

and yet we're not doing a thing about it.

The President, in my opinion, Mr. Speaker, is being derelict in his responsibility in making sure that we're moving towards energy independence. They talk about windmills and solar and nuclear, and that's all great; but that's going to take a lot of time.

We have a tremendous amount of energy in this country. We can be energy independent within 10 years if we get on with it. We're too dependent on foreign energy. It's dangerous.

REPEALING THE 1099 PROVISION'S NEGATIVE ECONOMIC CON- SEQUENCES

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHMOND. Mr. Speaker, my Republican colleagues came down here yesterday, and will do so again today, like a well-rehearsed choir singing the same song: Repeal the 1099 provision, repeal the 1099 provision. They sang it in perfect harmony.

However, they conveniently left out two verses. One, last year 239 Democrats and only two Republicans voted to repeal it. Second, they will pay for the repeal by reaching into the pockets of working Americans and yanking out \$25 billion. That's just wrong.

So, Mr. Speaker, I remind my colleagues that their song has two additional verses. Just because they won't sing about their tax increase doesn't mean the American people won't feel it. I, too, want to repeal the 1099 provision, but this is not the way to pay for it.

Mr. Speaker I yield back because I will not be a co-conspirator to snatching \$25 billion out of the bank accounts of hardworking Americans.

REPUBLICANS' "NO-JOB AGENDA"

(Mr. ELLISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ELLISON. Mr. Speaker, we've now entered about the 55th day when the Republican majority has been in control of the House, and they've yet to introduce a single bill to create a single job for anyone anywhere.

The Republican majority has, however, introduced cuts to our national budget that will take away vital programs and cut jobs—cut jobs like cops and nurses and teachers and things like that.

The Republican majority doesn't seem to be interested in jobs, and their no-job agenda will not escape the view of the American people.

The American people sent us all here to make sure that we have a more perfect Union, that we have prosperity in our land. We don't have it because unemployment is just too high, and the Republican majority is not doing a thing about it.

It's time to get on with the business of creating jobs and get rid of the Republican no-job agenda.

□ 1020

NO JOBS BILLS

(Ms. EDWARDS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. EDWARDS. Mr. Speaker, well, here we are. It's 8 weeks into the 112th Congress and still not a single Republican proposal to create jobs and strengthen our economy. No jobs proposals and no jobs.

Instead, we have a series of reports stating really clearly that the Republicans' slash-and-burn budgets would eliminate jobs, hundreds of thousands of them, and send our economy spiraling back into recession. Even Goldman Sachs says that the Republican continuing resolution would depress economic growth by 2 percent and raise unemployment by 1 percent. Mark Zandi, the economist, notes that this slash-and-burn idea of spending would cost our country 700,000 jobs.

So here we are again, 8 weeks into the new leadership, and all we get is negative growth and job loss.

So, Mr. Speaker, where are my colleagues? They need to get serious about creating jobs, strengthening our economy, and ensuring long-term growth for our children and grandchildren.

I would urge us to get together, House Democrats, Senate Democrats, and Republicans, in a good-faith effort to pass a funding bill for the remainder of the year that really guarantees our future and creates jobs for our economy. The American people cannot afford to see our economy sliding backwards.

DON'T CUT NIH FUNDING

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, St. Jude Children's Research Hospital is located in Memphis, Tennessee. It is, according to U.S. News and World Report, the world's greatest children's and catastrophic illness research hospital.

The Republican budget that passed this House talks about a lot of issues, but it cuts \$2.5 billion from the President's requests for the National Institute of Health, \$2.5 billion less than the President recommends, and a \$1.6 billion cut from last year. For the children and the adults and everyone who has cancer and needs a cure, which they are finding with the help of the NIH and St. Jude and other research hospitals, that's a death sentence. People will die.

If there is a place the Republicans should not cut, Mr. Speaker, it's at NIH grants to find cures for cancer, for

Alzheimer's, for Parkinson's, for diabetes, for heart disease. I ask you for the living Americans to not cut grants to the National Institute of Health and let us have lives that go further than they otherwise would because of these crippling, catastrophic illnesses.

SMALL BUSINESS PAPERWORK MANDATE ELIMINATION ACT OF 2011

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 129, I call up the bill (H.R. 4) to repeal the expansion of information reporting requirements for payments of \$600 or more to corporations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. JOHNSON of Illinois). Pursuant to House Resolution 129, the amendment in the nature of a substitute consisting of the text of the amendment recommended by the Committee on House Ways and Means, printed in H.R. 705 is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 4

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011".

SEC. 2. REPEAL OF EXPANSION OF INFORMATION REPORTING REQUIREMENTS TO PAYMENTS MADE TO CORPORATIONS AND TO PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.

(a) APPLICATION TO CORPORATIONS.—Section 6041 of the Internal Revenue Code of 1986 is amended by striking subsections (i) and (j).

(b) PAYMENTS FOR PROPERTY AND OTHER GROSS PROCEEDS.—Subsection (a) of section 6041 of such Code is amended—

(1) by striking "amounts in consideration for property," and

(2) by striking "gross proceeds," both places it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after December 31, 2011.

SEC. 3. REPEAL OF EXPANSION OF INFORMATION REPORTING REQUIREMENTS FOR RENTAL PROPERTY EXPENSE PAYMENTS.

(a) IN GENERAL.—Section 6041 of the Internal Revenue Code of 1986 is amended by striking subsection (h).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2010.

SEC. 4. INCREASE IN AMOUNT OF OVERPAYMENT OF HEALTH CARE CREDIT WHICH IS SUBJECT TO RECAPTURE.

(a) IN GENERAL.—Clause (i) of section 36B(f)(2)(B) of the Internal Revenue Code of 1986 is amended to read as follows:

"(i) IN GENERAL.—In the case of a taxpayer whose household income is less than 400 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):

“If the household income (expressed as a percent of poverty line) is:

The applicable dollar amount is:

Less than 200%	\$600
At least 200% but less than 300%	\$1,500
At least 300% but less than 400%	\$2,500.”

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

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN) each will control 75 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 4.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Today the House considers H.R. 4, legislation repealing one of the job-killing tax increases enacted in the Democrats' health care law last year. This legislation provides a pathway to achieving a goal that is shared by Republicans and Democrats in the House and Senate alike, and by the Obama administration—repealing the form 1099 reporting requirements enacted last year.

Before I get into the details of H.R. 4, I would like to take a moment to recognize and commend my colleague and friend, Congressman DAN LUNGREN of California. He first brought this issue to light, and through his hard work we are here today to vote on a bill that has enjoyed strong bipartisan support.

We have been here talking about 1099s before. Some have even gone so far as to say there seems to have been 1,099 votes to repeal 1099s. While we have attempted in the past to repeal this misguided feature of last year's health overhaul, today we turn a corner and move H.R. 4 from the House to the Senate, so that it will hopefully soon be sent to the President for his signature. Only then will small businesses and families have certainty that they will not be buried under an avalanche of tax paperwork.

In 2010, as one of many ways to finance a trillion dollar health care law, tax information reporting rules were expanded. These new rules require businesses to issue a form 1099 for any payments to corporations rather than just individuals, and for any payments for property rather than just services or investment income that exceeds \$600 over the course of a year.

This previously little-known provision quickly became an item of great concern to small business employers across the country. The National Federation of Independent Business, whose 350,000 members support H.R. 4, said this newly enacted reporting requirement would have a direct negative impact on small business.

Also brought forward by Mr. TIBERI of Ohio in September of last year, a form 1099 reporting requirement was expanded again to help pay for the small business lending law. This expansion treats the recipient of rental income from real estate as engaging in the trade or business of renting property. Unless repealed, families and individuals will be forced to fill out paperwork if they do something as basic as replace a refrigerator in an apartment they rent out. The National Association of Realtors, which supports H.R. 4, called this provision not only another paperwork burden but a trap for all small landlords.

Mr. Speaker, neither of these provisions reflects the wishes or needs of the American people. The most important issue on their minds is jobs. Let me say it again: jobs, jobs, and jobs. But despite the call for policies that can create a better climate for job creation, Congress has enacted policies that make this harder.

H.R. 4 will accomplish three goals. First, the legislation repeals the expanded 1099 reporting requirements on small businesses. Second, it repeals the new 1099 reporting requirements for rental property.

□ 1030

Third, it protects taxpayers by recovering overpayments of taxpayer-funded government subsidies.

What that means, and I know we are going to hear a lot about it from the other side today, is that if this bill passes, anyone earning more than 400 percent of poverty, nearly \$95,000 for a family of four in 2014, and who is ineligible for the exchange subsidies under the 2010 health care law will be required to pay back all, not just some, of the improper payments. I would like to note that this is the same level Democrats used in the original law enacted last March.

For those earning less than 400 percent of poverty, the level of repayment of those overpayments is also increased. This is similar to the path taken by Democrats in December when they adjusted the repayment amounts as a way to finance the so-called “doc fix.”

Now, I noticed yesterday that there was a lot of huffing and puffing on the floor about alleged tax increases in H.R. 4. I want to be sure to clear up any confusion on this point.

The Joint Committee on Taxation says in its score that in addition to a \$20 billion spending cut, there is a \$5 billion increase in revenue to the government from this one provision. But that doesn't mean people are necessarily paying more in taxes. Now, how is that possible? Simple. According to the nonpartisan Joint Com-

mittee on Taxation, under the better enforcement rules of H.R. 4, some people won't go into the exchange to accept a taxpayer-funded subsidy because they would be required to pay a larger share or, in some cases, all of the subsidy back under H.R. 4. Paying back money you weren't entitled to is not a tax increase.

For example, under current law, a household making \$105,000 might think it's worth understating its income, or at least not updating their income information, in order to receive a \$12,000 exchange subsidy because they would only have to pay back \$3,000 if caught; but the household is less likely to do so under H.R. 4 because it would have to pay back the entire subsidy given there was no eligibility for the subsidy in the first place.

So let's be clear here. Voluntarily choosing not to enroll in government health care and thus foregoing the associated tax subsidies that one may not be eligible for might result in more government revenue, according to the Joint Committee on Taxation. But that is not a tax increase.

H.R. 4 is endorsed by more than 225 organizations, including the American Farm Bureau, the U.S. Chamber of Commerce, the American Osteopathic Association, and Americans for Tax Reform. Grover Norquist of ATR wrote he was especially pleased about the repeal of the 1099 provisions and the bill is “a net tax cut.” That's because despite the claims to the contrary, H.R. 4 reduces Federal spending by nearly \$20 billion over the next 10 years. It also reduces the deficit by \$166 million over that same time. That's probably why the bill is supported by Americans for Prosperity and the National Taxpayers Union as well.

Mr. Speaker, today we have the opportunity to come together and advance a bill that is a win for small business, a win for families, and a win for taxpayers across America. Cast a “yes” vote for H.R. 4 and give them that win.

SUPPORTERS OF 1099 REPEAL (AS OF 3/2/11)

[COMMITTEE ON WAYS AND MEANS]

Aeronautical Repair Station Association; Agricultural Retailers Association; Air Conditioning Contractors of America; Alabama Nursery & Landscape Association; Alliance for Affordable Services; Alliance of Independent Store Owners and Professionals; American Association for Laboratory Accreditation; American Bakers Association; American Bankers Association; American Beekeeping Federation; American Council of Engineering Companies; American Council of Independent Laboratories; American Farm Bureau Federation®; Americans for Prosperity; American Foundry Society; American Hotel & Lodging Association; American Institute of Architects; American Institute of Certified Public Accountants;

American Medical Association; American Mushroom Institute.

American Nursery & Landscape Association; American Osteopathic Association; American Petroleum Institute; American Physical Therapy Association; American Rental Association; American Road & Transportation Builders Association; American Sheep Industry Association; American Society of Association Executives; American Society of Interior Designers; American Soybean Association; American Subcontractors Association, Inc.; American Sugar Alliance; American Supply Association; American Veterinary Distributors Association; American Veterinary Medical Association; Americans for Tax Reform; AMT—The Association For Manufacturing Technology; Arizona Nursery Association; Assisted Living Federation of America; Associated Builders and Contractors.

Associated Equipment Distributors; Associated General Contractors of America; Associated Landscape Contractors of Colorado; Association of Free Community Papers; Association of Ship Brokers & Agents; Association of Small Business Development Centers; Automotive Aftermarket Industry Association; Automotive Recyclers Association; Bowling Proprietors Association of America; California Association of Nurseries and Garden Centers; California Landscape Contractors Association; Commercial Photographers International; Community Papers of Florida; Community Papers of Michigan; Community Papers of Ohio and West Virginia; Computing Technology Industry Association; Connecticut Nursery & Landscape Association; Council of Smaller Enterprises; Direct Selling Association; Door and Hardware Institute.

Electronic Security Association; Electronics Representatives Association (ERA); Farm Credit Council; Financial Services Institute, Inc.; Florida Nursery, Growers & Landscape Association; Free Community Papers of New York; Georgia Green Industry Association; Hampton Roads Technology Council; Healthcare Distribution Management Association; Hearth, Patio & Barbecue Association; Idaho Nursery & Landscape Association; Illinois Green Industry Association; Illinois Landscape Contractors Association (ILCA); Illinois Technology Association (ITA); Independent Community Bankers of America; Independent Electrical Contractors, Inc.; Independent Office Products & Furniture Dealers Association; Indiana Nursery and Landscape Association; Indoor Tanning Association; Industrial Supply Association.

Industry Council for Tangible Assets; International Association of Refrigerated Warehouses; International Foodservice Distributors Association; International Franchise Association; International Housewares Association; International Sleep Products Association; Kentucky Nursery and Landscape Association; Louisiana Nursery and Landscape Association; Maine Landscape and Nursery Association; Manufacturers' Agents Association for the Foodservice Industry; Manufacturers' Agents National Association; Manufacturing Jewelers and Suppliers of America; Maryland Nursery and Landscape Association; Massachusetts Nursery & Landscape Association, Inc.; Michigan Nursery and Landscape Association; Mid-Atlantic Community Papers Association; Midwest Free Community Papers; Minnesota Nursery & Landscape Association; Motor & Equipment Manufacturers Association; NAMM, National Association of Music Merchants.

National Apartment Association; National Association for Printing Leadership; National Association for the Self-Employed; National Association of Federal Credit

Unions; National Association of Home Builders; National Association of Manufacturers; National Association of Mortgage Brokers; National Association of Mutual Insurance Companies; National Association of Realtors®; National Association of RV Parks & Campgrounds; National Association of State Departments of Agriculture; National Association of Theatre Owners; National Association of Wheat Growers; National Association of Wholesaler-Distributors; National Barley Growers Association; National Cattlemen's Beef Association; National Chicken Council; National Christmas Tree Association; National Club Association; National Community Pharmacists Association.

National Corn Growers Association; National Cotton Council; National Council of Agricultural Employers; National Council of Farmer Cooperatives; National Electrical Contractors Association; National Electrical Manufacturers Representatives Association; National Federation of Independent Business; National Home Furnishings Association; National Lumber and Building Material Dealers Association; National Milk Producers Federation; National Multi Housing Council; National Newspaper Association; National Office Products Alliance; National Restaurant Association; National Retail Federation; National Roofing Contractors Association; National Small Business Association; National Small Business Network; National Sunflower Association; National Taxpayers Union.

National Tooling and Machining Association; National Utility Contractors Association; Nationwide Insurance Independent Contractors Association; Nebraska Nursery and Landscape Association; New Mexico Family Business Alliance; New Mexico Nursery & Landscape Association; New York State Nursery and Landscape Association; North American Die Casting Association; North Carolina Green Industry Council; North Carolina Nursery and Landscape Association; Northeastern Retail Lumber Association; Northwest Dairy Association; NPES The Association for Suppliers of Printing, Publishing & Converting Technologies; OFA—An Association of Floriculture Professionals; Office Furniture Dealers Alliance; Ohio Nursery and Landscape Association; Oregon Association of Nurseries; Oregon Nursery Association; Outdoor Power Equipment Institute; Pennsylvania Landscape and Nursery Association.

Pet Industry Distributors Association; Petroleum Marketers Association of America; Plumbing-Heating-Cooling Contractors Association; Precision Machined Products Association; Precision Metalforming Association; Printing Industries of America; Professional Golfers Association of America; Professional Landscape Network; Professional Photographers of America; Promotional Products Association International; Public Lands Council; S Corp Association; Safety Equipment Distributors Association; Saturation Mailers Coalition; SBE Council; Secondary Materials and Recycled Textiles Association; Self-Insurance Institute of America (SIIA); Service Station Dealers of America and Allied Trades; SIGMA, the Society for Independent Gasoline Marketers of America; Small Business Council of America.

Small Business Legislative Council; SMC Business Councils; Society of American Florists; Society of Independent Gasoline Marketers of America; Society of Sport & Event Photographers; South Carolina Nursery & Landscape Association; Southeastern Advertising Publishers Association; Southeast Dairy Farmers Association; Southeast Milk, Inc.; Specialty Equipment Market Association; Specialty Tools & Fasteners Distributors Association; SPI: The Plastics Industry Trade Association; Start Over! Coalition;

Stock Artists Alliance; TechQuest Pennsylvania; TechServe Alliance; Tennessee Nursery & Landscape Association; Texas Community Newspaper Association; Texas Nursery & Landscape Association; Textile Care Allied Trades Association.

Textile Rental Services Association of America; The National Grange of the Order of Patrons of Husbandry; Tire Industry Association; Toy Industry Association, Inc.; Turfgrass Producers International; U.S. Apple Association; U.S. Canola Association; U.S. Chamber of Commerce; United Egg Producers; United Fresh Produce Association; United Producers, Inc.; United States Dry Bean Council; USA Dry Pea & Lentil Council; USA Rice Federation; Utah Nursery & Landscape Association; Virginia Christmas Tree Growers Association; Virginia Green Industry Council; Virginia Nursery & Landscape Association; Virginia Technology Alliance; Washington State Nursery & Landscape Association; Western Growers Association; Western Peanut Growers Association; Western United Dairymen; Window and Door Manufacturers Association; Wisconsin Community Papers; Wood Machinery Manufacturers of America.

I reserve the balance of my time.

Mr. LEVIN. I yield myself as much time as I shall consume.

Let's be clear what the issue is today. The issue is not repeal of this provision, of 1099. We on this side not only favor repeal, but all of us who were here last session voted for it. We voted to repeal it. It failed because only two people on the minority, then minority side, voted for the bill. They didn't like the pay-for.

Mr. CAMP mentions the NFIB. They supported our effort last year to repeal 1099.

So, again, the issue is not repeal. We have made that clear in the past, while the effort to repeal was blocked on the Republican side last session. The reason they did not vote "yes," they said, was because they did not like the pay-for.

The pay-for closed tax loopholes, closed tax loopholes, and they stood up and said, no, we can't vote for the bill because of that. Ironically, most of the loopholes closed in that effort have now become law. So that effort last year to block repeal essentially was to block the loophole effort that has now become the law of this land. That should be clear. The issue is not repeal. The issue is how you pay for that repeal.

The Senate has now voted to repeal 1099 and apparently the now majority does not like the pay-for in the Senate bill.

What does this bill provide? Well, in very simple terms, in clear terms, in unmistakable terms, the pay-for is an increase on middle-income families. It increases how much they will have to pay to the IRS if their income increases over what was projected when they would have obtained health insurance.

Let me be very clear, the people were playing by the rules once the law became effective. It wasn't that they were ineligible. They were eligible, period. So no one should say they were not eligible, that somehow they misled,

that somehow they misrepresented. Now, these are middle-income families who would have become eligible playing by the rules.

So this is a tax increase, if this bill becomes effective, on middle-income families in future years. Mostly, it will be on families with incomes between \$80,000 and \$110,000. These are estimates.

It can well be that a small increase in income beyond what was anticipated can lead to an increase by as much as \$12,000. That's the amount that could be required in a check from the taxpayer to the IRS, and Joint Tax projects that the average increase will be about \$3,000.

Well, it's been said, it was said in our committee and then before the Rules Committee yesterday, that it's not a tax increase. So let me be clear by reading the language that's in the bill:

If the advance payments to a taxpayer exceed the credit allowed by this section, the tax imposed by this chapter for the taxable year shall be increased.

It is in clear simple English. So let no one stand up here and say it's not a tax increase when it is.

Let me also, if I might, read from the Statement of Administration Policy that was issued yesterday.

"Specifically, H.R. 4 would result in tax increases on certain middle class families that incur unexpected tax liabilities, in many cases totaling thousands of dollars, notwithstanding that they followed the rules."

I want to read it again.

"Specifically, H.R. 4 would result in tax increases on certain middle class families that incur unexpected tax liabilities, in many cases totaling thousands of dollars, notwithstanding that they followed the rules."

Now, it was said yesterday at the Rules Committee that this is not a tax increase because it would become effective at a later date, 2014, when the subsidies under the health reform bill become effective.

□ 1040

Well, if you use that logic, we could, this year, increase taxes for everybody by, say, 5 percent, and that would not be a tax increase because it would be for a later year.

In a word, if this bill would become law, it would mean a tax increase for hundreds of thousands of middle income taxpayers.

Also, according to Joint Tax, it would have this effect, that about 266,000 people would not be covered with health insurance because of the provisions in this bill.

So, in a few words, what this bill would do would be to saddle middle income taxpayers in future years, pure and simple. What we should do is to go back and find a responsible way to pay for the repeal of 1099.

And I close by the following paragraph from the Statement of Administration Policy, "The administration

looks forward to continuing to work with the Congress on the repeal of the information reporting requirements in the course of the legislative process, including finding an acceptable offset for the cost of the repeal."

What this bill would do would be to provide an unacceptable offset, one that would burden hundreds of thousands of middle income taxpayers in our country. We should not do that, period.

I reserve the balance of my time.

Mr. CAMP. I yield 2 minutes to the gentlewoman from Washington State (Mrs. McMORRIS RODGERS).

Mrs. McMORRIS RODGERS. Thank you, Mr. Chairman.

I rise in strong support of H.R. 4, the Small Business Paperwork Reduction Mandate Elimination Act of 2011. There's not a single issue that I hear more about from Washington State businesses than the 1099 requirement that made its way into last year's health care law. Not only is this provision an administrative nightmare for employers, it has the potential to devastate small businesses. In fact, NFIB estimates that the average business will have to submit at least 95 forms under the new requirement, a costly increase from the current handful that's required today.

Even tax consultants have said this 1099 is more onerous than any tax that the IRS could collect from small businesses. At a time when our economy is struggling, jobs are scarce and unemployment continues to hover near 10 percent, the last thing we should do is make it more difficult on our employers, particularly the small businesses that make up the backbone of our economy and create most of the jobs in America.

The 1099 is just one in a number of policies that have created a climate of fear and uncertainty for the private sector. Businesses don't know what regulatory hurdles they will have to jump through or the increased costs they will incur in the short or long term. We need to give them certainty. We need to have them start expanding and grow their businesses again. And a first good step is the repeal of the 1099 requirement.

I urge support.

Mr. LEVIN. I yield such time as he may consume to someone who has been leading the effort to repeal 1099 in a responsible way for the middle-income families of America, the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I thank the gentleman from Michigan (Mr. LEVIN) for yielding me this time.

Mr. Speaker, I rise in strong opposition to this bill not because I oppose the repealing of the 1099 reporting requirements. I do. I have a record of supporting 1099 repeal and relieving America's small businesses from onerous paperwork and onerous regulations. What I'm opposed to is paying for this small business tax bill by increasing taxes on working middle class

Americans. And that is exactly what this legislation will do.

Let's not kid ourselves. Democrats offered a different path. Last July, we put forward legislation to repeal the 1099 reporting requirements, and we paid for it by eliminating loopholes in the Tax Code that reward those exporting U.S. jobs overseas. And, the Senate has offered an alternative path as well. Last month, they overwhelmingly passed a bipartisan repeal of the 1099 reporting requirement, which did not include a tax increase on middle class workers.

But my Republican colleagues in the majority here in the House, who have continually preached lower taxes, less regulation and fiscal discipline, have refused either of these alternative approaches. Instead, my Republican colleagues are forcing a vote today on H.R. 4, a measure that will impose a \$25 billion new tax on middle class families. Yes, you heard that right. It is only 59 days since my Republican colleagues have assumed majority control of the House of Representatives, and they're already breaking their campaign pledge of no new taxes, a pledge that 234 of 241 sitting Republican Members of the House signed.

And, no, Republicans are not taxing the wealthiest 1 percent to pay for this small business relief bill. They are raising taxes on middle class workers, like firefighters, police officers, nurses and teachers, the very American families who work day in and day out to make their financial ends meet, the very American families under attack today in Wisconsin, in Indiana, in Ohio, and across the Midwest.

Now, the Republicans will not admit that embedded in H.R. 4 is a tax increase on the middle class. But the facts are the facts. The Joint Committee on Taxation says the Republican bill is a tax increase, citing how it will raise \$25 billion in new revenue. That is congressional-speak for a tax increase. Even Grover Norquist, the author of the "Taxpayer Protection Pledge," has said, "Americans for Tax Reform has always followed Committee on Joint Taxation methodology."

Yet, still my Republican friends deny and deny and deny. But, my friends, read my lips—Republicans are raising taxes. Just look at the contents of the bill. Under the Democratic health reform law, an American family of four earning \$88,000 a year is obligated to pay no more than 9.5 percent of their income on health care premium costs. In this example, that is \$8,360 that comes out of their pocket on a typical family policy valued at \$13,000. So the family would pay, out of their pocket, \$8,360 in annual premiums for their health care coverage, and the Federal Government would provide a tax credit—not a subsidy, not a subsidy, a tax credit—valued at \$4,640 to cover the rest. These are not subsidies, but tax credits to working people. They work exactly like the child tax credit or the tax credit to make college more affordable.

How many of all of our constituents use those tax credits? Do they believe it is welfare, a form of welfare? I don't think so. They understand the difference between a subsidy and a tax credit. These are not subsidies for the middle class. They are tax credits for the middle class. These are tax relief measures for the middle class.

The Affordable Care Act also ensures that the Federal funding going towards a family's health premium is paid directly to the insurance carrier, to the insurance company, not to the family. In short, the family receiving this tax credit will never, ever personally touch that money, not a single dime do they feel. It never transfers through them.

□ 1050

However, under the Republican bill, H.R. 4, if that very same family that earns \$88,000, the breadwinner of the family is called into the boss's office and the boss says: You know what, you're on your track to management. You're doing such a great job, we're going to give you a \$250 bonus. Take the family out to dinner. It's the holiday season.

And you're overjoyed. You go back to your family and say, I am management material. I got a \$250 bonus. I'm taking everybody out to dinner tonight.

Well, here's the rub: you would go from the 398 percentile of the Federal poverty level to the 401 percentile of the poverty level. When that happens, you would then owe the Federal Government for that \$250. In April of the next year the Federal Government would say: Not so fast, you owe us \$4,640 to make up for your having accessed those tax credits.

That's right, they would have to pay back every single dime that went directly to that health insurer, to that health insurance company when a dime never crossed their fingers. Not a single dime crossed their fingers.

Say it ain't so, Joe—that's what families back home in my district are saying. But I can't; it's true. Republicans are raising taxes.

The 1099 provisions should be repealed. I agree with that, but not on the backs of middle class workers and middle class Americans.

Mr. CAMP. I yield myself such time as I may consume.

I would just like to say that the example the gentleman from New York cited, that if the family or individual honestly reported their income without this change that we are proposing today, they would still have to repay the entire amount of the subsidy to the government.

I submit for the RECORD a letter from Americans for Tax Reform that says this legislation is not a tax increase and is not a violation of the taxpayer protection pledge.

N.B. The following letter applies in full to House consideration of H.R. 4, "The Small Business Paperwork Mandate Elimination Act of 2011."—RLE, 03-02-2011

AMERICANS FOR TAX REFORM,
Washington, DC, February 24, 2011.

Hon. DAVE CAMP,
House of Representatives, Committee on Ways
and Means, Washington, DC.

DEAR CHAIRMAN CAMP: I write today to reiterate the support of Americans for Tax Reform for H.R. 705, the "Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011." I also wish to clarify that H.R. 705 is a net tax cut, and is therefore not a violation of the Taxpayer Protection Pledge.

Two bills in the last Congress (one of which was Obamacare) greatly increased "1099-MISC" information reporting for small employers, and introduced this reporting for the first time to families renting out real property. These requirements are unnecessary, onerous, and would lead to major compliance issues—as the IRS itself admits. H.R. 705 repeals these two provisions, which is a victory for taxpayers.

The official score of H.R. 705 from the Joint Committee on Taxation (JCX-14-11) shows that this bill is a net tax cut. By repealing the 1099-MISC provisions, taxes are cut by a gross amount of \$24.7 billion from 2011-2021. By requiring erroneously-obtained Obamacare exchange credit advances to be paid back by more recipients, JCT scores a dual effect from the bill. Gross taxes would increase by \$5 billion, and spending ("outlay effects," as shown in footnote 2) would be reduced by \$19.9 billion.

Thus, the gross tax cut effects of repealing the 1099-MISC reporting requirements are "paid for" by a small gross tax increase and a large spending cut. Overall, the bill is a net tax cut of \$19.7 billion from 2011-2021.

Because no bill which is a net tax cut can possibly be in violation of the Taxpayer Protection Pledge, the latter simply does not apply in this matter. Americans for Tax Reform has always followed JCT scoring methodology in this area, including when JCT disaggregates between spending and revenue effects of tax legislation. Spending cuts should never be confused with tax increases, and JCT does a good job pointing out when spending policy is present in tax bills. Those trying to call this bill a net tax hike are simply seeking to mislead the public, or cannot accurately read a JCT score.

I encourage all Members of Congress to support this tax cut/spending cut bill when it is considered by the full House.

Sincerely,

GROVER G. NORQUIST.

I yield 2 minutes to the gentleman from California (Mr. HERGER), a member of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, I rise in strong support of H.R. 4.

Coming from a small business background myself, I know personally the paperwork burden of misguided government regulations imposed on our Nation's entrepreneurs and job creators. If the expanded 1099 reporting requirement in the Democrats' health care law takes effect, it will be one of the most far-reaching and burdensome unfunded mandates ever created. Small businesses will be required to fill out hundreds, or even thousands, of these forms every year. Yet the revenue supposedly raised by this reporting amounts to less than 1 percent of the estimated annual tax gap.

This 1099 rule is devastating to small businesses, and it must be repealed now. H.R. 4 addresses the budgetary costs of repealing the 1099 requirement

by cutting wasteful government spending. The Democrats' health law provides subsidies for low-income people to buy health insurance; but if their income goes up and they don't need help any more, they still get to keep a large portion of the subsidy. Getting rid of excess subsidies is not a tax increase. It's simply being responsible with the taxpayers' money.

Mr. Speaker, the American people have told us they want two things: more jobs and less spending. The bill before us advances both of these goals, and it deserves the support of every Member of this House.

Mr. LEVIN. I yield myself such time as I may consume.

There has been a reference here to taxpayers who did not honestly report their income. I must say that's an egregious misstatement. The way this works, or will work, is people will report their income honestly, and they do so based on their taxable income of a particular year.

The problem with this bill is if the income often unexpectedly goes up in a subsequent year, how much will the taxpayer be required to pay to the IRS. That's what the issue is. And as Mr. CROWLEY said, there are other programs where people report their income. They report it honestly, and then there is a change and the question is whether they should have to later pay some income tax to the IRS and, if so, how much.

What this bill does in its present form is to recreate a "cliff" which we smoothed out in previous legislation, and the cliff is 400 percent of poverty. And if unexpectedly you go over that amount in a subsequent year, essentially what this provision would say is that the middle-income taxpayer would have to pay far, far more in taxes in that subsequent year. And the burden would essentially be on middle-income taxpayers. That's undeniable. It would be on income from people who are honest, who are middle-income taxpayers.

So I hope no one will use the term "ineligible" or use the term "dishonest." That's selling short the people of this country, the middle-income taxpayers.

And, indeed, the effort of 1099 was to make sure that smaller businesses and others reported accurately their income. That was its purpose. Now, it is clear that the way it was devised created all kinds of problems in terms of management of the small business, and so we moved to repeal it. But it is ironic that if essentially 1099 is now used by repealing it, when the effort was to have people honestly report their income, it would essentially penalize people, middle-income taxpayers, who honestly reported their income and became eligible for a tax credit.

Let me just in that respect read from Families USA: "Unfortunately, H.R. 4 proposes paying for the repeal of the 1099 reporting requirement with a provision that would disproportionately harm middle class Americans. The Affordable Care Act protects individuals

and families who run the risk of having income that may bump them up over the eligibility limits for premium credits by capping the tax penalty they will owe if the monthly premium credit received during the year exceeds the amount of credit due based on unexpected changes in income or family status. This legislation would eliminate the safe harbor for middle-income families and would increase the cap for lower-income families by \$500."

And it closes, and again I'm quoting: "Although we recognize that Congress needs to repeal the 1099 reporting requirement so that it is no longer a distraction from the way the Affordable Care Act benefits millions of small businesses, funds intended to help America's middle class families should not be used as a piggy bank to mend this legislative problem. We urge you to find an alternative and more responsible offset for this legislation that does not increase taxes on America's hardworking middle class families."

Undeniably, that is what this legislation would do. It is middle class families who honestly reported their income, period.

□ 1100

There is a fraud provision in the act, which is a very stringent one, that covers the case of anybody who is dishonest; but what you're doing is penalizing middle-income families who were honest, honest, honest.

I yield such time as he may consume to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Thank you, Mr. LEVIN.

I am a bit disturbed as well about the description of the individuals we're talking about here, as though everyone is trying to scam the system.

I would just point out, in the bill H.R. 4994, which had bipartisan support last year—with every Republican but one—we passed it to eliminate the cliff and to eliminate the possibility of a massive increase in taxes on the middle class. So we have already addressed this. What your bill today will do is put that back in place.

I would just ask my colleague Mr. CAMP:

What is it about the example I gave that's wrong? What is it about the example of a family of four, earning \$88,000 a year? Based on their prior income taxes, they're eligible for the tax credits in the next year, assuming as they do, because they live a pretty dull life, a pretty hard life, trying to maintain their home, get their kids a quality education. Probably, at this point, maybe one of their kids is in college already; and by the way, they're probably accessing the Child Tax Credit, so they're used to taking tax credits.

Now this is one other additional tax credit that they can avail themselves of—to do what? Not to get the \$4,460 and take it and go out and buy a car, not to get the \$4,460 to go on vacation or to scam somehow—but to buy what?

Health care insurance for their families, health care insurance, which is something we all would want to provide for our families.

What is it about this example? When they get the \$250 bonus and they get pushed into the 400 percentile of poverty, that they now have to pay back their \$4,460, what is it about my statement that's wrong? I haven't heard yet—because it's not wrong, because that family would be exposed to a massive tax increase, one that they cannot afford.

So don't describe these people as dishonest. Don't describe the middle class worker as trying to scam the system. Not everyone tries to do that. By the way, you might find that in the lowest poverty level, and I would dare say the top 1 percent try to scam the system, I would probably think, all the time. So let's not disparage anymore the middle class that we already have by presenting this bill this morning.

Mr. CAMP. I yield 2½ minutes to a distinguished member from the Ways and Means Committee, the gentleman from Kentucky (Mr. DAVIS).

Mr. DAVIS of Kentucky. Mr. Speaker, I would just like to point out the louder one yells and the more one says it, as I told my children when they were little, doesn't make it true or correct.

I think that we need to get down to the facts in this matter. Saying that paying back an overpayment is a tax increase is dissembling at best. It is the return of money that was not entitled by a particular individual.

Democrats were for this before they were against it. To say it's a tax increase is simply wrong. Democrats created this mess. Democrats made the IRS, of all organizations, the arbiter of health care. I mean I think we need to get down to the truth here and not make the mistake of—since we're incurring issues of values and honor and faith here, Isaiah the prophet made the comment that beware of those who call good "evil" and evil "good" or sweet "sour" or sour "sweet." There is a consequence that comes with that, and the American people are entitled to the truth.

Democrats increase taxes. Democrats increase costs. Democrats increase complexity of government. My friends on the other side of the aisle, frankly, misrepresented the facts of this bill at best or are completely ignorant of the process they set in motion unilaterally. Indeed, to call this a tax increase reminds me of the health care debate last year when we were told we just had to read the bill to find out what was in it.

I don't think you read the bill under any circumstances.

Mr. Speaker, I rise today in support of this Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011. I want to read some correspondence from the middle class families in my district who think this is the right

thing to do, who believe that people aren't entitled to something that they earned under law and that people who get paid something don't believe it should be paid back.

My citizens and my constituents: Greg from Independence, Kentucky, wrote: "We don't need this new 1099 requirement for small business. Get out of the way so we can prosper." That means creating taxpayers, not raising taxes.

Eric from Cynthiana told me: "Small businesses are already being crushed by overreaching government mandates and undue burdens. I'm personally sick of this foolishness."

Joann from DeMossville wrote in to tell me how she would personally be affected. She stated: "My husband is a sole proprietorship, and I currently complete and submit 1099s for his subcontractors. So, if we spend \$600 at Home Depot, I now need to send them a 1099? Sounds like a good use of my time and IRS resources."

Tom in Burlington may have summed up the requirement the best when he simply called it "a nightmare for business."

Mr. Speaker, we need small businesses to focus on what they do best—to innovate, grow and hire. This reporting requirement needs to be removed now. It's burdensome, and it's going to drive up costs and cost us jobs. If allowed to go into effect, it will slow job growth and will lead to higher prices for consumers. Let our job creators create jobs and focus on that.

I urge support for H.R. 4.

Mr. LEVIN. I yield such time as he may consume to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I thank the gentleman for yielding to me.

I wonder if my friend from Kentucky heard from his middle class taxpayers. I know he's heard from the small business owners. We've all heard from them. But has he heard from the middle class? When they get imposed this tax upon them, have they said, "Don't put this tax on me"? No, because, quite frankly, they don't know what's happening. They wouldn't dream that you would do this to them. They wouldn't dream that somehow you might possibly inflict and impose upon them a \$4,460 tax.

If your constituents earning \$88,000 go over by one penny—one cent—over the 400 percentile of poverty—one penny—they have to pay back \$4,460, which they never ever physically touched, which they never received. It went to the insurance company. The insurance companies get taken care of. They get their money. They're fine. By one penny over the Federal poverty level, your middle class families have to pay back \$4,460. Does that sound fair to you?

Now, maybe for one penny over, they have to give a little something back. Maybe for every dollar over, they'll have to give a little something back. But to pay back \$4,460 so they can provide their families with health care? I'd

say to the boss, Do me a favor, don't give me the penny bonus. Don't give me the \$250 bonus. Don't reward hard work. Don't reward me for doing good work because if you give me the bonus I'm going to have to pay \$4,460.

Does that make any sense to you?

What about making pay work? What about asking Americans to do their jobs, to do them well; and if you do it well, you'll get a bonus, and you'll get ahead, and your families will be taken care of?

Under this bill, this is a nightmare for the middle class families—a nightmare—because they're not going to be able to pay that. It totally subverts the intention of what we tried to do in the first place, and that is to provide health care to the middle class.

Mr. CAMP. I yield myself such time as I may consume.

I appreciate that language: to get back to what they tried to do in the first place. Let's look at what they did in the first place.

Their bill, their original bill, said anyone who earned more than 400 percent of poverty—that's \$93,800 for a family of four—would be required to repay the entire amount of the exchange subsidy. That is exactly what this bill does. This bill does what the original health care legislation did. Then they raised it, and said, well, if you made up to \$117,000 for a family of four, you had to repay the entire subsidy. They had a cliff in their bill, and there is a cliff now. What we are saying is we need to see that the American taxpayer is protected.

With that, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Texas (Mr. BRADY).

□ 1110

Mr. BRADY of Texas. Mr. Speaker, I want to follow on with what Chairman CAMP made such an important point of here. This new national takeover of health care is just a mess in so many ways. Two of them we highlight today. One, our Democratic friends heaped a huge new pay-for burden on our small businesses that none of them frankly can comply with. And then they create a loophole where some people in America can get taxpayer subsidies even if they don't qualify for them.

So let's be clear. Today we are fixing two huge Democratic messes that they made, and we're going to fix them because our small businesses can't take more of this burden. Many of them are barely hanging on as it is today. Secondly, with these huge deficits, we can't afford more fraud and abuse in our government system. So we apply a pretty simple principle: if you get Federal money you don't qualify for, you're going to have to repay it. Not everyone. If you're moderate income or below, we understand you don't have that money. But if you're making higher than the national average, if you're making \$70,000, \$80,000, \$90,000 a year and you got a subsidy from some other

family that you don't deserve, you're going to have to give it back.

That's what this bill does. It takes a huge burden off our small businesses they never should have had but our Democrat friends put on them, and then we're going to ask people to repay money they should never have got that our Democrat friends allowed them to get. This actually is a bipartisan bill. At the end of the day, watch the vote. You'll see so many people in this Congress saying it's time to fix this. We're going to fix this mess today.

Mr. LEVIN. Mr. Speaker, before I yield to the gentleman from Wisconsin, I just want to say three quick things.

It is such a misstatement for someone to come here and say "even if they did not qualify." That is not correct. They qualified. So don't come here and say they didn't qualify. Essentially what you're saying is middle income taxpayers came and defrauded when the truth is they told the truth. And indeed there's a provision relating to fraud if someone were guilty of that. It allows for full repayment in cases of fraud, and there's a provision that imposes a civil penalty up to \$25,000.

The last thing before I yield, I want to make clear, last December, we fixed, Mr. CAMP, the cliff. You voted for it. It was 409-2. I don't think you were one of the "2." This resurrects the cliff, purely and simply, and catches hundreds of thousands of taxpayers in the future, middle income taxpayers.

I now yield 5 minutes to the distinguished gentleman from Wisconsin (Mr. KIND), an active member of our committee.

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. I thank the gentleman for yielding.

Mr. Speaker, I'm sure my good friend and colleague, the previous speaker from Texas, also realizes that this money that they will owe on this hidden tax is something they never see to begin with. This is a tax credit that goes directly to the private health insurance companies. And this bill would be better titled the Republican Tax Trap of 2014, 2015, 2016, and on and on and on, because that's exactly what's going to happen. There's this hidden tax trap that's going to affect hundreds of thousands of working class, middle class families through no fault of their own.

I think my colleague and friend from New York explained very succinctly what would happen here with the cliff. If you're at 400 percent poverty level, a family of four at roughly \$88,000 a year, and you receive a little bit of extra income, you receive a little bit of a bonus that might put you just over the edge, you're going to be hit with a \$4,600 tax liability at the end of the year. Now they're not going to be in a position to deal with that. So either they're going to have to find a way to come up with the money to pay the Republican tax that they didn't expect, or it's going to

discourage work and they're not going to try to earn as much income because they don't want to go over that 400 percent level, or they're not going to participate in a health insurance exchange to begin with. We've got a score on that as well: that over 266,000 families will choose not to participate in a health insurance exchange for fear of this hidden Republican tax trap that we have before us today.

And what's ironic about this is this insurance exchange that's part of the Affordable Care Act is a bill that I and others have worked on for years in a bipartisan fashion, called the SHOP Act. Republicans were in favor of creating these health insurance exchanges, coupled with tax credits, so that small businesses, family farmers, individuals, finally had a place where they could go and shop for affordable health care coverage with competing private health plans finally competing for their business for a change, so that they had the same type of leverage that large corporations do. This has been proven in models and pilot projects throughout the Nation that have shown how effective these health insurance exchanges work.

What they're doing now with this legislation, with the offset that they're proposing, hitting the middle class, is doing things to undermine, once again, the health insurance exchanges and the ability for small businesses and individuals to go out and obtain affordable coverage. That's unfortunate, but it's consistent with the zeal on the other side of doing everything they can to undermine the Affordable Care Act, regardless of who it hurts, regardless of the additional tax burden.

As my friend from Michigan indicated, we fixed this problem last December in a bipartisan fashion, so instead of creating a cliff, which was a mistake in the original bill, there would be a gradual phaseout of these tax credits; so it wouldn't be a hidden tax trap as my Republican colleagues are calling for today.

But at some point we're going to have to come to grips that a lot of what's in the Affordable Care Act is necessary and long overdue, not least of which, and I think this is going to be the key to health care reform and its final verdict, is the ability for us to change the way we pay for health care in this country, changing the fee for service that exists in Medicare today to a fee for value or a quality-based reimbursement system. We can start by doing that with Medicare, and the tools are in place under health care reform to do that. This will extend then to the private health insurance industry.

This, too, is a bipartisan issue. Newt Gingrich has been talking about it; Dr. Bill Frist; Tommy Thompson, my former Governor and former Secretary of HHS, has been talking about changing the reimbursement system in health care so we reward value and quality and outcome of care as opposed to the volume-based payments which is

literally bankrupting our Nation today. Health care costs are the largest and fastest growing expense that we have at all levels, Federal, State and local level, and for businesses and families alike. It's one of the reasons why I've got folks in Wisconsin at each other's throats right now talking about public employee benefits, and the biggest cost driver in State budgets today are rising health care costs.

So why not embrace the reforms that we have in health care reform that will lead us to a value-based reimbursement system, which many people on a bipartisan basis have been talking about for years. We were finally able to get those tools in place under the Affordable Care Act. We just can't do it overnight. You don't change the way you pay for one-fifth of the entire U.S. economy overnight.

We've got accountable care organizations, medical homes, bundling programs to incent value-based payments. But we also have the National Academy of Sciences, the Institute of Medicine, doing a 2-year study right now to change the fee for service under Medicare to a fee for value system and they will present an actionable plan to the administration to implement it, which gives us, I think, the best hope of changing the outdated and perverse incentive system that we have in the delivery of health care today. It's leading to overutilization in health care. And studies have shown that close to one out of every three health care dollars, or about \$800 billion a year, are going to tests and procedures that don't work.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman 2 additional minutes.

Mr. KIND. One out of every three health care dollars, or \$800 billion we're spending a year that we're not getting a good bang for the buck. It's going to tests and procedures that don't work. And because of the overutilization and the overtreatment that some patients are receiving, they're being left worse off, rather than better off.

That's going to be the game-changer when it comes to true fiscal responsibility in this place. It's something that everyone's been ducking. For the last couple of weeks we've been talking about this continuing resolution that only deals with 12 percent of the Federal pie. Unfortunately it goes after the most vulnerable people in our society, especially our kids' education. Yet we all know where the big money lies. It's in the health care programs, Medicare and Medicaid. It's in defense spending. If we don't get serious in turning the cost curve around when it comes to health care, then we're just fooling ourselves with everything else that we're doing with the budget.

We've addressed that in the Affordable Care Act with programs that are set up now and payment reform that is moving forward to change how we pay for health care so we can improve the

quality of care for all Americans but at a much better bang for the buck for the American taxpayer. That's what we should be coming together on, rather than discouraging people from participating in an exchange which will create true competition with these private insurance companies, which again is long overdue, and instead of offering this legislation today that sets up this Republican tax trap for middle class working families who will be surprised at the end of the year because they put in a little bit more time and they earned a little bit more income or they got that last-minute bonus from their employees, and then suddenly they realize, oh, my God, we're going to owe \$4,600 because of what they're doing here today.

□ 1120

It's outrageous. It's unfair. There are better offsets.

And here's an idea. The retired CEO of Chevron just this past week said: Hey, when oil is above 70 bucks a barrel, let's stop the subsidies, let's stop the tax breaks.

This is a retired CEO of a major oil-producing company that's saying that this is nonsense that we're still wasting so much money, around 50 billion dollars per year by subsidizing Big Oil when oil is above 70 bucks a barrel. Today, it's over \$100 a barrel. That would be a more appropriate offset.

I'm going to hand off to my friend from Oregon to pick it up at that point.

Mr. CAMP. Mr. Speaker, I yield 4 minutes to the distinguished chairman of the House Administration Committee, the gentleman from California (Mr. DANIEL E. LUNGREN).

Mr. DANIEL E. LUNGREN of California. I thank the gentleman for yielding the time.

My name happens to appear on this bill as the original author of this bill, H.R. 4. I remember when I introduced this last April, Members on that side of the aisle were told by their leadership don't dare go on this bill to repeal this necessary provision of the Affordable Care Act.

By the way, if it is truly an affordable care act, why has Secretary Sebelius granted over 700 waivers to companies and unions? Because it's not affordable. Why has virtually every member of my constituency who has health insurance had an increase in their premiums as a direct result of the "Affordable Care Act"? Just a passing question because I'm asked that all the time by my constituents.

Why did I introduce this? Because provision 9006 of the bill has nothing to do with affordable care and has everything to do with the capacity of our friends on the other side to find ingenious ways of impacting business because I guess business is considered bad. Well, I've got an answer for you today to the question of who creates jobs. This is who creates jobs: small business. And this particular section of

your so-called Affordable Care Act kills business, kills small business. What does it do? It is based on the assumption that everybody cheats. Why? Because the 1099 form is usually utilized for the purpose of making sure you carry out your obligation to pay payroll tax.

But what did we do in the so-called Affordable Care Act? We increased the reach of 1099s so that when you have no obligation to pay anything, you have to report on the person on the other side of the business transaction; so that they, supposedly, are cheating, and therefore we have what's known as the universal snitch act.

The idea that it's going to gain \$19 billion, in my judgment, is created out of whole cloth. You have to assume that almost everybody cheats to get your \$19 billion.

And here's the game here in Washington, D.C.: We create a new obligation on business that's never existed before. We then secretly put it in a bill—virtually no one on this floor knew it was in the bill—and then we score it for gaining \$19 billion to the Treasury. And if I dare come to this floor to repeal it, I'm obligated to come up with \$19 billion in new taxes or some sort of a spending cut?

The American people ought to understand the game that's played. In secret, we pass something like this, which has an unbelievably pernicious effect on business. Now, how does it have such an effect? It requires every single person involved in business or trade to go into accounting to make sure that every time they reach that threshold of \$600 or more with anybody they purchase something from they have to file a 1099.

Here's what someone in my district just emailed me, a small business person, a woman:

"I have 15 employees. As owner, I am the HR department, the bookkeeping department, the administration department, and still serve my customers while surviving this economic climate. It will be a tremendous burden, both in time and dollars, to send out 1099s to all my vendors—appliance manufacturers, parts distributors, other suppliers, utility companies."

It is a job-killer provision. We brought this H.R. 4 to the floor to get rid of a job-killer provision.

The other reason why it is a double-edged sword on small business is, if you want to minimize the number of 1099s that you file, you will not go to your local hardware store. You will not go to your local restaurant. You will go to the big box store. You will go to the chain restaurant. And we are killing small business on this floor.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 30 seconds.

Mr. DANIEL E. LUNGREN of California. So I understand the sincerity of the other side of the aisle, of those who are concerned about the middle class.

Who do you think small business is? This is the middle class in my district and virtually every district across the country. These are the people who create jobs. You will put a dagger in their side. And now you come up and argue against passing this legislation because you are concerned about the middle class.

You are killing the middle class with the provision in the health care reform bill, so-called. What we are trying to do is to get rid of that. We are trying help the middle class. We are trying to help the job creators. We are trying to help the people in our districts who don't have jobs.

Don't distract the debate on this job-killer piece of legislation. Give us some relief, which is being called for all around the country.

Mr. LEVIN. Mr. Speaker, before I yield to Mr. BLUMENAUER, I yield 30 seconds to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I appreciate the comments of my friend from California, and I don't question his motivation. But I would suggest that if the assumption is that we believe everyone cheats, I think that's wrong.

What I hear from the other side—from the gentleman from California, but generally from the other side—is that the belief is the middle class cheats; the middle class cheats, and that's why we have to impose this upon them. And I would use an example of a middle class business man or woman. That business man or woman who files an individual tax form as a small business person no longer will have to file the 1099 forms, but if they make \$88,000 a year and they are 397 percentile of Federal poverty and they have an unexpected increase in income, they will be subject to the \$4,460 middle class tax hike.

Mr. LEVIN. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon (Mr. BLUMENAUER), a member of the Ways and Means Committee.

Mr. BLUMENAUER. Thank you, Mr. LEVIN, I appreciate that.

It's a little interesting when we hear our friends come to the floor with the same talking points. My good friend from California talks about the government takeover of health care—which of course PolitiFact called the 2010 political lie of the year.

Allowing 33 million additional Americans to have access to—

POINT OF ORDER

Mr. DANIEL E. LUNGREN of California. Point of order, Mr. Speaker.

The SPEAKER pro tempore. State your point.

Mr. DANIEL E. LUNGREN of California. The gentleman made a personal reference to me, stating that I made a statement on the floor, and then called that the biggest lie of the year. Is that, in fact, an appropriate comment to be made on the floor during debate?

The SPEAKER pro tempore. The gentleman from California has not stated a point of order.

Would the gentleman proceed to state the point.

Mr. DANIEL E. LUNGREN of California. I would make a point of order that the gentleman has made a personal reference to me and then followed that up by saying that what I said was a lie.

The SPEAKER pro tempore. Is the gentleman demanding that words be taken down?

Mr. DANIEL E. LUNGREN of California. Not at this time, Mr. Speaker. But I would ask that the Speaker admonish Members not to question the motivation of other Members in reference to any debate that is taking place.

The SPEAKER pro tempore. The gentleman from Oregon may proceed.

Mr. BLUMENAUER. . . .

Mr. DANIEL E. LUNGREN of California. Mr. Speaker, I ask that the gentleman's words be taken down.

The SPEAKER pro tempore. The gentleman will suspend. The gentleman from Oregon will take a seat.

The Clerk will report the words.

Mr. BLUMENAUER. I ask unanimous consent, Mr. Speaker, to withdraw the previous statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon may proceed.

Mr. BLUMENAUER. I appreciate the opportunity, because I want to be very clear about what I intended, what I thought I said and I think a review of the tape would reveal. I am not calling anybody a liar.

What I intended to say, and I will ask unanimous consent to put in the RECORD, is that as we have repeated talking points about a government takeover of health care, this has been judged by an independent journalistic undertaking as the political lie of the year.

Mr. DANIEL E. LUNGREN of California. Will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from California.

Mr. DANIEL E. LUNGREN of California. All I just want to make clear in the RECORD, I never made a reference to the government takeover of health care in my speech, and the gentleman was errant in making a personal reference to what I had just said.

Mr. BLUMENAUER. I apologize if the person who said "government takeover of health care" was not you. It is repeated so often by my Republican friends, including the Speaker of the House, time and time again, that sometimes I get confused because it is a litany that is used. It is in fact, and I would ask unanimous consent, Mr. Speaker, to put in the RECORD the PolitiFact article.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. BLUMENAUER. Because those words are still echoing in the Chamber. It has been said by somebody on the other side of the aisle earlier:

"PolitiFact editors and reporters have chosen 'government takeover of health care' as the 2010 Lie of the Year. They chose it as the year's most significant falsehood by an overwhelming margin. The label 'government takeover' has no basis in reality, but instead reflects a political dynamic where conservatives label any increase in government authority in health care as a 'takeover.'"

They point out: "The law that Congress passed, parts of which have already gone into effect, rely largely on the free market. Employers will continue to provide health insurance to the majority of Americans through private insurance companies. Contrary to the claim, more people will get private health insurance. The government will not seize control of hospitals or nationalize doctors. The law does not include a public option. It gives tax credits to people who have difficulty affording insurance, so they can buy their coverage from private providers. It relies on a free market with regulations, not socialized medicine. We have concluded it is inaccurate to call the plan a government takeover because it relies largely on the existing health system of coverage provided by employers."

Mr. Speaker, part of what we're seeing here, though, is this drama that is pulled out where talking points are repeated in an effort to obscure the facts going forward. The majority knows that the Democrats have attempted to adjust the 1099. We don't want it in there. We voted for fixes. It will be fixed between the House and the Senate.

What's killing small business is the crushing burden of health care, where they are trying to provide for their employees. What is killing small business is that they can't compete with big business. They have a system that has provided a downward spiral. What's providing the driving force for the government deficit is increasing costs of providing health care, for example, through Medicare. This used to be an area of bipartisan cooperation.

The Health Care Reform Act includes every significant area of reducing health care costs as either a pilot or a demonstration. It points a path towards saving hundreds of billions of dollars. Those used to be bipartisan.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman 2 additional minutes.

Mr. BLUMENAUER. Those used to be bipartisan; but instead of working with us to refine and accelerate the provisions, people are trying to put sand in the gears. And as my friends from Michigan and from New York have pointed out, there are going to be some—we hope they are unintended victims—but there are going to be innocent victims, people in the middle class and the near middle class who don't have the control of billionaire hedge funds to control their income.

There are things that can happen that will adjust it up or down. There

will be a significant penalty. We have worked to fix that cliff. We've approved it. We don't need to reinstate the cliff, the tax on honest mistakes. As has been pointed out, there are provisions to deal with fraud.

This is part of the drip, drip, drip to try and undermine health care reform, not accelerate it. It's a part of misrepresentation politically that the American public frankly doesn't deserve. It's a lost opportunity for us to reduce the deficit, improve health care, and lower costs.

□ 1150

This is very personal to people like me. I come from an area of the country that provides high-quality health care at a low cost. My people are penalized. Health care reform is moving to try to help people like that as we overall improve health care around the country and protect the deficit.

I am sorry for any ambiguity or misunderstanding from my comments, but I am frustrated when I hear the Republican side of the aisle continue to repeat this political lie of the year. It doesn't help the debate, it doesn't help us move forward, and we are going to have to move forward to solve the problems of this country.

[From PolitiFact, Dec. 16, 2010]

POLITIFACT'S LIE OF THE YEAR: 'A GOVERNMENT TAKEOVER OF HEALTH CARE'
(By Bill Adair, Angie Drobnic Holan)

In the spring of 2009, a Republican strategist settled on a brilliant and powerful attack line for President Barack Obama's ambitious plan to overhaul America's health insurance system. Frank Luntz, a consultant famous for his phraseology, urged GOP leaders to call it a "government takeover."

"Takeovers are like coups," Luntz wrote in a 28-page memo. "They both lead to dictators and a loss of freedom."

The line stuck. By the time the health care bill was headed toward passage in early 2010, Obama and congressional Democrats had sanded down their program, dropping the "public option" concept that was derided as too much government intrusion. The law passed in March, with new regulations, but no government-run plan.

But as Republicans smelled serious opportunity in the midterm elections, they didn't let facts get in the way of a great punchline. And few in the press challenged their frequent assertion that under Obama, the government was going to take over the health care industry.

PolitiFact editors and reporters have chosen "government takeover of health care" as the 2010 Lie of the Year. Uttered by dozens of politicians and pundits, it played an important role in shaping public opinion about the health care plan and was a significant factor in the Democrats' shellacking in the November elections.

Readers of PolitiFact, the St. Petersburg Times' independent fact-checking website, also chose it as the year's most significant falsehood by an overwhelming margin. (Their second-place choice was Rep. Michele Bachmann's claim that Obama was going to spend \$200 million a day on a trip to India, a falsity that still sprouts.)

By selecting "government takeover" as Lie of the Year, PolitiFact is not making a judgment on whether the health care law is good policy.

The phrase is simply not true.

Said Jonathan Oberlander, a professor of health policy at the University of North Carolina-Chapel Hill: "The label 'government takeover' has no basis in reality, but instead reflects a political dynamic where conservatives label any increase in government authority in health care as a 'takeover.'"

AN INACCURATE CLAIM

"Government takeover" conjures a European approach where the government owns the hospitals and the doctors are public employees. But the law Congress passed, parts of which have already gone into effect, relies largely on the free market:

Employers will continue to provide health insurance to the majority of Americans through private insurance companies.

Contrary to the claim, more people will get private health coverage. The law sets up "exchanges" where private insurers will compete to provide coverage to people who don't have it.

The government will not seize control of hospitals or nationalize doctors.

The law does not include the public option, a government-run insurance plan that would have competed with private insurers.

The law gives tax credits to people who have difficulty affording insurance, so they can buy their coverage from private providers on the exchange. But here too, the approach relies on a free market with regulations, not socialized medicine.

PolitiFact reporters have studied the 906-page bill and interviewed independent health care experts. We have concluded it is inaccurate to call the plan a government takeover because it relies largely on the existing system of health coverage provided by employers.

It's true that the law does significantly increase government regulation of health insurers. But it is, at its heart, a system that relies on private companies and the free market.

Republicans who maintain the Democratic plan is a government takeover say that characterization is justified because the plan increases federal regulation and will require Americans to buy health insurance.

But while those provisions are real, the majority of Americans will continue to get coverage from private insurers. And it will bring new business for the insurance industry: People who don't currently have coverage will get it, for the most part, from private insurance companies.

Consider some analogies about strict government regulation. The Federal Aviation Administration imposes detailed rules on airlines. State laws require drivers to have car insurance. Regulators tell electric utilities what they can charge. Yet that heavy regulation is not described as a government takeover.

This year, PolitiFact analyzed five claims of a "government takeover of health care." Three were rated Pants on Fire, two were rated False.

CAN'T DO IT IN FOUR WORDS

Other news organizations have also said the claim is false.

State said "the proposed health care reform does not take over the system in any sense." In a New York Times economics blog, Princeton University professor Uwe Reinhardt, an expert in health care economics, said, "Yes, there would be a substantial government-mandated reorganization of this relatively small corner of the private health insurance market (that serves people who have been buying individual policies). But that hardly constitutes a government takeover of American health care."

FactCheck.org, an independent fact-checking group run by the University of Pennsyl-

vania, has debunked it several times, calling it one of the "whoppers" about health care and saying the reform plan is neither "government-run" nor a "government takeover."

We asked incoming House Speaker John Boehner's office why Republican leaders repeat the phrase when it has repeatedly been shown to be incorrect. Michael Steel, Boehner's spokesman, replied, "We believe that the job-killing ObamaCare law will result in a government takeover of health care. That's why we have pledged to repeal it, and replace it with common-sense reforms that actually lower costs."

Analysts say health care reform is such a complicated topic that it often cannot be summarized in snappy talking points.

"If you're going to tell the truth about something as complicated as health care and health care reform, you probably need at least four sentences," said Maggie Mahar, author of Money-Driven Medicine: The Real Reason Health Care Costs So Much. "You can't do it in four words."

Mahar said the GOP simplification distorted the truth about the plan. "Doctors will not be working for the government. Hospitals will not be owned by the government," she said. "That's what a government takeover of health care would mean, and that's not at all what we're doing."

HOW THE LINE WAS USED

If you followed the health care debate or the midterm election—even casually—it's likely you heard "government takeover" many times.

PolitiFact sought to count how often the phrase was used in 2010 but found an accurate tally was unfeasible because it had been repeated so frequently in so many places. It was used hundreds of times during the debate over the bill and then revived during the fall campaign. A few numbers:

The phrase appears more than 90 times on Boehner's website, GOPLeader.gov.

It was mentioned eight times in the 48-page Republican campaign platform "A Pledge to America" as part of their plan to "repeal and replace the government takeover of health care."

The Republican National Committee's website mentions a government takeover of health care more than 200 times.

Conservative groups and tea party organizations joined the chorus. It was used by FreedomWorks, the Heritage Foundation and the Cato Institute.

The phrase proliferated in the media even after Democrats dropped the public option. In 2010 alone, "government takeover" was mentioned 28 times in the Washington Post, 77 times in Politico and 79 times on CNN. A review of TV transcripts showed "government takeover" was primarily used as a catchy sound bite, not for discussions of policy details.

In most transcripts we examined, Republican leaders used the phrase without being challenged by interviewers. For example, during Boehner's Jan. 31 appearance on Meet the Press, Boehner said it five times. But not once was he challenged about it.

In rare cases when the point was questioned, the GOP leader would recite various regulations found in the bill and insist that they constituted a takeover. But such followups were rare.

AN EFFECTIVE PHRASE

Politicians and officials in the health care industry have been warning about a "government takeover" for decades.

The phrase became widely used in the early 1990s when President Bill Clinton was trying to pass health care legislation. Then, as today, Democrats tried to debunk the popular Republican refrain.

When Obama proposed his health plan in the spring of 2009, Luntz, a Republican strategist famous for his research on effective

phrases, met with focus groups to determine which messages would work best for the Republicans. He did not respond to calls and e-mails from PolitiFact asking him to discuss the phrase.

The 28-page memo he wrote after those sessions, "The Language of Healthcare 2009," provides a rare glimpse into the art of finding words and phrases that strike a responsive chord with voters.

The memo begins with "The 10 Rules for Stopping the 'Washington Takeover' of Healthcare." Rule No. 4 says people "are deathly afraid that a government takeover will lower their quality of care—so they are extremely receptive to the anti-Washington approach. It's not an economic issue. It's a bureaucratic issue."

The memo is about salesmanship, not substance. It doesn't address whether the lines are accurate. It just says they are effective and that Republicans should use them. Indeed, facing a Democratic plan that actually relied on the free market to try to bring down costs, Luntz recommended sidestepping that inconvenient fact:

"The arguments against the Democrats' healthcare plan must center around politicians, bureaucrats and Washington . . . not the free market, tax incentives or competition."

Democrats tried to combat the barrage of charges about a government takeover. The White House and House Speaker Nancy Pelosi repeatedly put out statements, but they were drowned out by a disciplined GOP that used the phrase over and over.

Democrats could never agree on their own phrases and were all over the map in their responses, said Howard Dean, former head of the Democratic National Committee.

"It was uncoordinated. Everyone had their own idea," Dean said in an interview with PolitiFact.

The Democrats are atrocious at messaging," he said. "They've gotten worse since I left, not better. It's just appalling. First of all, you don't play defense when you're doing messaging, you play offense. The Republicans have learned this well."

Dean grudgingly admires the Republican wordsmith. "Frank Luntz has it right, he just works for the wrong side. You give very simple catch phrases that encapsulate the philosophy of the bill."

A RESPONSIVE CHORD

By March of this year, when Obama signed the bill into law, 53 percent of respondents in a Bloomberg Poll said they agreed that "the current proposal to overhaul health care amounts to a government takeover."

Exit polls showed the economy was the top issue for voters in the November election, but analysts said the drumbeat about the "government takeover" during the campaign helped cement the advantage for the Republicans.

Rep. Earl Blumenauer, an Oregon Democrat whose provision for Medicare end-of-life care was distorted into the charge of "death panels" (last year's Lie of the Year), said the Republicans' success with the phrase was a matter of repetition.

"There was a uniformity of Republican messaging that was disconnected from facts," Blumenauer said. "The sheer discipline . . . was breathtaking."

Mr. CAMP. Mr. Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Louisiana, Dr. BOUSTANY.

Mr. BOUSTANY. Mr. Speaker, the time to act on this provision is now. Why? It's very, very simple. It's about jobs. It's about removing an onerous

provision, a burdensome provision on small businesses that create jobs. If we wonder why we have a high unemployment rate, it is because of provisions like this.

This 1099 provision was bad legislation from day one. The American people have made it clear they want this law repealed.

The President thinks it's bad, Democrats think it's bad, Republicans think it's bad, even the Senate thinks it's bad. It has taken long enough to move on this. Let's do it. Let's get it done. Further delay is unacceptable.

Look, if we don't repeal this now, businesses are going to assume more expenses. If we repeal it later, we continue to delay this.

They will incur expenses that, once it is repealed, they wouldn't have had to incur from the beginning. I am already hearing from many, many Louisiana businesses right now that want to grow, want to hire; and they are worried about this. They are already spending money to prepare for this.

That's why we need to take care of it now. We want to create jobs, repeal this provision now and let's move forward. The American people want to see action on this from this Congress, and they want to see it now. It's important now to do it.

Americans are growing impatient. Small business owners are growing impatient. I ask that we repeal this provision today. Repeat it now.

Mr. LEVIN. I yield myself 15 seconds.

The gentleman who just spoke voted "no" on repeal last July, as did the gentleman from California who spoke before him. You both had a chance to vote "no," and you failed to do so. You didn't like a pay-for that closed a tax loophole.

I yield 5 minutes to the gentleman from Massachusetts (Mr. NEAL), a distinguished member of the Ways and Means Committee.

Mr. NEAL. I thank Mr. LEVIN for yielding the time.

Mr. Speaker, this provision came over from the Senate. As Mr. LEVIN has correctly noted, Members on this side of the aisle have already cast a vote to repeal this measure. The difficulty that's in front of us today is the manner in which this has been presented to all of us.

Now, we are going to hear a lot of conflicting opinions today about the new taxes in this bill. Like everybody else here in this Chamber, I am opposed to raising taxes on the middle class. Hardly is that a leap of faith into uncharted waters. We all share that common belief.

But the problem with the provision that's offered today is the disguised nature of raising taxes on the middle class. Let's get to the heart of this bill. It repeals a new reporting requirement on small businesses.

This provision expanded a type of reporting that already goes on where businesses report to the Internal Revenue Service on large payments sent to

contractors. This type of third-party reporting is meant to ensure those contractors report honestly to the IRS on the income they earn.

A reminder, it is estimated that there is up to \$300 billion a year of unreported income in the United States. And before we get to some of the cuts that have been proposed in this institution, we ought to be focusing our attention on how we might collect that unreported and underreported income that is such an important part of the underground economy in the United States.

You would think that that opportunity would avail itself based upon the mindless process that took place here a couple of weeks ago where we began with a series of 2-minute votes over 2 days to cut very important initiatives that the American people have come to rely on. And I would suggest to my friends on the other side of the aisle that they take note of that Wall Street Journal poll this morning as to what these cuts mean and how they are going down with the American people.

In our committee markup, there was a great deal of discussion about the burden on small businesses that this new reporting requirement imposes, and I think that for the most part we are all in agreement that the burden here may well outweigh the benefit.

But let's not ignore what we have found out about tax evasion at our markup. I asked Tom Barthold from the Joint Committee on Taxation about his estimate that the reporting requirement would raise \$22 billion in revenue. Now, Tom Barthold is not a Democrat; he is not a Republican. He is an economist who likes to give unjaded information to those of us who then implement policy.

I asked him how much of this was tax evasion, contractors underreporting income and how much was the penalties on those innocent third parties who got tripped up on the rules. He told us that almost all of it was due to tax avoidance, tax evasion.

So without any hearings or debate about how to best capture that \$22 billion, we eliminated this reporting requirement and would raise taxes on middle-income families.

I want to urge my friends on the other side, before we travel down this path of cutting very important initiatives for the American family—and I can't wait till we have the first vote in this institution up or down on Social Security to see if the rhetoric really matches the reality. Then I am hopeful that if we move to the discussion and debate on Medicare, we will see if the rhetoric matches the reality.

But I would hope that before we move on this mindless trail of these proposed cuts that have taken place over the last 3 weeks, that we might consider what to do about the whole notion of tax evasion. I hope that those on the other side of the aisle would join me in my efforts to ferret out tax abuse.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield 1 additional minute to the gentleman.

Mr. NEAL. I have been on this issue for a career of what to do about American companies that change their address so that they become a citizen of Bermuda to avoid American income taxes, while there are hundreds of thousands of American soldiers overseas, why our VA hospitals are going to be necessary for the 31,000 that have been wounded in honorable service to this country, and why, before we propose the cuts that we have proposed, we are not after tax evasion the way that we should be. That ought to be something that men and women of good will in this institution all ought to be able to agree upon.

Mr. CAMP. Mr. Speaker, I yield 3 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Nebraska (Mr. SMITH).

Mr. SMITH of Nebraska. Mr. Speaker, I truly believe that the best thing that this Congress can do is focus on jobs, making sure that someone might have access to health care through a job. But increasing the cost of doing business certainly does not contribute to our effort to help create jobs.

I rise in support of H.R. 4. Repealing the 1099 mandate would only help, and certainly in my district, family farmers, ranchers, small businesses.

Let me tell you briefly about a restaurant owner, a small operation.

□ 1200

He will go from four 1099s to over 200 1099s, and that's after spending \$7,000 in new software, Mr. Speaker. That certainly provides opportunities for a misplaced digit in an identification number that will lead to the wrong person being audited, Mr. Speaker.

And when we look at all the information given here, certainly it makes sense to recapture an overpayment of a subsidy so that we can return to the people the opportunity to go out, create jobs and, in the end, ultimately provide more health care for the American people.

Mr. LEVIN. I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentlewoman from Kansas (Ms. JENKINS).

Ms. JENKINS. I thank the gentleman for yielding.

According to the President's health care law, starting next year any business that purchases more than \$600 worth of goods or services from another business is required to submit a 1099 tax form to the Internal Revenue Service. I'm a strong supporter of job creation. However, I do not think building more bureaucratic barriers for small business and creating additional positions at the IRS is the kind of job growth this country needs. As Alan Meyers, an electrician in my district,

stated in a letter to my office: "This is absurd. The small business men of this country have more paperwork than they can get done now."

While we have disagreed about the full repeal of the health overhaul law, the administration and many of my colleagues on the other side of the aisle have recently decided they strongly agree with Republican Members in Congress that the 1099 reporting provisions should be repealed. However, a few weeks ago, we received the President's budget which would only repeal the 1099 requirement for goods but keep it for services—a glaring contradiction to the President's stated strong support for the full repeal of this harmful provision.

So I'm pleased that the House has chosen to move forward with the full repeal of this unprecedented burden on small business. Furthermore, if my colleagues on the other side of the aisle are truly serious about reducing waste, fraud, and abuse in our health care system, then they, too, can support this measure with full voice, since it is paid for by reducing overpayments of exchange subsidies.

In this economic environment, Congress needs to be working to remove the barriers to job creation and finding ways to rein in the cost of health care, not imposing new government mandates to squeeze every dollar out of small businesses.

While we await action from the Senate on H.R. 2, the full repeal of this health care overhaul, I urge my colleagues to vote in support of H.R. 4 today to fix one of the many flaws in the President's health care law.

Mr. LEVIN. I yield 2 minutes to the gentleman from California (Mr. WAXMAN), the ranking member of the Energy and Commerce Committee.

Mr. WAXMAN. Madam Speaker, there is widespread bipartisan agreement that the 1099 reporting rules need revision. In fact, the agreement is so widespread that I'm mystified why we're having this debate. The Senate passed a repeal of this policy earlier this year on a bipartisan basis. The House, last year, failed to pass a repeal of the provision only because of Republican opposition. But now we all agree, let's repeal it.

What's the hang-up? The hang-up is the Republicans want to pay for this business tax cut on the backs of lower- and middle-income families. This bill would increase taxes by \$25 billion in total on families earning less than \$110,000. Families with incomes around \$90,000 per year could see increases in taxes of \$3,000, according to the Joint Committee on Taxation.

This is a remarkable piece of legislation because it unwinds a near-unanimous agreement that we had last year. This policy wouldn't just increase taxes. It would discourage enrollment in health plans in health exchanges.

Under the Republican proposal, people who are eligible for tax credits would have to think very hard as to

whether they were estimating their income accurately. They are estimating this income in the beginning of the year, but later in the year, they may get a raise, they may get a promotion. They may even get a job. And then they could be hit with a huge repayment penalty for a simple mistake: a promotion or a new job.

The Joint Committee on Taxation estimates that this deterrent effect would increase the number of uninsured by 266,000 people. Let's withdraw this pay-for and let's get something more reasonable. And under these circumstances, I cannot support the bill in its present form today, although I certainly support the changes in the 1099 reporting rules.

Mr. CAMP. I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Minnesota (Mr. PAULSEN).

Mr. PAULSEN. I thank the chairman.

Madam Speaker, I also rise in strong support of the legislation here today that would repeal this burdensome 1099 tax requirement contained in the new health care law. Failure to eliminate this provision would result in vast amounts of new paperwork and additional accounting burdens for 30 million businesses that are still struggling in a very downbeat economy.

Now, while having gone virtually unnoticed in the context of the entire health care debate, this provision has created quite a bit of concern for companies who are already facing increased regulatory compliance costs as they get ready for this new provision to take effect.

Madam Speaker, almost every week I get a chance to visit with a small business back in Minnesota in my district; and nearly every one of them has asked me in bewilderment and in complete disbelief why they would be required to have to do this because of the amount of time and the amount of energy it will take to comply with this new requirement. So now, if there's a small business owner and they want to go into a Target store and they purchase \$600 worth of office supplies annually, they are now going to be required to file a new 1099 form—not only with the IRS, but with the Target Corporation. It's a waste of time, and time is money.

We need to be thinking about how we can help our Nation's small businesses get back on track by growing jobs and helping our economy move forward. It's not the way to do it by increasing more burdensome paperwork and bureaucratic paperwork. We need to let them be productive, to unleash their productivity, rather than filling out unnecessary forms.

Madam Speaker, I know, with the elimination of this onerous reporting requirement, small businesses are now going to be able to focus where they should focus their resources: on growing jobs and creating a better economy instead of processing additional paperwork and navigating bureaucratic red tape.

Mr. CAMP. Madam Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Nevada (Mr. HELLER).

Mr. HELLER. I thank the chairman for yielding time.

I'm an original cosponsor of H.R. 4 and proudly voted for this measure in the House Ways and Means Committee last month.

Madam Speaker, today's debate marks the second time, over the course of 3 months, that the House has taken the opportunity to discuss the disastrous consequences the health care bill has and will continue to have on our economy.

The House passed H.R. 2, which repealed the health care bill, with bipartisan support in January. Today we consider one of the many provisions of the bill that suppress economic recovery and job creation. The 1099 reporting mandate will impose substantial paperwork and reporting burdens on an estimated 40 million entities, including governments, nonprofits, and small businesses. Instead of fostering job creation in the private sector—which is what our economy needs—the previous Congress has passed a provision that would direct precious time and resources to collecting volumes of information and filling out mounds of new paperwork for businesses all throughout this country.

Once the economic engine of this Nation, small businesses are now buckling under the weight of onerous mandates and high taxes from a Federal Government that spends too much, taxes too much, and borrows too much. As a result, unemployment in Nevada has reached record highs that currently stand at nearly 15 percent.

Efforts to repeal the 1099 provision enjoy bipartisan, bicameral support.

I am pleased the House will pass H.R. 4 as part of our commitment to alleviate the burden the previous Congress placed on small businesses and American taxpayers. I remain committed to overturn the health care bill in its entirety. I support targeted legislation such as H.R. 4 to provide economic relief as soon as possible.

□ 1210

Mr. LEVIN. It is now my pleasure to yield 3 minutes to the distinguished gentleman from New York (Mr. RANGEL).

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Madam Speaker, I would have hoped that today we would have taken advantage of the fact that all of us want to get rid of a part of the President's affordable health bill that we believe has not reached the objective that we wanted. Everybody, including the President of the United States, believes that 1099 in the present form should not be there. Republicans and Democrats have voted to make certain that it not be there. The last time we attempted to correct it, we felt that

because of the billions of dollars that would be lost by trying to get rid of it, we passed a law and it was rejected because the majority party didn't like what we call the pay-for. Since that time, the pay-for has been passed into law, it has been accepted, and now we are trying to find a new one.

I don't know why in God's heavens as to why we couldn't have sat down to find one, as long as we certainly wanted to avoid fraud on the taxpayer, and work out something that is fair. I can't believe that the majority doesn't believe that what we are trying to do is to avoid having an unintended tax on hardworking people.

And so if this is going to hold it up and cause us now to throw the baby out with the bath water, to have us rejecting what we want to do, and that is to get rid of 1099 in its present form, I think it is unfortunate.

Now, I do recognize, Mr. Chairman and members of our distinguished committee, that political promises were made before the election. The question now has to be that even though there have been commitments by certain parties in the majority, that they have to provide savings through cutting, those two things should be somehow related. Every cut that we have in the budget, whether it is the continuing resolution or the budget of 2011 or 2010, doesn't mean that there is a savings.

So telling the voters and our constituents that we have slashed something out of the budget, it really goes beyond politics because never in the discussions that I have had in the Ways and Means Committee with the majority or with the Democratic Caucus have we ever said: Are those people who are going to be helped or hurt Democrats? Are those people Republicans? Or did we not say that we were sincerely trying to help all Americans to make certain they have affordable health care.

For the majority not to want to correct whatever they think is wrong, but to make a campaign commitment they are going to eliminate the bill, eliminate the President, and just make certain they have \$100 billion in cuts, I think is really unfair to present these political problems to the American people.

So I do hope that after we reject this, not because the goal is not one that is bipartisan and with the support of the administration, but because how it is paid for is detrimental to the taxpayer, whether he or she be Republican or Democrat.

Mr. CAMP. At this time I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentlewoman from Tennessee (Mrs. BLACK).

Mrs. BLACK. Madam Speaker, I rise today enthusiastically supporting H.R. 4, the 1099 repeal bill. This piece of legislation is a victory for common sense. It is proof that the House is dedicated to getting the government off of the backs of American small businesses and working for the people again.

This bill does three things: it reduces the deficit; it protects our taxpayers from waste; and it eases the burdens on small businesses who too often have to deal with government breathing down their necks and stifling their growth. If this provision were left untouched in the President's health care law, small businesses across the country would be buried in paperwork. Instead of growing their businesses, advertising their services and selling their products and hiring workers and growing our economy, business owners would be stuck behind a desk filling out IRS forms.

Just this morning in the Wall Street Journal, it was reported by a survey that the small business owners are finding it more and more difficult to file their tax forms because of the onerous paperwork. It is unconscionable that the Democrat Congress paid for their massive spending on their health care bill on the backs of American small businesses; but today we're going to fix that.

As a member of Ways and Means, I am extremely proud to have seen this repeal bill take shape in our committee. I am proud that we pay for this bill by protecting taxpayers instead of demanding more money of them. By reducing waste, fraud, and abuse in the Democrats' health care law, we pay for this 1099 repeal, which reduces the deficit by \$166 million in the first 10 years, and by billions of dollars over the long run, while reducing the Federal spending by nearly \$200 billion over 10 years.

This is a huge victory, but it marks the beginning of a new way that we are doing business here in Washington. This new House majority will continue to enact commonsense policy that does not add to the debt or hide their true costs with accounting gimmicks.

The SPEAKER pro tempore (Mrs. EMERSON). The time of the gentlewoman has expired.

Mr. CAMP. I yield the gentlewoman an additional 30 seconds.

Mrs. BLACK. We can get government working for the American people today, and this is a good start.

Mr. LEVIN. I yield 3 minutes to the gentleman from New Jersey (Mr. PASCRELL), an active member of our committee.

Mr. PASCRELL. Madam Speaker, you know, there is an old western song: "I'm looking for love in all the wrong places." Remember that song? It's not too old. Not too old.

We're looking for revenue in all the wrong places; not only in reference to what we did in cutting indiscriminately \$60 billion which mostly affects the middle class, and I think very dangerously. So this provision was in the health care bill which deals with bureaucracy at its worst, I would agree. But in July of 2010, we voted with I think only, correct me if I'm wrong, two Republicans. We had a shot at this in the very beginning of mankind, right, last summer, to vote against it. I believe every Democrat voted against this provision, and two Republicans

joined us, the gentleman from Louisiana on the opposition side—the honorable opposition side—who is no longer with us, and I don't know if he lost because he voted with us, and another gentleman from North Carolina who voted with us. We had a shot at this. We could have taken care of this last year, and you chose not to. So let's set the record straight.

So here we are with this 1099 form. It's going to take some time to fill it out. We don't like that bureaucracy. The thing comes down to, as Mr. WAXMAN said, as Mr. NEAL said, how do you pay for it?

Now beware, the distinguished chairman for the Ways and Means Committee, a Wall Street poll today, not the New York Times, not the Village Voice, not fill in the blanks, that poll shows that over 74 percent, I think, of the American people, that's us, believe that we should eliminate tax credits for big oil and gas companies.

So I'm sure now that the loyal opposition sees that poll in that newspaper, that you will join us in putting to rest forever those folks who least need any help from the government getting help from the government.

This is going to cost us \$22 billion. Both sides agree that one of the great benefits of this country is economic mobility.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 2 minutes.

□ 1220

Mr. PASCRELL. I thank the gentleman from Michigan.

This bill punishes those who get ahead by raising the tax liabilities on families who have worked hard and who may have gotten raises or promotions.

For a family of four in my district, the Eighth District of New Jersey—please visit us. We would love to have you, Mr. Chairman—who makes \$80,000 a year, it will mean the family will get a 50 percent reduction on their premiums if they purchase health insurance in the marketplace—from the private sector, I might add. There is no government operation here. If they get a raise, however, and move above the threshold, they pay back a reasonable amount now; but in this legislation, under this bill, if they work a little harder and receive a financial benefit, the family will be punished. They'll be forced to repay the tax credit.

There is no answer to that question. It's a fact of life.

This means that the family which I'm talking about now will be hit with a surprise—get this, Madam Speaker—of an \$11,200 tax bill. It's a \$20,000 premium. They make \$80,000. It's quite a hefty fee, I might add. Everything is wonderful with health care in the United States right now, but you're going to have added on—because you made a few bucks more—\$11,200. Unintended consequences. Looking for love

in all the wrong places. So let us be perfectly clear to the Members voting on this legislation:

It's not a subsidy. There is not only a definitional difference but a substantial difference between a subsidy and a tax credit. When you take away that tax credit from a middle class American who uses it when purchasing insurance, plain and simple, his taxes go up.

Mr. CAMP. I yield 3 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Ohio (Mr. TIBERI).

Mr. TIBERI. Thank you, Mr. Chairman.

Madam Speaker, I rise in support of the underlying bill today, which goes a long way toward job creation.

Jobs, jobs, jobs. We heard about that in the November election. We heard about the fact that small business owners, in particular, were going to be hampered by a provision, by actually two provisions: one provision in the health care bill that appears that everyone now seems to be opposed to but that the majority voted for; and then another provision that appeared in a bill in September of 2010 that even went further than the underlying provision in the health care bill, which applied to folks who own rental property or to someone who has a vacation home or to somebody who has retail property that he's leasing out or to somebody who is leasing out a room in his home. Suddenly, now we're going to require them to 1099 folks as well.

What an amazing provision that passed in September of 2010. The bill corrects that. The bill corrects both aspects.

I heard this over and over during my campaign. Think about this: Bob Roach, an independent insurance agent, goes out to Staples and buys paper. He's going to have to 1099 Staples. He goes to a hardware store to fix something in his office. He's going to have to 1099 the hardware store. It goes on and on and on. When a law-abiding small business owner—maybe a sole proprietor—now is being made the person who has to go out and be an extension of the IRS, it is truly amazing.

Then the pay-for is requiring people who get more than they're entitled to to pay it back—what a novel concept—with no penalties, no interest. Just pay back something that they're not entitled to.

Now, I was talking to my immigrant dad and immigrant mom about this. My dad has a sixth grade education, and my mom has an eighth grade education. They were, first of all, quite surprised by the fact that a family of four, making \$88,000 a year, would get a subsidy. My mom and dad dreamed of making \$88,000. They never came close to it—but they're middle class, and they're not looking for a subsidy, and they certainly would pay it back if they got more than they were entitled to.

Madam Speaker, this is about fairness. This is about jobs. This is about

equity. This is about moving our economy forward. This is about law-abiding citizens not becoming extensions of the IRS. You're either for them or against them. I urge support of the bill.

Mr. LEVIN. I yield myself 15 seconds.

The gentleman from Ohio mentioned jobs, jobs, jobs. In a colloquial sense, this bill would do a "job" on middle-income taxpayers.

I now yield 3 minutes to a member of our committee, the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. I thank the gentleman.

I voted previously to repeal these 1099 reporting requirements. But for broad Republican opposition, these requirements would have been repealed a long time ago.

I was a little amused to hear one of our Republican colleagues actually say this morning that he is bewildered as to why there are all these requirements on small businesses around the country as a result of this provision. I can cure your bewilderment: Get a mirror out and look at the mirror. You will see the Republicans who voted against repealing this provision last year.

No, this is not about repealing 1099. It is about shifting the burden onto working families while at the same time protecting insurance monopolies.

Despite the vigorous, determined efforts of these Republicans to undermine every aspect of health insurance reform, under current law, working families will receive an opportunity to access health insurance. Each year, the government will match some of what workers pay for their health insurance. The precise amount of the match is determined by how low a worker's salary is. A minimum-wage worker would get a little more assistance than someone who is at a little higher level. This bill ensures that the health insurance companies will get to keep all of that Federal match, but it treats the working families considerably differently.

If you have an employee who really shows ability and who may have a fairly menial or mundane job but who does it and does it with pride and does it well and if that employee excels and if the employer rewards him with a bonus and recognizes that that employee is really trying hard and then decides we're going to give you a little promotion and that you'll get a little more pay or, perhaps, as with so many families around this country, that employee decides "I'll never make it for my family on this. I'm going to moonlight. I'm going to take an extra job," then under any of these developments for the enterprising worker, the Republicans today propose a penalty, a tax on success.

At the end of that year, after those law-abiding employees have properly estimated their income from those 12 months earlier, if their pay has gone up a dollar over the level, they'll get a steep penalty. They may have to pay literally thousands of dollars back even though they only got a bonus of a few

hundred dollars. They would owe the value, perhaps, of the entire credit to the IRS.

What type of people are we talking about?

If the law had been fully effective, as I wish it had been this year, and if workers who were earning \$43,560 got a bonus that took them up to \$43,600, they would have owed the full amount of the credit at the end of the year. \$1,000 or perhaps \$3,000 or \$4,000 to a family as a penalty—as a tax on success—is a big amount to that family.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 2 minutes.

Mr. DOGGETT. Understand the dimensions of how big the burden is that they want to shift to working families: According to their own report on this bill, the total is almost \$25 billion over the next decade. We're not talking about a small amount of money. We're talking about a significant amount of money in this Republican penalty on success.

Why haven't they been out here responding to this penalty on success? They want to refer to these people as "cheats."

These people aren't cheats. They're people who are the best of America, who are striving and working to get ahead, who then get penalized for their success.

□ 1230

They have no answer because there is no answer. We should have passed this bill last year and passed it by paying for it by closing international corporate tax loopholes. Naturally they resist that just as they resist any attempt to control insurance monopolies.

Vote "no" on this penalty for success that would be imposed on our working families. Vote against this piece of legislation.

Mr. CAMP. I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from North Dakota (Mr. BERG).

Mr. BERG. Madam Speaker, I rise today in firm support of eliminating the 1099 requirement that burdens so many of our small businesses and costs jobs.

Madam Speaker, if Congress is serious about getting Americans back to work and our economy back on track, the choice is clear. We need to repeal this mandate. This law forces American businesses deeper and deeper into the bureaucratic Washington nightmare for small business. And it takes away from their core mission, which is to grow their business and create jobs.

Small business is the core of North Dakota's economy. Farmers, ranchers and small businessmen, they're all burdened by this mandate. And another regulation is another expense that makes it even more difficult for them to do business.

This is commonsense legislation. With national unemployment still hov-

ering around 9 percent, the decision to repeal this mandate should be easy. We desperately need economic renewal, we need private sector job growth, and we need to eliminate the small business paperwork that's in this mandate. It's time to eliminate this onerous mandate and allow business to get back to doing what they do best, and that's create American jobs.

Mr. LEVIN. Madam Speaker, it is now my pleasure to yield 3 minutes to the gentleman from Louisiana (Mr. RICHMOND).

Mr. RICHMOND. Thank you, Ranking Member LEVIN.

Madam Speaker, I agree with the Republican chorus that we've been hearing now for 2 days, which is let's repeal this onerous provision of the 1099 requirement.

However, even as a freshman member of the Democratic Party, let me say, welcome to the party. The Democratic Party started this July 30 of last year to try to repeal this onerous provision and only 2 Republicans voted for it. Two hundred thirty-nine Democrats said, let's do away with this. You're right. It's putting a massive burden on our small businesses.

But not only did you get to the party 7 months late, you got it wrong. You decided to dance with Big Oil and corporations that you didn't want to close the tax loophole. So what's the pay-for? Well, the pay-for is to reach in the pockets of working class Americans and take \$25 billion. Right now, there are people that are at work, and we're here in D.C. and we're going to take \$25 billion out of their pocket. We should be ashamed of ourselves.

I join with my colleagues and my good friend from New York (Mr. CROWLEY) who on yesterday tried to have a discourse about is there a better way to pay for it. No one would yield. No one would take amendments. So I would just say as a new Member, what the American people want, when we agree on an idea, let's repeal the 1099 provision, they want us to get together and figure out how to do it. They want us to see if we can't find some amendments, find some common ground, so that we don't have to penalize working families.

And I would say what they don't want is for us to reach in their pocket, penalize them for success and take \$25 billion, when there are other ways to do it. But what we should do is get together and figure out a way to do it so that we can start moving this country forward.

Mr. CAMP. I yield 1 minute to the gentlewoman from New York (Ms. BUERKLE).

Ms. BUERKLE. Thank you, Mr. Chairman.

Madam Speaker, I rise in support of H.R. 4, the Small Business Paperwork Elimination Act. Too often, Congress and the Federal Government pass and institute regulations without counting the cost to America's businesses, the lifeblood of our economic success.

The Patient Protection and Affordable Care Act's 1099 reporting requirement for small businesses will be, in the words of Nathan Andrews, vice president of Morse Manufacturing, an 88-year-old company in East Syracuse, "a paperwork nightmare." He further adds that the requirement will hamper the ability of his company "to function, grow, and create jobs."

This mandate is really indicative of a larger problem—the stranglehold that regulations have on our country. And while regulations are sometimes necessary and often well-intentioned, they have been increasingly becoming an obstacle to our success as a Nation. By success, I mean creating an environment where businesses can flourish, providing jobs so that the American people can obtain health insurance while still benefiting from the best health care system in the world.

Mr. LEVIN. Madam Speaker, how much time is there on each side?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 10 minutes remaining. The gentleman from Michigan (Mr. CAMP) has 37 minutes remaining.

Mr. LEVIN. I reserve the balance of my time.

Mr. CAMP. At this time I yield 1 minute to the gentleman from Mississippi (Mr. NUNNELEE).

Mr. NUNNELEE. Thank you, Mr. Chairman.

Madam Speaker, in a day when America has been suffering for nearly 2 years from significant unemployment, when nearly one in 10 of our neighbors is unemployed, it is our duty to do everything we can to allow these employers to focus on job creation.

Today, we will vote to repeal the burdensome 1099 provision included in ObamaCare. As pledged to the American people, we will work to get this unpopular job-destroying law off the books. We voted to repeal it outright, we voted to defund it, and today we begin the process of repealing it piece by piece.

In order to comply with this 1099 mandate, businesses would have to spend countless hours generating and receiving needless amounts of paperwork. Now I started a small business, and I know the rewards and challenges of entrepreneurship. And I can tell you those challenges don't need to involve filing needless paperwork.

Last summer, when I visited Trisha's Day Spa in Grenada, Mississippi, and I explained to Trisha Shankle the 1099 requirements in ObamaCare, she said that such a requirement would be devastating to her business. That's been the conclusion reached in small businesses around America.

Today, a huge burden will be lifted from the shoulders of small businesses, and for that I am grateful. That's why I'm proud to cosponsor this legislation and why I will vote to repeal it.

Mr. LEVIN. I continue to reserve the balance of my time.

Mr. CAMP. I yield 1 minute to the gentleman from Colorado (Mr. GARDNER).

Mr. GARDNER. Madam Speaker, I rise today in support of H.R. 4, which would eliminate the 1099 mandate instituted by the President's health care bill. I've spoken with countless constituents around the Fourth Congressional District of Colorado, not as Republicans, not as Democrats, but as business owners, as people who have worked to build up their companies from scratch into successful opportunities for themselves and their families. They oppose the 1099 provisions of the health care bill, not because they're Republicans, not because they're Democrats, but because they know it would cause grave impact on their businesses and their ability to continue to thrive and grow and hire new people.

Madam Speaker, they are speaking as the voice of this country's businesses, the backbone of our economy. If we are going to create jobs in this country to move our country forward, then we have got to do it starting by the repealing of the 1099 provisions.

A bill passed last Congress in the 111th Congress, it doesn't matter the day or the time, but what passed was a bill where people said, "We need to pass the bill to know what's in the bill." People read the bill. They know what's in the bill.

In Weld County a businessman is going to spend 40 hours a month to comply with these provisions.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 30 seconds.

Mr. GARDNER. In Larimer County, a manufacturing company is going to have to hire new people to comply with the provisions of this act. Is that the kind of job creation this body is looking for?

□ 1240

Let's create penalties on business and hope that it drives the economy? That's not right.

Madam Speaker, today I urge the passage of H.R. 4, with both Republicans and Democrats standing up to fight for businesses in this country to get our economy moving forward again.

Mr. LEVIN. Madam Speaker, I reserve the balance of my time.

Mr. CAMP. Madam Speaker, I yield 2 minutes to the gentleman from Florida (Mr. WEST).

Mr. WEST. Madam Speaker, I stand here to support H.R. 4 for the repeal of the 1099 bill.

At a time when business owners are trying to survive in a sea of economic turmoil, our government has thrown them an anchor instead of a life preserver. Democrats have borrowed and spent \$1 trillion of their stimulus program, and the unemployment rate has remained stuck at or above 9 percent for nearly 2 years. Our focus must be on measures that will actually help American workers and allow employers to focus on job creation. H.R. 4 will protect small businesses, their workers, and American taxpayers.

H.R. 4 repeals the onerous tax reporting provisions Democrats enacted last year to help pay for both their health care law and the TARP 3 legislation. It also protects taxpayers by reducing waste, fraud and abuse in the Democrats' health care law.

Finally, this bill will reduce the deficit by \$166 billion in the first 10 years and by billions of dollars over the long run, while reducing Federal spending by nearly \$20 billion over the next 10 years.

During a time when the unemployment rate is at or above 9 percent, additional government mandates on small businesses is, from the standpoint of economic policy, nothing short of idiotic. We should be looking for ways to free small businesses and companies from unnecessary burdens. We should be looking for ways to encourage entrepreneurship. Instead, we have mandates that impose new obstacles for companies. We should be seeking ways to restart the engine of job growth.

Let me be clear that I accept the proposition that every person and every business entity has both a moral and legal obligation to fully report their taxable income. The fundamental problem with the new 1099 reporting requirement is that they are imposed on a broad universe of small business taxpayers that annually conduct more than \$600 of transactions with other vendors.

The new filing requirements are both burdensome as well as overinclusive.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 30 seconds.

Mr. WEST. Madam Speaker, let us remember that even during the State of the Union Address, the President gave his support to repeal this onerous, burdensome, and misguided mandate.

Mr. LEVIN. Madam Speaker, I continue to reserve my time.

Mr. CAMP. Madam Speaker, I yield 2 minutes to the gentleman from Washington (Ms. HERRERA BEUTLER).

Ms. HERRERA BEUTLER. Madam Speaker, today I come to the floor in support of this legislation because business owners in southwest Washington sent me here to clear the runway for them to start growing and hiring more people.

In my district, I know a restaurant owner in Vancouver and a doctor who runs a small practice in Tumwater who simply don't have the resources to comply with the expanded 1099 mandate. I would rather have them focusing on opening a new franchise or offering services to patients—basically being successful entrepreneurs—than spending time reacting to the mountains of new paperwork they're going to owe the IRS.

My entire region in southwest Washington has been suffering under double-digit unemployment for multiple years. In my district's largest county, Clark County, the jobless rate hovers

between 13 and 14 percent—and that's reported, there are a lot of people who have stopped reporting. I know we're not unique. The entire country is depending on Congress to make job creation a serious priority. And by passing this bill today, we're showing the people of southwest Washington and across America that we're taking them very seriously.

As I meet with small business owners in my district, they express two major sentiments to me over and over again: Fear and uncertainty. They're afraid and uncertain about what this government is going to do to them next. What I would like to do today is eliminate the uncertainty around this 1099 mandate. Small businesses from across my district continue to ask me for more predictability from their government when it comes to regulations and taxes. Instead of fear, increased bureaucracy or higher costs, I'm committed to providing them with that predictability.

By voting to repeal the 1099 paperwork mandate today we do two things: First, we take an immediate step that will provide regulatory relief to the clinic in Tumwater and the restaurant in Vancouver. Second, we send a signal to America that Congress is changing the way it views small businesses. They aren't piggybanks, allowed to exist only to foot the bill on terribly ill-conceived and unaffordable government programs.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman 1 additional minute.

Ms. HERRERA BEUTLER. Today this new Congress lets small businesses know that we see them as the heart and soul of what makes this country great, as entrepreneurs that can grow and thrive and succeed as far as their hard work can take them. That's the job creation plan that has worked for this country for the last two centuries, and I'm confident it's the plan that will put folks in southwest Washington and across our country back to work.

Mr. LEVIN. Madam Speaker, I yield myself 1 minute.

One of the speakers on the majority side said that this was an effort to repeal health care piece by piece. That is clearly their misguided motivation. Here what they're trying to do is on the backs of the middle class of America. They don't defend the pay-for except by misrepresentation.

A tax increase is a tax increase is a tax increase on the middle class, on the middle class, on the middle class.

I now yield the balance of my time to the gentleman from New York (Mr. CROWLEY).

The SPEAKER pro tempore. The gentleman from New York is recognized for up to 9 minutes.

Mr. CROWLEY. I thank the gentleman from Michigan for his yielding me the balance of the time.

I want to thank all my colleagues for coming to the floor today to defend the

middle class of this country. We all believe—and I think both Democrats and Republicans, it's been evident here today, all believe—that the 1099 provisions need to be repealed. We recognize that.

We, too, want to help small business. We recognize that small business is the backbone of employment opportunity in our country. And that effort has been bipartisan, it has been bipartisan in the Senate, but not here. It's because we don't like the pay-for provision that my Republican colleagues are proposing and putting forward in this legislation because we believe that they switch the burden from the small business man and woman and they place it on the backs of the working class in this country.

We want to work in a bipartisan way. We believe we can work together and come up with a solution. Now I have to be honest, no one on the other side has asked me for a compromise solution, it hasn't happened. We passed this bill out of committee about 1½ weeks ago, almost 2 weeks ago, and still no one has said JOE, do you have an idea? We have a couple of good ideas over here I'd be willing to share with my colleagues on the other side, but that hasn't happened as of yet. I'm sorry this hasn't happened because I thought with this new Congress we would have more bipartisanship, and unfortunately that hasn't developed as of yet, at least as it pertains to this bill.

I'd also like to note that we're going on our third month here in the House of Representatives, and quite frankly I can't see much of what we've done. I can't say we've done much of anything, quite frankly. I can say that if you add up the total, we've imposed upon the American people an additional \$80 billion in taxes in different various ways, the latest of which will be this \$25 billion that we're going to impose upon the middle class if this bill passes today and somehow becomes law. This bill, if enacted, will be a massive increase of tax on the middle class.

I gave an example earlier today—it must have been about 2 hours ago—of a family of four earning \$88,000, approximately 397 percent of the Federal poverty level.

□ 1250

And I mentioned if the breadwinner of the family, if the husband or his wife or either of the spouses is the breadwinner in that family, and they get a bonus of \$250, I said before that they've done great work. They're management material. It's kind of laughable. "Here's \$250. Go out and buy the family a steak dinner."

That \$250 would bump them up to \$88,250 which would place them at 401 percentile of the Federal poverty level, and it would expose that middle class family because of their \$250 bonus to \$4,460.

Not one, not a single Member of the majority—and we've had over 19 Members of the majority testify or give re-

marks on the floor this morning and this afternoon—not a single one has refuted or in any way questioned the example I've given. You have not refuted that example, which can only bring one to conclude that the example I have given is indeed correct. I don't want it to be correct, but indeed it is correct. And if it is correct, it means a tax, a tax on the middle class—one that they cannot afford, especially during these difficult times. We don't know when these tough times—when they will ever end for the middle class.

And I think it's shameful the way in which the middle class has been characterized on the floor. That somehow they are the folks that cheat the system, that they're the ones that can't be trusted. We're not talking about the rich. We can trust the rich. We know that.

And I don't like class warfare, but you know what? The truth is we've let the people at the highest percent get off with no shared sacrifice whatsoever. No sacrifice. Go on living your lives. We'll have two wars, you know, we'll increase the deficit. But don't worry. You all go on living your lives in mansions and don't worry about the rest of the country because it really won't affect you in the end. You'll always survive. You can always hire a police force to protect you. If you need health care, you can buy a doctor. If you need the garbage picked up, well, you know, sanitation won't pick it up anymore, but you can pay someone and they will cart it away. They're living in a glass house.

But the middle class, who are struggling so much, who are looking for some breaks, looking for an opportunity to afford health care for themselves and for their families—health care. They just want to be on an even plane somewhat of everyone else if they can afford health care.

And the Federal Government is not giving a handout. This is not a subsidy. This is not welfare. These are tax credits, like the college tax credit that many of our constituents afford themselves of. Like the child tax credit that many of our constituents afford themselves of. It's a tax credit to help them afford health insurance for their families. And they never touch the money.

It would be one thing if you said to me they got \$5,000 in vouchers and they took the money and they went off and they bought plane tickets to Hawaii for the family for that year, or they took the money and they bought a new car, or they took the money and they bought furniture for their house. You know, that's scamming the system. That is wrong. That we don't promote.

But they never touch the money. The money goes to the insurance company. You know, the insurance companies who desperately need that money, they get the money. They're covered. They're fine. We don't ask them to be the watchdogs. We don't ask them to make sure the families are in compliance, make sure they're not going to

go over their income levels. They get the money. They walk away. Wipe their hands of it. They're taken care of.

But it's the poor family that inadvertently, unbeknownst to themselves, goes over the limit, and they go over the cliff. And when they go over the cliff, it's at the tune of nearly \$5,000 that they would have to repay.

Instead of rewarding success—which I hear from my Republican colleagues all the time, "We need to reward success"—we're not doing it in this instance. What we are doing is we are taxing success, as my friend from Wisconsin pointed out. We are taxing success.

Often I hear about from my friends on the other side we need to encourage people to work hard, work harder, don't worry about the clock. Don't worry about the clock. Work harder, get ahead. And we should not be stopping that.

But here is a perfect example—and it's not coming from this side of the aisle; it's coming from that side of the aisle—of we're saying, you know what? Maybe you shouldn't work so hard. Maybe you should pay attention to the clock. Maybe you should make sure that when you file you're not tripping yourself up and unfortunately discouraging that family from getting health insurance because they're afraid they'll owe a new tax of nearly \$5,000.

And I agree with my friend from Wisconsin again, this is nothing more than a Republican tax trap. It is a trap to the middle class. It's a trap to them. It's disparaging. And it's unfortunate that my colleagues have placed it in this light that somehow we're reducing or eliminating the burden for one group of workers and placing them on the backs of the middle class worker.

I don't begrudge the small businessmen and women. I was one myself before I came to Congress. I know the burdens. I understand the bills. I understand what comes in. But please don't remove the burden from the small businessman and woman and place that on the backs of middle class taxpayers. That's what you're doing.

If you vote for this bill, you will vote to increase taxes on the middle class. Don't kid yourselves. A tax on the middle class.

Mr. CAMP. Madam Speaker, I yield myself the balance of my time. I can assure the Speaker that I will not be using all of the balance of my time.

There has been a lot of rhetoric today, and as this debate winds down and as we prepare to vote on this legislation, I urge my colleagues to look at the facts.

I think many of the arguments we've heard from the other side ignore reality. It ignores the reality of their own legislation—legislation that they've passed. It ignores the reality of their own votes.

Under the health care bill, you put cliffs in the bill, if we want to talk about cliffs. There are levels where people need to pay back the entire

amount of the subsidy they receive. In the original bill, that was at 400 percent of poverty. That is the level that is no legislation we see today. Later in December, when you wanted to address the doctor fix, you just moved that level up to 500 percent of poverty. There is still a cliff in the bill. There was a cliff in the original bill. There is a cliff now.

Also, this idea that repaying a subsidy to which one is not entitled is somehow a new concept was in the original health care legislation. It still is in the original health care legislation. We just believe we need to take further steps to protect the taxpayers.

And I would also say that if you look at the legislation, there is on page 123 a subpart (b) eligibility determination where applicants apply for the subsidy, and they're required to report certain things. But they're also required under this section to report changes in circumstances. That obligation is on the taxpayer, on the person seeking the subsidy. And that is in their legislation, and we think that's an important concept to protect.

Let's stick with the facts. The fact is the increased tax reporting requirements enacted last year will hurt our ability to create jobs. The 1099 provision hurts our ability to create jobs in this country.

Fact, the unemployment rate has been stuck at or above 9 percent for nearly 2 years, and this Congress owes it to the American people to do everything it can to help small businesses, job creators, and workers get back on their feet.

Fact, repealing the 1099 provision is a top priority of small businesses, and that's why we have over 225 organizations supporting this legislation, including the Nation's largest small business organization, the NFIB.

And, fact, this bill is a tax cut and a spending cut, and that's why it has the support of groups like the Americans for Tax Reform, the National Taxpayer Union and Americans for Prosperity.

Madam Speaker, I urge my colleagues to vote for this bill so small business can get back to what they do best: creating jobs.

I yield back the balance of my time.

Mr. HOLT. Madam Speaker, I rise in opposition to H.R. 4, the Small Business Paperwork Mandate Elimination Act of 2011.

I regret that the authors of this legislation have taken such a thoughtless approach. We could have had before us today a bill that would repeal any unnecessary and burdensome paperwork that is at issue here and we could have done it without putting burden on ordinary families.

This bill would repeal a reporting requirement that would require business owners to provide an IRS form 1099 to all vendors with whom they pay \$600 or more annually for their services.

I agree that this reporting requirement should be repealed. In fact, I voted to repeal this requirement last year. Unfortunately, the bill attracted only two Republican votes and failed to pass the House on July 30, 2010.

This Congress, I am a cosponsor of the Small Business Tax Relief Act of 2011, which would repeal the 1099 reporting requirement.

H.R. 4 would change the subsidies and repayment obligations of the tax credits available for people with incomes below 400 percent of poverty to assist with the cost of obtaining affordable health insurance. This would be a massive tax increase on the middle class.

These tax credits will help low and middle income individuals and families pay insurance premiums. The credits are available for those individuals and families—up to 400 percent of the poverty line and cap the family's share of health insurance premiums at 9.5 percent of adjusted gross income.

This bill would force people to pay back billions of dollars in tax credits they received to obtain affordable health insurance. Since the tax credits go directly to the health insurance company, individuals and families who had small fluctuations in their income would have to pay back money that they never received. For example, under this legislation a family of four earning \$88,000 a year would have to pay \$4,640 that they never received if the family got an unexpected \$250 year-end bonus.

In a time where we want to create jobs, this bill would penalize individuals who found a new job or got promoted. This bill harms average working Americans who cannot obtain insurance through their employers—the exact people we should be helping.

I agree that this reporting requirement should be repealed. That is why I am a cosponsor of the Small Business Tax Relief Act of 2011. That bill would repeal the 1099 reporting requirement, but does not increase taxes on the middle class.

Today, we have a chance to vote against increasing taxes for hard working Americans. I urge my colleagues to vote no on this piece of legislation.

Mr. SENSENBRENNER. Madam Speaker, I rise today in support of the Small Business Paperwork Mandate Elimination Act, as I believe it serves as a critical step in the ongoing process of preventing last year's health care law from destroying American jobs. We cannot ignore the cries from businesses around the country that the 1099 reporting requirement is an unnecessary burden that will cost jobs.

In a time when our economy is struggling to emerge from one of the worst recessions in generations, we must work to free small businesses from onerous regulatory burdens. We cannot afford to promote policies that use needless paperwork as a means to strangle growth and prosperity. The 1099 reporting requirement on transactions greater than \$600 was included in the health care overhaul without consideration of the individuals, families, and small businesses that would suffer as a result. By devoting more resources to comply with this new requirement, we are preventing businesses from doing what is essential: creating jobs.

But the disregard for small businesses did not stop there. Last fall, the 1099 reporting requirement was expanded to include rental property expense payments. Instead of recognizing the disastrous effect of this new requirement, there were those in the last Congress who decided it was a good idea to expand it. Now we are left with even more taxpayers who will suffer the consequences of an already misguided regulation.

Today we have the opportunity to correct the mistakes of the past. H.R. 4 allows this Congress to stand up for small businesses and hard-working taxpayers by eliminating what is obviously a job destroying regulation. By removing the 1099 reporting requirement, we will free businesses from time-consuming paperwork so that they may grow and help our economy recover. We all hear from our constituents, "Where are the jobs?" By supporting this legislation, we can show the American people that we are serious about creating a business environment that promotes job growth and prosperity.

I applaud the gentleman from California for recognizing early on the negative impact this regulation will have on small businesses. I encourage my colleagues in the Senate to consider this legislation quickly so we can bring certainty to American businesses and avoid the obvious complications that the 1099 reporting requirement presents.

Mr. VAN HOLLEN. Madam Speaker, as I have done before, I rise today in strong support of eliminating the 1099 paperwork requirement on small businesses. In fact, I would remind my colleagues on the other side of the aisle that the only reason we are here today—the main reason this is still an issue at all—is because House Republicans opposed eliminating this provision when the Small Business Tax Relief Act of 2010 was brought to the floor of the House in July of last year.

So this issue isn't new, and it really isn't a question of whether there is bipartisan agreement to repeal this onerous requirement. There is. The question is how you pay for it. And that's where today's bill goes astray. We can and should repeal the 1099 reporting requirement. But we should not do it on the backs of middle class Americans buying health insurance for their families who are playing by the rules and complying with the law. And I would point out that the law they're complying with received a near unanimous vote of 409–2 this past December.

I stand ready and willing to work with my colleagues on both sides of the aisle to find an acceptable way to pay for this repeal before the requirement takes effect in 2012. But I strongly believe that effort should focus on ending any of the myriad loopholes and unjustified subsidies in current law before imposing an effective tax increase on the middle class.

Ms. HAYWORTH. Madam Speaker, yesterday morning I received a letter from a constituent, Seth Arluck of New Hampton, NY.

Seth's three-generation family business was hit hard by the housing market crash. The 1099 rule in the Affordable Care Act, Seth says, "would place a disproportionate burden on my very small lumber yard. . . I do not need an additional and unnecessary expense that serves no apparent purpose."

He adds that the penalty for 1099 non-compliance, to fund small-business lending, adds insult to injury: "How clever, fine the heck out of me, and loan me the money to pay fines."

Madam Speaker, this is no way to treat the engine of growth for America. Instead of investing in adapting to his clients' needs in changing times, Seth Arluck will now have to spend precious time and money on paperwork.

The bill we must pass today is an important step toward curing the ill effects of the Affordable Care Act. The Senate has already acted

and I call on President Obama not to delay helping Seth, and so many other of our Nation's job creators put Americans back to work.

MARCH 2, 2011.

Hon. NAN HAYWORTH,
LHOB,
Washington, DC.

DEAR DR. HAYWORTH: I am very concerned about the 1099 reporting provision in the healthcare bill passed in the 111th Congress. This requirement, to issue a 1099 for each business to business expenditure over \$600, would place a disproportionate burden on my very small business. I am the third generation of my family to operate this retail lumber yard in Orange County. Our sales and revenues, so dependent on the housing and home improvement sectors, have seriously declined since 2008. We have gone from seven to four employees including myself and my brother; our part time bookkeeper was one of the staff reductions.

Last year we wrote 600 checks for purchases other than payroll. We have about 150 vendors in our accounts payable. Although many of our purchases are with recurring vendors, there are many one time purchases which exceed \$600: repairs to vehicles and equipment, replacement of computer and office equipment, one time advertising expenses, dues to business organizations, annual insurance premiums, and sundry expenses. How many 1099's would I have to produce? 50, 75, 100? I know that it would exceed the three that are done now for interest and rent. I am now the bookkeeper; do I attempt this challenge or pay my accountant or another outsource. I have forgone many paychecks in the last two years, I do not need an additional and unnecessary expense that serves no apparent purpose.

Another aspect of this requirement is the need to obtain each vendor's Federal I.D. or Social Security number in order to legally comply with 1099 reporting. That means that if a business has any chance of cumulatively exceeding the \$600 threshold, the SSN or EIN has to be asked for in advance. In these times of rampant identity theft, there will be many refusals to furnish these ID numbers. Failure to correctly report a 1099 results in fines. As if that was not daunting enough, the previous Congress passed HR 5297 last September, The Small Business Jobs Act, which increased the penalty for 1099 non-compliance from \$50 to \$250 per violation. The increase in fines was to help fund small business lending. How clever, fine the heck out of me, and loan me the money to pay fines. Thank you 111th Congress.

And what justifies this new layer of regulation? The apparent belief that business is inherently untrustworthy and cheating the U.S. Government of it's rightful tax revenues? Is it the need to find any alleged revenue source, no matter how unsavory, to fund Obamacare? No thank you.

Please repeal the 1099 provision now.

Sincerely,

SETH N. ARLUCK,
President,
New Hampton Lumber Co. Inc.,
New Hampton, NY.

Ms. SCHAKOWSKY. Madam Speaker, I rise in opposition to H.R. 4, the Small Business Paperwork Mandate Elimination Act of 2011.

We all agree that the 1099 reporting requirements added by the Senate to the Affordable Care Act need to go. That is not in question. None of us wants to burden small business men and women with unreasonable reporting burdens. All of us are committed to eliminating this requirement.

In fact, we could have and should have solved this problem last year, when the House

voted on H.R. 5982, the Small Business Tax Relief Act. Unfortunately, all but two Republicans voted against that bill. That bill, like today's bill, would eliminate the 1099 provision. Unlike today's bill, however, it paid for the \$24.9 billion cost of repeal in a very, very different manner.

H.R. 5982, the Democratic approach, would have paid for reform by eliminating tax loopholes that allow corporations to ship jobs overseas. It would have solved the problem while also eliminating incentives to locate operations overseas. Creating American jobs should be our number one priority, and H.R. 5982 would have helped us do that.

H.R. 4, the Republican approach, doesn't close corporate offshoring loopholes. Instead, it puts the \$24.9 billion cost of repealing the 1099 reporting requirements squarely on the backs of middle-class families. It undermines the entire approach of the Affordable Care Act—to help individuals and families obtain affordable, quality health care—by imposing taxes on those who receive assistance to help pay premiums and cost-sharing requirements.

Under the Republican bill, individuals and families who are eligible to get assistance at the beginning of the year are subject to taxation if they are fortunate enough to get a raise or a better job by the end of the year. Even if they are a few dollars over the eligibility limit, the Joint Committee on Taxation estimates that they could be subject to taxes up to \$6,000 under H.R. 4. The assistance, by the way, is given directly to the insurance company but the tax penalty would come directly out of the pockets of families.

The Republican bill not only would impose harsh penalties on middle-class families, it would also undermine the second principle of the Affordable Care Act: to expand coverage. Again according to the Joint Committee on Taxation, it would take away coverage from 266,000 Americans who would no longer take insurance because of concerns that they could potentially be required to pay substantial taxes the following year.

I wish I could vote today to repeal the 1099 reporting requirements, just as I voted to repeal them last year. I cannot, however, solve the burden on small businesses by imposing a burden on middle-class families, particularly when we have so many better choices to pay for repeal.

Mr. REED. Madam Speaker, I rise today to support H.R. 4, the Small Business Paperwork Mandate Elimination Act of 2011. The expanded reporting requirements to the Internal Revenue Service are mandated by the health care reform act of 2010 on any purchase made \$600 or more. This provision would directly impede economic growth in the 29th District of New York. At a time of great uncertainty, the economic recovery in the 29th District continues to lag behind the rest of the nation. This burdensome mandate must be eliminated and I proudly support the repeal for the sake of our small businesses and farmers.

Further, we must act to ensure that "red-tape" measures and over-reaching regulations do not continue. If we are going to reduce government spending, it starts with repealing unnecessary requirements, such as the 1099 requirement. This provision of the health care reform law contributes to the bloating of the Federal Government and must be repealed. As we move forward towards returning fiscal prosperity to our nation, I will remain com-

mitted to the interests of small businesses and farmers, protecting them from burdens which restrict their growth. I urge all of my colleagues to vote in favor of repealing the expanded 1099 requirement.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Speaker, I voted against the H.R. 4, the "Small Business Paperwork Mandate Elimination Act of 2011" commonly known as "the 1099 provision". I would like to submit a statement for the RECORD to clarify my position on this issue.

Forms 1099 have been used by the IRS for decades to better track income. The rules would have required businesses to file Form 1099 with the IRS to report payments made to corporations for goods and certain services to help the IRS collect taxes that are legally owed, and in turn, keep taxes lower for all taxpayers.

Although I support the measure in principle, I do believe this type of reporting keeps track of what businesses owe the federal government in taxes and close any loopholes for any misreporting. In fact, during the 111th Congress, a repeal bill was approved by the Democratic House that would close tax loopholes for companies that ship jobs overseas and protected people from any tax increases with incomes below 400 percent of the federal poverty level (approximately \$88,000 for a family of four) from having to pay back the IRS their tax credit if they saw a change in income.

The Republican 1099 repeal removes this protection. So, if a family earning \$88,000 a year gets a \$250 Christmas bonus, and because of it, are bumped up to 401 percent of the federal poverty level, this family would be required to refund to the IRS the entire tax credit of \$4,640—out of their own pockets.

As a Senior Member of Congress who proudly represents a vibrant small business sector, I know firsthand the value of small businesses in north Texas. I remain committed to improving tax administration and enhancing voluntary tax compliance without making the middle class pay.

I look forward to working collaboratively with the small business community to improve the ability of small businesses to meet their tax obligations.

Mr. STARK. Madam Speaker, the debate we're having today has nothing to do with repealing the 1099 provision. Like every Democrat here who was in Congress last year, I've already voted to do that.

We brought forth a bill last year to repeal the 1099 provision and paid for it by closing tax loopholes that encourage businesses to move jobs overseas and other loopholes that promote tax avoidance. Even though that bill was endorsed by NFIB, all but two of our Republican colleagues voted no because they preferred to protect big business over small businesses.

Because of Republican opposition last year, we're here again considering legislation to repeal the 1099 provision. Unfortunately, our Republican colleagues have taken an area of agreement and rejected bipartisanship by choosing to tax middle class families. That's right, this Republican bill is a \$25 billion middle class tax increase.

The Affordable Care Act provides tax credits to make health coverage affordable to those with lower and middle incomes. These tax credits are provided in advance and then are

reconciled at the end of the year. In this bill today, Republicans are trying to raise \$25 billion by putting middle class families on the hook for massive tax increases when they reconcile those payments. The Joint Committee on Taxation estimates that this Republican bill will raise taxes on middle class families in this income category by an average of \$3,000. Many families would be liable for much higher tax increases.

The President has announced his strong opposition to this financing mechanism. Consumer Advocates have also spoken out in opposition. These groups include Families USA, Community Catalyst, SEIU and the Center on Budget and Policy Priorities.

All of us want to resolve this 1099 problem. But to do so on the backs of middle income working Americans is flat out wrong. I urge my colleagues to join me in voting no on this bill today so that we can come together and find a way to finance 1099 repeal that doesn't gouge the middle class.

Mr. CANTOR. Madam Speaker, last November, Americans sent a clear message of defiance to the status quo. They saw that government was spending taxpayer money recklessly and making it harder for our job creators to put Americans back to work—and they voted for something better.

House Republicans have responded by doing everything in our power to foster an environment where businesses can expand, investors can invest, and hard work can be rewarded. That means cutting excessive spending and burdensome regulations and growing private-sector jobs and the economy.

Today we are cleaning up the mess resulting from oppressive new 1099 requirements.

Tucked into Obamacare and a so-called small business bill last year, these regulations threaten to wreak havoc upon small businesses. They have become a symbol of the unanticipated pitfalls of big government and partisan legislative procedure.

In this challenging climate, businesses should be able to focus on staying profitable and looking for opportunities to grow. Instead they are being asked to divert precious time and resources to satisfy yet another layer of red tape from Washington.

By repealing these ill-conceived requirements, we take a big step toward putting America back on a growth footing. We reaffirm that this Congress will no longer finance the expansion of government on the backs of our small businesses, America's economic engine.

The United States is the creative capital of the world. We have the most innovative entrepreneurs and the most determined and resilient workforce.

Our businesses and our people have proven that they can out-innovate and out-compete any country in the world. But they can't do it if Washington keeps making it harder for them. And they can't do it if they are plagued by fears of excessive regulation, higher taxes and inflation.

Our job as legislators is to create opportunity—to restore the principle that everyone in America has a fair shot.

That's why it is imperative that we cut needless regulation and bring spending down to sustainable levels. And that's why it is incumbent upon us to support this legislation to make sure small businesses aren't bogged down in needless paperwork so that they can grow and create jobs. I urge my colleagues to support H.R. 4.

Mr. GRAVES of Missouri. Madam Speaker, our nation's small businesses create 7 of every ten 10 new jobs. They represent 99.7 percent of all employer firms, and employ 97.5 percent of all identifiable exporters. They are the entrepreneurs that can lead us out of the economic downturn. We are depending on them to reinvigorate our economy. But the fact is, Washington has not provided them with an environment in which they can thrive.

At House Small Business Committee hearings, owners of small firms have told us week after week that they want Washington to get out of the way so they can do what they do best: create jobs and help move our economy forward. But Washington keeps piling on mandates that hold them back. The expanded 1099 information reporting requirement is a perfect example.

At one of our recent hearings, a small manufacturer from North Carolina said, "The expanded 1099 reporting requirement included in the healthcare law is a good example of the kind of misguided policy that works against the interest of small businesses. Tax filing is never a task small business owners look forward to, but making filing more burdensome only drains resources from already struggling companies." Few industries have been as affected by the economic downturn as home builders. A small home builder from Kentucky said, ". . . [T]here will be significant costs involved to track, aggregate and report required transactions."

Madam Speaker, at a time when we should be making it easier to create jobs and promote economic growth, small businesses don't need another costly and burdensome mandate. I thank Chairman CAMP for his work in advancing this important legislation to the House Floor, and recognize Chairman LUNGREN for his leadership on this issue. I ask my colleagues to support H.R. 4.

Mr. DINGELL. Madam Speaker, I rise in opposition to H.R. 4, the Small Business Paperwork Mandate Elimination Act. I want to say on record, however, that I support repeal of the Affordable Care Act's 1099 mandate. This onerous paperwork requirement was included in the act at the insistence of our colleagues in the other body, and not by us in the House.

The 1099 mandate should be repealed, but it must be done in a fiscally responsible manner than does not harm working families, who struggle every day to cope with the effects of the current recession. The bill we are presently considering passes the cost of the 1099 repeal on to middle class Americans by ensuring that more of them will be subject to increased taxes. Moreover, H.R. 4 will reduce the number of Americans with health coverage by over a quarter-million, according to the Joint Committee on Taxation.

Madam Speaker, H.R. 4 is a poor compromise, reminiscent of the legislative travesty foisted on the American people last December when Senate Republicans insisted unemployment benefits come at the price of tax cuts for the rich. I call on my colleagues to oppose this bill and instead work to find more responsible ways to pay for the repeal of the 1099 mandate, such as closing foreign tax loopholes and eliminating tax breaks for oil companies.

Ms. JACKSON LEE of Texas. Madam Speaker, I rise today in opposition to H.R. 4, the Small Business Paperwork Elimination Act of 2011. The stated purpose of this is to amend the Internal Revenue Code to repeal a

provision added by the Patient Protection and Affordable Care Act that extends to corporations that are not tax-exempt, the requirement to report payments of \$600 or more.

However, I must say that while I strongly support providing relief to America's small businesses and I absolutely support the landmark Patient Protection and Affordable Care Act, I deeply regret that yet again we have had a closed rule regarding the full consideration and making of useful, meaningful amendments to H.R. 4. When the Republican majority came into this Congress they promised an open and transparent process. This is not open and transparent. It does not provide the assistance to America's small businesses that my colleagues on the other side of the aisle would like us to believe and in fact, further burdens small businesses.

If we had a truly open process, we could have all worked together in a bi-partisan manner to provide real relief to America's middle class and small businesses instead of the tax increase we are being asked to heap onto their backs today.

The simple fact is that H.R. 4 Would Increase Taxes on Middle Class and Raises the Number of Uninsured.

It is not good for the people of the 18th congressional district of Texas, it is not good for the State of Texas, and it is not good for the United States of America.

H.R. 4 Increases Taxes on the Middle Class. H.R. 4 would force many middle-income Americans to pay higher taxes. Simply by accepting a better job, picking up extra shifts or receiving a holiday bonus, these families would have to pay the IRS the value of their health premium tax credits, jeopardizing their financial security.

H.R. 4 Creates a Steep Cliff that will Penalize the Middle Class. It would eliminate protections for families with income between 400 and 500 percent of poverty (\$88,000 to \$110,000 for a family of four). That means if a family's actual annual income was even one dollar above 400 percent of poverty, they could have to pay the IRS the entire value of their health insurance premium tax credits. According to the Joint Committee on Taxation, the average payment for a family between 400 and 450 percent of poverty will go up by \$3,000 due to the Republican policy, for a total of \$6,000 or more in payments to the IRS.

H.R. 4 Undoes the Bipartisan Agreement on Health Care. While there has been contentious disagreement about health reform, the structure of the repayment caps is one of the few health reform issues with strong bipartisan agreement. The House fixed the problem of a steep cliff if one's income increased to 400 percent of poverty by a bipartisan vote of 409–2 last December—and it was signed into law. H.R. 4 undoes that bipartisan agreement so that Republicans can increase taxes on the middle class—those between 400 and 500 percent of poverty—by \$25 billion.

H.R. 4 Leads to an Increase in the Number of Uninsured. According to the Joint Committee on Taxation, the Republican proposal will cause an increase in the uninsured of 266,000. Over a quarter of a million individuals will no longer receive health insurance out of fear that they will be forced to pay substantial amounts to the IRS at tax time.

H.R. 4 Disproportionately Hurts Families Living in High Premium Areas. Families who

have to pay the IRS the value of their health premium tax credits will have to pay even more if they live in parts of the country that have higher premiums due to circumstances in the local market.

So, I urge my colleagues to join me in opposing this bill and supporting true bipartisan relief for America's middle class and small businesses.

Mr. MARINO. Madam Speaker, I rise today in strong support of H.R. 4, the Small Business Paperwork Mandate Elimination Act of 2011. This legislation would repeal one of many burdensome requirements being imposed on Americans, especially the job creators, by the health care law passed last year. This 1099 mandate highlights the problem with ignoring the voice of the American people and passing a "bill so you can find out what is in it."

Small business owners from Northeastern Pennsylvania have found out what was in the health care bill and they are not happy:

Small business owner, Arthur Borden of Lewisburg, states, "It's hard to believe that elected representatives of our people could be so irresponsible to allow such a ridiculous provision as the 1099 mandate included in the recently passed health care law. As the owner of a small business which is already overburdened by rules, regulations, and rolls of red tape, I am appalled and frightened by the prospects of what such an ill conceived law will do."

Small business owner, Bruce Brown of Clarks Summit, states, "Businesses are already overburdened with tax paperwork and reporting requirements, so the additional requirements included in the PPACA will only increase the cost and complexity of complying with the tax code."

Small business owner, Thomas Musser of Mifflinburg, simply states, "I do not support the 1099 tax reporting requirement."

The Pennsylvania based business networking organization, SMC Business Councils, released a survey of its member businesses which found that their members file roughly 10 forms per year; under the new requirement from the health care law, the members estimated that would jump to more than 200 a year. The new costs associated with complying with this mandate would cripple small businesses across my district and the Commonwealth.

I join with my constituents and all small business owners throughout the nation in support of repealing the onerous 1099 reporting requirement. Furthermore, this debate is yet another reminder as to why we need to repeal the jobs-destroying health care bill and begin the process of methodically and thoughtfully reforming the health care system in an open and transparent manner, taking into account viewpoints from both sides of the aisle. Most importantly though, we must take into account the voice of the American people. This was omitted from the process a year ago, and today we begin process of cleaning up the mess that occurs when this omission happens.

□ 1300

The SPEAKER pro tempore. Pursuant to House Resolution 129, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. MCNERNEY. Madam Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MCNERNEY. I am opposed in its current form.

Mr. CAMP. Madam Speaker, I reserve a point of order.

The SPEAKER pro tempore. A point of order is reserved.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McNerney moves to recommit the bill H.R. 4 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Add at the end of the bill the following new sections:

SEC. 5. NONREFUNDABLE PERSONAL CREDIT FOR TAXPAYERS SUBJECT TO A TAX INCREASE UNDER THE SMALL BUSINESS PAPERWORK MANDATE ELIMINATION ACT OF 2011.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 25D the following new section:

"SEC. 25E. CREDIT FOR TAXPAYERS SUBJECT TO A TAX INCREASE UNDER THE SMALL BUSINESS PAPERWORK MANDATE ELIMINATION ACT OF 2011.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the excess (if any) of—

"(1) the regular tax liability of the taxpayer for the taxable year, over

"(2) the regular tax liability of the taxpayer for the taxable year, determined by applying section 36B(f)(2) (as in effect on the day before the date of the enactment of this section) in lieu of section 36B(f)(2) (as in effect on the day after the date of the enactment of this section).

"(b) CARRYFORWARD OF UNUSED CREDIT.—

"(1) RULE FOR YEARS IN WHICH ALL PERSONAL CREDITS ALLOWED AGAINST REGULAR AND ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26(a)(2) applies, if the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a)(2) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(2) RULE FOR OTHER YEARS.—In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a)(1) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year."

(b) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) of such Code is amended by inserting "25E," after "25D,"

(2) Section 25(e)(1)(C) of such Code is amended by inserting "25E," after "25D," both places it appears.

(3) Section 25A(i)(5)(B) of such Code is amended by inserting "25E," after "25D,"

(4) Section 25B(g)(2) of such Code is amended by inserting "25E," after "25D,"

(5) Sections 25D(c)(1)(B) and 25D(c)(2)(A) of such Code are both amended by inserting "and section 25E" after "this section".

(6) Section 26(a)(1) of such Code is amended by inserting "25E," after "25D,"

(7) Section 30(c)(2)(B)(ii) of such Code is amended by inserting "25E," after "25D,"

(8) Section 30B(g)(2)(B)(ii) of such Code is amended by inserting "25E," after "25D,"

(9) Section 30D(c)(2)(B)(ii) of such Code is amended by striking "sections 23 and 25D" and inserting "sections 23, 25D, and 25E".

(10) Section 1400C(d) of such Code is amended by inserting "25E," after "25D," both places it appears.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25D the following new item:

"Sec. 25E. Credit for taxpayers subject to a tax increase under the Small Business Paperwork Mandate Elimination Act of 2011."

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

SEC. 6. INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES.

(a) IN GENERAL.—Subparagraph (B) of section 199(c)(4) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by inserting after clause (iii) the following new clause:

"(iv) in the case of a major integrated oil company (as defined in section 167(h)(5)), the production, refining, processing, transportation, or distribution of oil, gas, or any primary product thereof."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2014.

SEC. 7. MAJOR INTEGRATED OIL COMPANIES INELIGIBLE FOR LAST-IN, FIRST-OUT METHOD OF INVENTORY.

(a) IN GENERAL.—Section 471 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) MAJOR INTEGRATED OIL COMPANIES INELIGIBLE FOR LAST-IN, FIRST-OUT METHOD.—In the case of a major integrated oil company (as defined in section 167(h)(5)(B))—

"(1) the last-in, first-out method of determining inventories shall in no event be treated as clearly reflecting income, and

"(2) sections 472 and 473 shall not apply."

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2014.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year beginning after December 31, 2014—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) if the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 is positive, such amount shall be taken into account over a period of 8 years beginning with such first taxable year.

Mr. MCNERNEY (during the reading). Madam Speaker, I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. CAMP. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

Mr. MCNERNEY (during the reading). Madam Speaker, once again I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. CAMP. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

POINT OF ORDER

Mr. CAMP. Madam Speaker, I insist on my point of order.

I make a point of order against the motion because it violates clause 10 of rule XXI, as it has the net effect of increasing mandatory spending within the time period set forth in the rule.

I ask for a ruling of the Chair.

The SPEAKER pro tempore. Does any Member wish to be heard on the point of order?

The Chair recognizes the gentleman from California.

Mr. MCNERNEY. Madam Speaker, everyone knows that times are tough and that individuals, families, and small businesses are having a difficult time making ends meet. That's why it's so important that we provide small businesses, which are the backbone of our economy, with the tools to succeed.

The SPEAKER pro tempore. Does the gentleman wish to address the point of order?

Mr. MCNERNEY. Yes, the gentleman wishes to address the point of order.

The SPEAKER pro tempore. The Chair will hear the gentleman.

Mr. MCNERNEY. With rising prices of gasoline, and unemployment that remains far too high, helping small businesses is more important than ever.

Mr. CAMP. Madam Speaker, the gentleman is not addressing the point of order.

□ 1310

The SPEAKER pro tempore. Does the gentleman from California wish to address the specific point of order?

Does any other Member wish to address the point of order?

The Chair recognizes the gentleman from Michigan.

Mr. LEVIN. Madam Speaker, the gentleman from California was addressing the point of order. I think he should be allowed to do so.

The SPEAKER pro tempore. The gentleman from California may be heard only on the point of order and may continue if he is speaking directly to the point of order.

Mr. MCNERNEY. Madam Speaker, this directly addresses the tax provision in the Republican bill.

The SPEAKER pro tempore. The gentleman from California may proceed.

Mr. MCNERNEY. This motion to recommit addresses the pay-for in the bill.

The SPEAKER pro tempore. The gentleman from California may proceed.

Mr. MCNERNEY. Madam Speaker, I am a former small business owner, and while I strongly supported our efforts to reform the health care—

Mr. CAMP. Madam Speaker, regular order. The gentleman is not addressing the point of order.

The SPEAKER pro tempore. The Chair will hear the gentleman from California.

Mr. LEVIN. I urge the gentleman from Michigan to let him—

Mr. CAMP. Regular order, Madam Speaker.

The SPEAKER pro tempore. Members will suspend.

The Chair recognizes the gentleman from California.

Mr. MCNERNEY. We have a paid-for tax cut that's germane and included in the motion to recommit.

The SPEAKER pro tempore. The gentleman may proceed, but the Chair will hear argument from all Members on the point of order only.

The gentleman from California continues to be recognized.

Mr. MCNERNEY. While I strongly supported our efforts to reform the health care system, I also supported repealing the 1099 reporting requirement. This requirement will negatively affect small businesses' ability to operate smoothly and efficiently. There is a broad bipartisan consensus on this point, and I have received many emails, phone calls and letters from constituents in my district who oppose the 1099 reporting requirement.

I support repealing the 1099 provision—

The SPEAKER pro tempore. The gentleman will suspend.

Remarks must be confined to the procedural issue at hand.

Mr. MCNERNEY. We have a paid for tax cut that is in order.

The SPEAKER pro tempore. Does any other Member wish to be heard on the point of order?

The Chair recognizes the gentleman from Michigan.

Mr. LEVIN. The gentleman wishes to proceed. The gentleman from California wishes to proceed.

The SPEAKER pro tempore. The gentleman must speak to the specific procedural question.

Mr. LEVIN. And he says he is doing so. He is saying he is doing so.

The SPEAKER pro tempore. There seems to be some question of that.

The gentleman from California may proceed.

Mr. MCNERNEY. I stand here to offer a better alternative. It's paid for. Instead of simply agreeing to the majority's bill, the motion to recommit would repeal the 1099 requirement and provide a new tax cut to the middle-class paid for by closing tax loopholes exploited by large oil companies. It's paid for and it's germane.

Oil companies have earned record profits over the last few years, and it's just unacceptable for them to take advantage of the special loopholes when the middle class is struggling.

Mr. CAMP. Madam Speaker, the gentleman is not addressing the point of order.

The SPEAKER pro tempore. The gentleman from California has not spoken directly to the procedural question of order. The Chair will now recognize other Members.

The Chair recognizes the gentleman from New York.

Mr. CROWLEY. Thank you for allowing me to address the point of order.

Madam Speaker, the rules of the House give a modicum of support to the minority to offer motions to address a different point of view on legislation, albeit in the form of a motion to recommit. The rules of the House, Madam Speaker, allow for the minority to express that point through the motion.

In this motion to recommit, as has been placed forward by the gentleman from California, it is a simple choice between the oil companies and the middle class: Side with the oil companies or side with the middle class.

The SPEAKER pro tempore. The gentleman will suspend. The gentleman is not addressing the procedural issues raised by the point of order.

Mr. CROWLEY. Madam Speaker, if I can, I am addressing the rules of the House that allow for the minority to have an opportunity to make a motion to recommit. It may not be in agreement with the majority. We understand that. They may not like the motion to recommit. We understand that. They may not like the motion to recommit under the rule because it touches onto an area that they are not comfortable with, that is, taxing oil companies.

The SPEAKER pro tempore. The gentleman is not addressing the procedural issue.

Mr. CROWLEY. I am addressing the rules of the House, Madam Speaker.

The SPEAKER pro tempore. The gentleman is not sticking to the precise procedural question at hand, which is clause 10 of rule XXI.

Mr. CAMP. I would ask the Chair to rule, Madam Speaker.

Mr. LEVIN. Madam Speaker, I wish to be heard.

The SPEAKER pro tempore. Does any Member in the body wish to be heard on the point of order under clause 10 of rule XXI specifically?

Mr. LEVIN. Yes, I do.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan.

Mr. LEVIN. Madam Speaker, the rules of the House, as crafted by the majority, do make it difficult for us to craft motions to recommit that are germane.

I submit this is, and I think you should listen to us before you make a ruling. You are the Speaker of the House, acting in that capacity.

This motion would cut taxes, would end oil subsidies, and ensure more Americans have health insurance. It is germane. The Republicans should not try to gag us.

I urge that the Speaker rule this in order.

Mr. CAMP. Madam Speaker, I would ask the Chair to rule.

The SPEAKER pro tempore. The Chair has heard enough and is prepared to rule at this time.

Mr. WEINER. Madam Chair, point of order.

The SPEAKER pro tempore. Does the gentleman from York have a point of order?

Mr. WEINER. Madam Speaker, Members should have an opportunity to be heard on the point of order. Just because one person you might feel didn't address it doesn't mean all of us should be prejudiced in our opportunity to speak.

The SPEAKER pro tempore. Argument is at the discretion of the Chair, to edify her judgment.

The Chair finds that it is time to now rule on the point of order.

The gentleman from Michigan makes a point of order that the motion offered by the gentleman from California violates clause 10 of rule XXI by proposing an increase in mandatory spending over a relevant period of time.

Pursuant to clause 10 of rule XXI and clause 4 of rule XXIX, the Chair is authoritatively guided by estimates from the chair of the Committee on the Budget that the net effect of the provisions in the amendment would increase mandatory spending over a relevant period as compared to the bill.

Accordingly, the point of order is sustained and the motion is not in order.

Mr. LEVIN. Madam Speaker, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE

Mr. CAMP. Madam Speaker, I move to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion to table.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. CAMP. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, this 15-minute vote on the motion to table will be followed by a 5-minute vote on passage of the bill, if arising without further proceedings in recommittal.

The vote was taken by electronic device, and there were—yeas 243, nays 181, not voting 8, as follows:

[Roll No. 161]

YEAS—243

Adams	Alexander	Austria
Aderholt	Altmire	Bachmann
Akin	Amash	Bachus

Barletta	Graves (GA)
Bartlett	Graves (MO)
Barton (TX)	Griffin (AR)
Bass (NH)	Griffith (VA)
Benishek	Grimm
Berg	Guinta
Biggert	Guthrie
Bilbray	Hall
Bilirakis	Harper
Bishop (UT)	Harris
Black	Hartzler
Blackburn	Hastings (WA)
Bonner	Hayworth
Bono Mack	Heck
Boren	Heller
Boustany	Hensarling
Brady (TX)	Herger
Brooks	Herrera Beutler
Broun (GA)	Huelskamp
Buchanan	Huizenga (MI)
Bucshon	Hultgren
Buerkle	Hunter
Burgess	Hurt
Burton (IN)	Issa
Calvert	Jenkins
Camp	Johnson (IL)
Campbell	Johnson (OH)
Canseco	Johnson, Sam
Cantor	Jones
Capito	Kelly
Carter	King (IA)
Cassidy	King (NY)
Chabot	Kingston
Chaffetz	Kinzinger (IL)
Coble	Kline
Cofman (CO)	Labrador
Cole	Lamborn
Conaway	Lance
Cravaack	Landry
Crawford	Lankford
Crenshaw	Latham
Cuellar	LaTourette
Culberson	Latta
Davis (KY)	Lewis (CA)
Denham	LoBiondo
Dent	Long
DesJarlais	Lucas
Diaz-Balart	Luetkemeyer
Dold	Lummis
Dreier	Lungren, Daniel
Duffy	E.
Duncan (SC)	Mack
Duncan (TN)	Manzullo
Ellmers	Marchant
Emerson	Marino
Farenthold	McCarthy (CA)
Fincher	McCaul
Fitzpatrick	McClintock
Flake	McCotter
Fleischmann	McHenry
Fleming	McKeon
Flores	McKinley
Forbes	McMorris
Fortenberry	Rodgers
Fox	Meehan
Franks (AZ)	Mica
Frelinghuysen	Miller (FL)
Gallegly	Miller (MI)
Gardner	Miller, Gary
Garrett	Mulvaney
Gerlach	Murphy (PA)
Gibbs	Myrick
Gibson	Neugebauer
Gingrey (GA)	Noem
Gohmert	Nugent
Goodlatte	Nunes
Gosar	Nunnelee
Gowdy	Olson
Granger	Palazzo

NAYS—181

Ackerman	Cardoza
Andrews	Carnahan
Baca	Carney
Baldwin	Carson (IN)
Barrow	Castor (FL)
Bass (CA)	Chandler
Berkley	Chu
Berman	Cicilline
Bishop (GA)	Clarke (MI)
Bishop (NY)	Clarke (NY)
Blumenauer	Clay
Boswell	Cleaver
Brady (PA)	Clyburn
Bralley (IA)	Cohen
Brown (FL)	Connolly (VA)
Butterfield	Conyers
Capps	Cooper
Capuano	Costa

Paul	Engel
Paulsen	Eshoo
Pearce	Farr
Pence	Fattah
Peterson	Filmer
Petri	Frank (MA)
Pitts	Fudge
Platts	Garamendi
Poe (TX)	Gonzalez
Pompeo	Green, Al
Posey	Green, Gene
Price (GA)	Grijalva
Quayle	Gutierrez
Reed	Hanabusa
Rehberg	Hastings (FL)
Reichert	Heinrich
Renacci	Higgins
Ribble	Himes
Rigell	Hinchee
Rivera	Hirono
Roby	Holden
Roe (TN)	Holt
Rogers (AL)	Honda
Rogers (KY)	Inslie
Rogers (MI)	Israel
Rohrabacher	Jackson (IL)
Rokita	Jackson Lee
Rooney	(TX)
Ros-Lehtinen	Johnson (GA)
Roskam	Johnson, E. B.
Ross (FL)	Kaptur
Royce	Keating
Ryunyan	Kildee
Ryan (WI)	Kind
Scalise	Kissell
Schilling	Kucinich
Schmidt	Langevin
Schock	Larsen (WA)
Schweikert	Larson (CT)
Scott (SC)	Lee (CA)
Scott, Austin	Levin
Sensenbrenner	Lewis (GA)
Sessions	Lipinski
Shimkus	
Shuster	
Simpson	
Smith (NE)	
Smith (NJ)	
Smith (TX)	
Southerland	
Stearns	
Stivers	
Stutzman	
Sullivan	
Terry	
Thompson (PA)	
Thornberry	
Tiberi	
Tipton	
Turner	
Upton	
Walberg	
Walden	
Walsh (IL)	
Webster	
Weiner	
West	
Westmoreland	
Whitfield	
Wilson (SC)	
Wittman	
Wolf	
Womack	
Woodall	
Yoder	
Young (AK)	
Young (FL)	
Young (IN)	

Loeb sack	Ross (AR)
Lofgren, Zoe	Rothman (NJ)
Lowey	Roybal-Allard
Lujan	Ruppersberger
Lynch	Rush
Maloney	Ryan (OH)
Markey	Sanchez, Loretta
Matheson	Sarbanes
Matsui	Schakowsky
McCarthy (NY)	Schiff
McColum	Schrader
McDermott	Schwartz
McGovern	Scott (VA)
McIntyre	Scott, David
McNerney	Serrano
Meeks	Sewell
Michaud	Sherman
Miller (NC)	Shuler
Miller, George	Sires
Moore	Slaughter
Moran	Smith (WA)
Murphy (CT)	Stark
Nadler	Sutton
Napolitano	Thompson (CA)
Neal	Thompson (MS)
Olver	Tierney
Owens	Tonko
Pallone	Towns
Pascarell	Tsongas
Pastor (AZ)	Van Hollen
Payne	Velázquez
Pelosi	Visclosky
Perlmutter	Walz (MN)
Peters	Wasserman
Pingree (ME)	Schultz
Polis	Waters
Price (NC)	Watt
Quigley	Waxman
Rahall	Welch
Rangel	Wilson (FL)
Reyes	Woolsey
Richardson	Wu
Richmond	Yarmuth

NOT VOTING—8

Becerra	Hinojosa	Sánchez, Linda
Giffords	Hoyer	T.
Hanna	Jordan	Speier

□ 1343

Mr. LYNCH, Ms. PINGREE of Maine, Messrs. DeFAZIO, ELLISON, WAXMAN, and Ms. BERKLEY changed their vote from "yea" to "nay."

Messrs. ALTMIRE, HUIZENGA of Michigan, and MARCHANT changed their vote from "nay" to "yea."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. BECERRA. Mr. Speaker, earlier today I was unavoidably detained and missed rollcall vote 161. If present, I would have voted "no" on rollcall vote 161.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members should be aware that debate on a point of order is solely to edify the judgment of the presiding officer. As such, argument on a point of order must be confined to the question of order and may not range to an underlying substantive question. The Chair endeavors to hear such arguments as may tend to edify her judgment, but when she is prepared to rule, she may decline to hear more.

The optimal accommodation of Members' desires to argue on a point of order can be achieved only when, first, those seeking recognition for that purpose properly confine themselves to the question of order; and, second, those who believe they have heard enough leave it to the presiding officer to decide when she has heard enough.

The Chair enlists the understanding and cooperation of all Members in these matters.

The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

POINT OF ORDER

Mr. WEINER. Madam Speaker, I rise to a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. WEINER. Madam Speaker, the voice vote we just took violates clause 5(b) of rule XXI, and this vote shall be taken with a three-fifths required for passage.

The SPEAKER pro tempore. Does any Member wish to speak to the point of order?

Mr. WEINER. Madam Speaker, I do.

The SPEAKER pro tempore. The gentleman from New York is recognized to speak on the point of order.

Mr. WEINER. Thank you.

Madam Speaker, as we all know here, we have a special rule in the House. As I just referenced, it is clause 5(b) of rule XXI, which was put into the rules of the House to make it extraordinarily difficult for us to change tax rates. The reason we did that was out of a bipartisan consideration that we wanted to make sure that legislation we did here didn't have the effect, under the ruse of some other action, of changing effective tax rates for people. So this rule was put into place which said, if you're going to do that, you need to have a three-fifths majority. This bill that we are considering now is, by its action, changing people's effective tax rates.

I'll try to be brief. It's just that I know many Members hadn't been tuned into the debate, and I want to explain this point.

What the bill would do if it were to be passed would be to say, if someone had a marginal increase in their income that took them up into the next bracket, they would lose, not only the subsidy provided under the health care act to buy insurance, but in its entirety a \$200 increase above the bracket would essentially put them into a different tax bracket. This is exactly what this rule was intended to prevent—our taking an action that unwittingly changes where people's tax rates are without our actually having to stand up and do it.

This rule puts a pretty strong level of test into place for us. It says we need a three-fifths majority. It is very difficult for the Chair to rule about a three-fifths, A, on a voice vote. Secondly, I want to be sure that if we go to what is certainly going to be a recorded vote that—

Mr. TERRY. Objection. The gentleman from New York is not speaking to the point of order.

Mr. WEINER. First of all, I can be accused of a lot of things. Not speaking to the point of order isn't one of them.

Madam Speaker, this point of order is specifically whether or not the rule

that we have that says that the movement within tax brackets is subject to a higher order.

Let me also make this argument in support of the point of order.

Mr. TERRY. Objection. The gentleman from New York is not speaking to the point of order.

Mr. WEINER. The gentleman from Nebraska does not control the time.

Point of order. I am on my feet to a point of order. I cannot be taken off my feet by anyone except the Chair. I would urge the respect of the gentleman.

The SPEAKER pro tempore. The Chair will continue to hear the gentleman from New York.

Mr. WEINER. The reason this is so important and that we enforce it now is, just as we all have in our rules the annotations of when this rule has been bent and broken, we don't want at the beginning of this Congress one of the earliest actions we do to be to bend and break and leave in shatters the three-fifths requirement.

You might believe it's a good thing to do. I just think there should be at least three-fifths of us, under the rules that we agreed upon, to raise the tax bracket, particularly since it's on middle class Americans. When you're making 80-some-odd thousand dollars a year and you make an extra \$200 in income, they want to increase your tax bracket. If we're going to do that, let's make sure it's with a three-fifths majority.

I urge that the point of order be upheld and that we have to vote on this by three-fifths.

The SPEAKER pro tempore. Does the gentleman from New York (Mr. CROWLEY) wish to be heard on the point of order?

Mr. CROWLEY. On the point of order, Madam Speaker, specifically, let me just clarify for my friends on the other side, and for those on our side of the aisle as well—for all Members of the House—that clause 5(b) of rule XXI states that passage, again, of a tax increase needs a three-fifths majority of those present for passage if we are changing the tax rates or the brackets of individuals.

□ 1350

I know it's not, again, comfortable, but as the example I laid out in the debate, which was not refuted by anyone, if an individual earning \$88,000 from a family of four receives a \$250 bonus, that would require them to pay \$4,460 in tax. That is, indeed, a new tax; and, therefore, it should be subject to this rule that we would require three-fifths.

I know it's hard, because that's the difficulty of this in changing the tax rates. It should be difficult. That's the rule to make this bipartisan. We do this together, a three-fifths vote.

And, Madam Speaker, we are changing the tax rates. We are changing the brackets; and, therefore, this rule ought to be imposed.

Mr. CAMP. Madam Speaker, I wish to be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan.

Mr. CAMP. Madam Speaker, I would refer the Members of the House to the committee report in this area, and in that committee report it states: The committee has carefully reviewed the provisions of the bill and states that the provisions of this bill do not involve any Federal income tax rate increases within the meaning of the rule.

I would say that the rules of the House in this area refer to specific sections of the Internal Revenue Code. Also, the rules of the House—and I would say my friends are not going far enough in their reading of the rules—define exactly what an income tax increase is. This bill does not amend those specific sections of the Code that are referred to in the rules. Accordingly, a point of order does not lie.

Mr. LEVIN. Madam Speaker, I would like to be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan.

Mr. LEVIN. I just want to read from the bill:

“If the advance payments to a taxpayer exceed the credit allowed by this section, the tax imposed by this chapter for the taxable year shall be increased.”

Mr. GOHMERT. Madam Speaker, I wish to be heard on the point of order.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas.

Mr. GOHMERT. Madam Speaker, the point of order began with the words “whether or not.” No point of order can begin with the words “whether or not.”

The SPEAKER pro tempore. The Chair is prepared to rule.

Mr. WEINER. Madam Speaker, may I be heard further on the gentleman from Michigan's point?

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York.

Mr. WEINER. Let me just say very briefly, the gentleman from Michigan is correct. We don't directly do what is described in the rule, but the effect is that it is indisputable that someone who is in one tax bracket after this bill will move into another one.

The purpose of this rule, and clearer from the annotations—we're trying to look at the purpose of this rule, and the reason we have the Speaker interpreting the rule is to prevent that from happening. And if it's good for the goose, it's good for the gander.

You're going to see it happening a lot this term.

Mr. CROWLEY. Madam Speaker, I would like to be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York for a brief moment.

Mr. CROWLEY. Does the committee report get to waive the House rules? The committee report? That's the evidence to waive the House rules? That's a new low standard.

The SPEAKER pro tempore. The Chair is prepared to rule.

Since the 105th Congress, the requirement in clause 5(b) of rule XXI for a three-fifths vote on certain tax measures has comprised the three elements described by Speaker pro tempore Baldwin in the ruling of January 18, 2007.

The first element of the requirement is that the measure amends one of the subsections of the Internal Revenue Code of 1986 that are cited in the rule. The second element is that the measure does so by imposing a new percentage as a rate of tax. The third element is that in doing so the measure increases the amount of tax imposed by any of those cited subsections of the Code.

The Chair is unable to find a provision in the pending bill—H.R. 4, as perfected—that fulfills even the first element of the requirement.

A bill that does not meet any one of the three elements required by clause 5(b) of rule XXI does not carry a Federal income tax rate increase within the meaning of that rule.

Accordingly, the Chair holds that a majority vote is sufficient to pass the pending bill, and the Chair properly announced a majority-based result on the voice vote on passage.

RECORDED VOTE

Mr. CAMP. Madam Speaker, I demand a recorded vote.

The SPEAKER pro tempore. A recorded vote is requested on passage of the bill.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 314, noes 112, not voting 6, as follows:

[Roll No. 162]

AYES—314

Adams	Burgess	Dent
Aderholt	Burton (IN)	DesJarlais
Akin	Butterfield	Diaz-Balart
Alexander	Calvert	Dold
Altmire	Camp	Donnelly (IN)
Amash	Campbell	Dreier
Andrews	Canseco	Duffy
Austria	Cantor	Duncan (SC)
Baca	Capito	Duncan (TN)
Bachmann	Cardoza	Ellmers
Bachus	Carnahan	Emerson
Barletta	Carney	Farenthold
Barrow	Carter	Fincher
Bartlett	Cassidy	Fitzpatrick
Barton (TX)	Castor (FL)	Flake
Bass (NH)	Chabot	Fleischmann
Benishek	Chaffetz	Fleming
Berg	Chandler	Flores
Berkley	Cicilline	Forbes
Biggert	Coble	Fortenberry
Bilbray	Coffman (CO)	Foxx
Bilirakis	Cohen	Franks (AZ)
Bishop (GA)	Cole	Frelinghuysen
Bishop (NY)	Conaway	Galleghy
Bishop (UT)	Connolly (VA)	Gardner
Black	Cooper	Garrett
Blackburn	Costa	Gerlach
Bonner	Costello	Gibbs
Bono Mack	Courtney	Gibson
Boren	Cravaack	Gingrey (GA)
Boswell	Crawford	Gohmert
Boustany	Crenshaw	Gonzalez
Brady (TX)	Critz	Goodlatte
Braley (IA)	Cuellar	Gosar
Brooks	Culberson	Gowdy
Broun (GA)	Davis (CA)	Granger
Buchanan	Davis (KY)	Graves (GA)
Bueshon	DeFazio	Graves (MO)
Buerkle	Denham	Green, Al

Green, Gene	Matheson	Roskam
Griffin (AR)	McCarthy (CA)	Ross (AR)
Griffith (VA)	McCarthy (NY)	Ross (FL)
Grimm	McCaull	Royce
Guinta	McClintock	Ryunyan
Guthrie	McCotter	Ruppersberger
Hall	McHenry	Ryan (WI)
Harper	McIntyre	Sanchez, Loretta
Harris	McKeon	Scalise
Hartzler	McKinley	Schiff
Hastings (WA)	McMorris	Schilling
Hayworth	Rodgers	Schmidt
Heck	McNerney	Schock
Heinrich	Meehan	Schrader
Heller	Mica	Schweikert
Hensarling	Miller (FL)	Scott (SC)
Herger	Miller (MI)	Scott, Austin
Herrera Beutler	Miller, Gary	Scott, David
Higgins	Mulvaney	Sensenbrenner
Himes	Murphy (PA)	Sessions
Holden	Myrick	Sewell
Huelskamp	Neugebauer	Shimkus
Huizenga (MI)	Noem	Shuler
Hultgren	Nugent	Shuster
Hunter	Nunes	Simpson
Hurt	Nunnelee	Sires
Inslee	Olson	Slaughter
Israel	Owens	Smith (NE)
Issa	Palazzo	Smith (NJ)
Jenkins	Pastor (AZ)	Smith (TX)
Johnson (IL)	Paul	Smith (WA)
Johnson (OH)	Paulsen	Southerland
Johnson, Sam	Pearce	Stearns
Jones	Pence	Stivers
Keating	Perlmutter	Stutzman
Kelly	Peters	Sullivan
King (IA)	Peterson	Terry
King (NY)	Petri	Thompson (PA)
Kingston	Pingree (ME)	Thornberry
Kinzinger (IL)	Pitts	Tiberi
Kissell	Platts	Tipton
Kline	Poe (TX)	Turner
Labrador	Pompeo	Upton
Lamborn	Posey	Velázquez
Lance	Price (GA)	Price (NC)
Landry	Price (NC)	Quayle
Langevin	Quigley	Rahall
Lankford	Rahall	Reed
Larsen (WA)	Reed	Rehberg
Latham	Rehberg	Reichert
LaTourette	Reichert	Renacci
Latta	Lewis (CA)	Reyes
Lewis (CA)	Lipinski	Ribble
Lipinski	LoBiondo	Richardson
LoBiondo	Loebsack	Rigell
Loebsack	Long	Rivera
Long	Lucas	Roby
Lucas	Luetkemeyer	Roe (TN)
Luetkemeyer	Lummis	Rogers (AL)
Lungren, Daniel	Lungren, Daniel	Rogers (KY)
E.	E.	Rogers (MI)
Mack	Mack	Rohrabacher
Maloney	Maloney	Rokita
Manzullo	Manzullo	Rooney
Marchant	Marchant	Ros-Lehtinen
Marino	Marino	

NOES—112

Ackerman	Engel	Lofgren, Zoe
Baldwin	Eshoo	Lowey
Bass (CA)	Farr	Lujan
Becerra	Fattah	Lynch
Berman	Finer	Markey
Blumenauer	Frank (MA)	Matsui
Brady (PA)	Fudge	McCollum
Brown (FL)	Garamendi	McDermott
Capps	Grijalva	McGovern
Capuano	Gutierrez	Meeks
Carson (IN)	Hanabusa	Michaud
Chu	Hastings (FL)	Miller (NC)
Clarke (MI)	Hinchey	Miller, George
Clarke (NY)	Hirono	Moore
Clay	Holt	Moran
Cleaver	Honda	Murphy (CT)
Clyburn	Hoyer	Nadler
Conyers	Jackson (IL)	Napolitano
Crowley	Jackson Lee	Neal
Cummings	(TX)	Olver
Davis (IL)	Johnson (GA)	Pallone
DeGette	Johnson, E. B.	Pascarell
DeLauro	Johnson, E. B.	Payne
Deutch	Kildee	Pelosi
Dicks	Kind	Polis
Dingell	Kucinich	Rangel
Doggett	Larson (CT)	Richmond
Doyle	Lee (CA)	Rothman (NJ)
Edwards	Levin	Roybal-Allard
Ellison	Lewis (GA)	Rush

Ryan (OH)	Sutton	Wasserman
Sarbanes	Thompson (CA)	Waltz
Schakowsky	Thompson (MS)	Waters
Schwartz	Tierney	Watt
Scott (VA)	Tonko	Waxman
Serrano	Towns	Weiner
Sherman	Tsongas	Wilson (FL)
Stark	Van Hollen	Woolsey

NOT VOTING—6

Giffords	Jordan	Speier
Hanna	Sánchez, Linda	
Hinojosa	T.	

□ 1412

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Mr. Speaker, I yield to my friend, the majority leader, to ask about the schedule for the coming week.

Mr. CANTOR. I thank the Democratic whip, the gentleman from Maryland, for yielding.

Mr. Speaker, on Tuesday the House will meet at 2 p.m. for morning hour and 4 p.m. for legislative business. On Wednesday, the House will meet at 10 a.m. for legislative business, and recess immediately. The House will reconvene at approximately 11 a.m. for the purpose of receiving, in a joint meeting with the Senate, the Honorable Julia Gillard, Prime Minister of Australia. On Thursday, the House will meet at 10 a.m. for morning hour and noon for legislative business. On Friday, the House will meet at 9 a.m. for legislative business, with last votes expected by 3 p.m.

The House will consider a few bills under suspension of the rules on Tuesday and possibly Wednesday, which will be announced by the close of business tomorrow. The House will also consider two bills that were marked up by the Financial Services Committee today: H.R. 836, the Emergency Mortgage Relief Program Termination Act, and H.R. 830, the FHA Refinance Program Termination Act. These bills will eliminate two ineffective mandatory programs that, without congressional action, will continue spending on autopilot.

The House has already had a robust debate on the discretionary side of Federal spending, Mr. Speaker, and will continue to do so, but it's time we turn our attention also to the mandatory side of government spending. I expect further debate on mandatory spending throughout the month of March.

Mr. HOYER. I thank the gentleman for that information. He mentions that we will be considering some bills under suspension, as is normal, and two bills, H.R. 836 and H.R. 830, presumably under a rule.

I ask the gentleman, will those be open rules? And before I yield to him for his response, I want to say that I want to congratulate the gentleman on