION OF ORPHAN DRUGS IN DEFINITION OF COVERED OUTPATIENT DRUGS WITH RESPECT TO CHILDREN'S HOSPITALS UNDER THE 340B DRUG DISCOUNT PROGRAM.**

(a) **DEFINITION OF COVERED OUTPATIENT DRUG.**—

(1) **AMENDMENT.**—Subsection (e) of section 340B of the Public Health Service Act (42 U.S.C. 256b) is amended by striking “covered entities described in subparagraph (M)” and inserting “covered entities described in subparagraph (M) (other than a children's hospital described in subparagraph (M))”.

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall take effect as if included in the enactment of section 2302 of the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(b) **TECHNICAL AMENDMENT.**—Subparagraph (B) of section 1927(a)(5) of the Social Security Act (42 U.S.C. 1396r-8(a)(5)) is amended by striking “and a children's hospital” and all that follows through the end of the subparagraph and inserting a period.

**SEC. 205. MEDICAID AND CHIP TECHNICAL CORRECTIONS.**

(a) **REPEAL OF EXCLUSION OF CERTAIN INDIVIDUALS AND ENTITIES FROM MEDICAID.**—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended by striking paragraph (78).

(b) **INCOME LEVEL FOR CERTAIN CHILDREN UNDER MEDICAID.**—Section 1902(l)(2)(C) of the Social Security Act (42 U.S.C. 1396a(l)(2)(C)) is amended by striking “133 percent” and inserting “100 percent (or, beginning January 1, 2014, 133 percent)”.

(c) **CALCULATION AND PUBLICATION OF PAYMENT ERROR RATE MEASUREMENT FOR CERTAIN YEARS.**—Section 601(b) of the Children's Health Insurance Program Reauthorization Act of 2009 (Public Law 111-3) is amended by adding at the end the following: “The Secretary is not required under this subsection to calculate or publish a national or a State-specific error rate for fiscal year 2009 or fiscal year 2010.”.

(d) **CORRECTIONS TO EXCEPTIONS TO EXCLUSION OF CHILDREN OF CERTAIN EMPLOYEES.**—Section 2110(b)(6) of the Social Security Act (42 U.S.C. 1397jj(b)(6)) is amended—

(1) in subparagraph (B)—

(A) by striking “PER PERSON” in the heading; and

(B) by striking “each employee” and inserting “employees”; and

(2) in subparagraph (C), by striking “, on a case-by-case basis,”.

(e) **ELECTRONIC HEALTH RECORDS.**—Effective as if included in the enactment of section 4201(a)(2) of the American Recovery and Rein-

vestment Act of 2009 (Public Law 111-5), section 1903(t) of the Social Security Act (42 U.S.C. 1396b(t)) is amended—

(1) in paragraph (3)(E), by striking “reduced by any payment that is made to such Medicaid provider from any other source (other than under this subsection or by a State or local government)” and inserting “reduced by the average payment the Secretary estimates will be made to such Medicaid providers (determined on a percentage or other basis for such classes or types of providers as the Secretary may specify) from other sources (other than under this subsection, or by the Federal government or a State or local government)”;

(2) in paragraph (6)(B), by inserting before the period the following: “and shall be determined to have met such responsibility to the extent that the payment to the Medicaid provider is not in excess of 85 percent of the net average allowable cost”.

(f) **CORRECTIONS OF DESIGNATIONS.**—

(1) Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)(10), in the matter following subparagraph (G), by striking “and” before “(XVI) the medical” and by striking “(XVI) if” and inserting “(XVII) if”;

(B) in subsection (a)(23), by striking “(ii)” and inserting “(kk)”;

(C) in subsection (a)(77), by striking “(ii)” and inserting “(kk)”;

(D) in subsection (ii)(2), as added by section 2303(a)(2) of Public Law 111-148, by striking “(XV)” and inserting “(XVI)”;

(E) by redesignating subsection (ii), as added by section 6401(b)(1)(B) of Public Law 111-148, as subsection (kk) and transferring such subsection so as to appear after subsection (jj) of that section.

(2) Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

(A) in subparagraph (D), as added by section 6401(c) of Public Law 111-148, by striking “(ii)” and inserting “(kk)”;

(B) by redesignating the subparagraph (N) of that section added by 2101(e) of Public Law 111-148 as subparagraph (O).

**SEC. 206. FUNDING FOR CLAIMS REPROCESSING.**

For purposes of carrying out the provisions of, and amendments made by, this Act that relate to title XVIII of the Social Security Act, and other provisions of, or relating to, such title that ensure appropriate payment of claims, there are appropriated to the Secretary of Health and Human Services for the Centers for Medicare & Medicaid Services Program Management Account, from amounts in the general fund of the Treasury not otherwise appropriated, \$200,000,000. Amounts appropriated under the preceding sentence shall be in addition to any other funds available for such purposes, shall remain available until expended, and shall not be used to implement changes to title XVIII of the Social Security Act made by Public Laws 111-148 and 111-152.

**SEC. 207. REVISION TO THE MEDICARE IMPROVEMENT FUND.**

Section 1898(b)(1)(B) of the Social Security Act (42 U.S.C. 1395iii(b)(1)(B)) is amended by striking “\$550,000,000” and inserting “\$275,000,000”.

**SEC. 208. LIMITATIONS ON AGGREGATE AMOUNT RECOVERED ON RECONCILIATION OF THE HEALTH INSURANCE TAX CREDIT AND THE ADVANCE OF THAT CREDIT.**

(a) **IN GENERAL.**—So much of section 36B(f)(2)(B) of the Internal Revenue Code of 1986 as precedes clause (ii) thereof is amended to read as follows:

“(B) **LIMITATION ON INCREASE.**—

“(i) **IN GENERAL.**—In the case of a taxpayer whose household income is less than 500 percent of the poverty line for the size of the family involved for the taxable year, the amount of the increase under subparagraph (A) shall in no event exceed the applicable dollar amount determined in accordance with the following table

(one-half of such amount in the case of a taxpayer whose tax is determined under section 1(c) for the taxable year):

<i>"If the household income (expressed as a percent of poverty line) is:</i>	<i>The applicable dollar amount is:</i>
<i>Less than 200% .....</i>	<i>\$600</i>
<i>At least 200% but less than 250% .....</i>	<i>\$1,000</i>
<i>At least 250% but less than 300% .....</i>	<i>\$1,500</i>
<i>At least 300% but less than 350% .....</i>	<i>\$2,000</i>
<i>At least 350% but less than 400% .....</i>	<i>\$2,500</i>
<i>At least 400% but less than 450% .....</i>	<i>\$3,000</i>
<i>At least 450% but less than 500% .....</i>	<i>\$3,500".</i>

(b) **CONFORMING AMENDMENT.**—Section 36B(f)(2)(B)(ii) of such Code is amended by inserting "in the table contained" after "each of the dollar amounts".

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

#### **SEC. 209. DETERMINATION OF BUDGETARY EFFECTS.**

(a) **IN GENERAL.**—The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation" for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

(b) **EMERGENCY DESIGNATION FOR CONGRESSIONAL ENFORCEMENT.**—In the House of Representatives, this Act, with the exception of section 101, is designated as an emergency for purposes of pay-as-you-go principles.

Amend the title so as to read: "An Act to extend certain expiring provisions of the Medicare and Medicaid programs, and for other purposes."

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

#### **TAX COMPROMISE**

Mr. ALEXANDER. Mr. President, I was glad I had a chance to hear the Senators from Colorado and Oklahoma. I congratulate the Senator from Colorado on his reelection and look forward to working with him. He mentioned the importance of working across party lines. One area where we have the chance to do that, and where he can make an especially significant contribution, is in the area of fixing No Child Left Behind, the Elementary and Secondary Education Act. He has a lot of experience, earned the hard way on the ground, in that area. He is on the relevant committees, and I look forward to working with him.

Second, I join the Senator from Colorado in support for the tax plan agreed upon by the President and the Democratic and Republican leaders.

I have noticed that over the last two days, a large number of the news stories are about who wins and who gets political points for this tax agreement. I think the story is: the American people win. The focus of this Congress should be how to make it easier and cheaper to create private sector jobs. Virtually every economist who has come before us, either called by Democratic Senators or Republican Senators, has said raising taxes on anybody in the middle of an economic downturn makes it harder to create private sector jobs.

This tax agreement, which would stop the automatic increase of taxes for tens of millions of Americans, makes it easier and cheaper to create private sector jobs. So does the provision to provide 100 percent expensing for businesses. What that means is, companies that buy equipment in the next year can immediately deduct those costs. There is also a provision giving working people in this country during the next year a reduction by about one-third in what they pay on the payroll tax. That will mean these workers have more money in their pockets and perhaps they will spend it and perhaps that will help the economy grow as well.

In addition, there is the provision to give some certainty to the estate tax. Some want zero tax, some want 100 percent tax. But this comes to a common, reasonable decision for 2 years. No one on the Republican side of the aisle is completely happy with this agreement. We want the tax rates permanently extended where they are today or at least to not let them get higher. We believe that short-term decisions about taxes don't create the kind of certainty that does the best job of helping to create private sector jobs.

We welcome the fact that the President of the United States has accepted this as a part of an agreement, and at the same time, he has gotten the priority that he put a high goal on, which was the extension of unemployment compensation. Republicans don't like to see that passed in a way that adds to the debt. So we have some Democrats who don't like everything in the bill and also some Republicans who don't.

We have something we have not seen very much of for the last two years. Instead of "we won the election, so we will write the bill," we have a different attitude: Let's sit down and talk and see what we can do for the good of the country. I think this will not only result in the tax bill being passed, I think it will result in it being accepted by the people of this country. I think it will help build confidence in our economic growth. I think it will help build confidence in the ability of our government to function and deal with big problems.

I congratulate the Democratic and Republican leaders of the Senate and the House and the President for bringing the agreement this far. We have a ways to go; it is not decided yet. But it is a good step in the right direction. Instead of scoring political points, for a change, I think we are trying to score some points for the American people. When they get their paychecks in the middle of January and see the lower withholding and when they find out the amount of taxes they are not going to have to pay in a tax increase, I think they are going to be grateful.

Today, I was thinking that a Tennessee small businessperson looking at next year might say: Well, they are not going to raise my taxes and take the money my company earned and give it

to the government. Maybe I will spend some of that money to hire somebody or spend some of that money for new equipment since they will let me deduct those costs. Maybe I will go ahead and do that this year instead of over the next 2, 3, 4, or 5 years. Maybe that will help my business grow, and maybe I will hire somebody new.

Maybe it will say to the people who work at that company: I am going to have a little more money in my pocket, I will go out and spend it, and maybe I will buy some of the goods made in other small businesses and the economy will grow.

There is no doubt this adds to the deficit, but there are two ways to reduce the deficit. One is to reduce spending, which we must do. We have an opportunity to deal with that, as the Senator from Oklahoma talked about. The other way is to create new revenues, and the way you do that is economic growth.

This bill will help make it easier and cheaper to create private sector jobs. That is economic growth. That helps reduce the deficit.

I congratulate Senator COBURN, who spoke before the Senator from Colorado. Senator COBURN, Senator CRAPO, Senator GREGG, Senator CONRAD, and Senator DURBIN, the majority whip, all voted for the debt commission report. That was a courageous act on behalf of all five of them. It is one thing to go around the country saying we need to reduce the debt; it is another thing to take on a wide-ranging proposal that actually does that because it is very painful. You can't just say we are going to get rid of earmarks, which don't save a penny. You can't just say we are going to focus on discretionary spending, other than that which affects defense, which is 15 percent of the budget. You have to deal with things such as national defense and Social Security, and you have to deal with Medicare and Medicaid.

It is true the debt commission report didn't do as much on entitlements as I would like it to do. I am proud of the members of the commission. They have given us a serious proposal and I intend to take it seriously. I intend to do my best to support as many of its provisions as possible, so we can take a step forward, not just in creating private sector jobs but in attacking our other major goal, which is reducing spending so we can reduce the debt.

#### **THE BAHAI FAITH AND ABUSE OF ITS LEADERS IN IRAN**

Mr. ALEXANDER. Mr. President, I have one other comment I would like to make while I am here. It involves the Baha'i faith and the abuse of its leaders in Iran.

I rise today to discuss an issue that some constituents of mine brought to