

proposed American Jobs Act, released September 12, 2011, the Administration has supported alleviating this burden, which was originally enacted into law on May 17, 2006. The Administration also believes it is important to ensure that Federal contractors are compliant with tax laws and supports more targeted efforts that prevent persons with outstanding tax debts from receiving Federal contracts. The effect of the repeal of the withholding requirement would be to avoid a decrease in cash flow to these contractors, which would allow them to retain these funds and use them to create jobs and pay suppliers. This would complement the Administration's other efforts to help small businesses. Repeal of the withholding requirement would also reduce implementation costs borne by Federal and other governmental agencies. The Administration would be willing to work with the Congress to identify acceptable offsets for the budgetary costs associated with the repeal, which could include but are not limited to ones that are in the President's detailed blueprint outlined to the Congress on September 19, 2011.

Mr. JOHNSON of Illinois. Mr. Speaker, H.R. 674 is an extremely crucial piece of legislation that will permanently repeal the 3 percent withholding requirement on all government contracts. Once before, the tax's implementation date had been extended. H.R. 674 will remove any uncertainty from contractors that this tax would eventually be placed upon them.

During these difficult economic times, this extra tax would limit access to capital, increase operating expenses, and take money out of local economies fortunate enough to have contracts to build infrastructure. That means, not only would businesses be burdened, but whole communities as well, because these local contractors would not be able to hire more local workers. As a result, infrastructure projects would slow, further burdening businesses, communities, and citizens that rely on infrastructure for transportation to work, running water for their families, and interstates to move goods and services.

To further exemplify my support for H.R. 674, of which I am a cosponsor, prior to final passage, I will vote against the Motion to Re-commit. This vote will drastically alter the bill and negate any positive affect this bill will have on the American economy.

Mr. MARCHANT. Mr. Speaker, to my constituents in Texas, two things lay at the heart of this bill. The first is that the repeal of the 3 percent withholding requirement removes unreasonable burdens on contractors doing business with federal, state, and local governments; the second is that it creates a more stable economic environment to conduct business, create jobs and get America moving in the right direction.

The legislation before us repeals a requirement that may have been well-meaning but was ultimately misconceived. Whatever the original purposes of three percent requirement, the outcome would be disastrous.

Much-needed capital would be kept out of the hands of cash-strapped businesses across the country. And local and state governments—facing historic budget pressures—would be saddled with even more additional administrative and compliance costs on basic goods and services.

At a time when business investment is essential to revitalizing our economy, repealing the 3 percent withholding rule is the kind of

federal action that aids economic growth and makes possible an increase in private consumption and demand. H.R. 674 is a thoughtful, commonsense, bipartisan bill that strengthens our economy, and I urge my colleagues to support this legislation.

Mr. CONNOLLY of Virginia. Mr. Speaker, I am proud to be an original sponsor of this important bipartisan legislation, which will remove a sizable impediment to job creation in the private sector.

Repealing this burdensome 3-percent withholding regulation will offer predictability and free up capital that employers have been holding in abeyance. Those dollars now can be used to create jobs, increase wages, or fund business investments that will benefit our local economies. That is why a diverse coalition of industry and government—including retailers, telecom, and local and state government associations—strongly support this repeal.

The federal government has a historic partnership with the private sector supporting research and innovation, which has led to job creation and economic growth. Allowing this ill-conceived regulation to go into effect would damage that partnership at the very time we need to be collaborating more with the private sector.

This is one repeal that enjoys bipartisan support from the House and Senate, the President and the business community. I urge my colleagues to support it and to keep this private capital where it belongs—in the hands of our job creators.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 448, 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.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill is postponed.

MODIFYING INCOME CALCULATION FOR HEALTH CARE PROGRAMS

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 448, I call up the bill (H.R. 2576) to amend the Internal Revenue Code of 1986 to modify the calculation of modified adjusted gross income for purposes of determining eligibility for certain healthcare-related programs, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2576

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

SECTION 1. MODIFICATION OF CALCULATION OF MODIFIED ADJUSTED GROSS INCOME FOR DETERMINING CERTAIN HEALTHCARE PROGRAM ELIGIBILITY.

(a) IN GENERAL.—Subparagraph (B) of section 36B(d)(2) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, and”, and by adding at the end the following new clause:

“(iii) any amount of social security benefits of the taxpayer excluded from gross income under section 86.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 448, the gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN) each will control 30 minutes.

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

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.R. 2576.

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.

I am pleased to come to the floor today and share my time with one of our committee's newest members, the gentlewoman from Tennessee, Representative DIANE BLACK. In taking the lead on this legislation, Mrs. BLACK has identified an area of poor stewardship of taxpayer dollars, and she's taken steps to save the taxpayers \$13 billion. I'm happy to support her and this legislation.

H.R. 2576 modifies the income definition for determining eligibility for exchange subsidies, Medicaid, and the Children's Health Insurance Program. The legislation conforms the definition of income in the Democrats' health care law to the standards used by other Federal low-income programs such as food stamps and public housing.

By aligning this definition with other Federal subsidy programs, the legislation ensures that taxpayer funds will not be used to enroll middle class individuals into Medicaid, which is an abuse of the program's mission, to provide targeted assistance to those who are in most need of help.

One of the most encouraging outcomes of Representative BLACK's legislation is that it has garnered bipartisan support, including the support of President Obama. In its Statement of Administration Policy, the Obama administration affirms its support for passage and goes so far as to say that, and I quote, “The Administration looks forward to working with the House to ensure the bill achieves the intended result.”

Today, I urge my colleagues in the House to vote “yes” on H.R. 2576. I encourage our colleagues in the Senate to quickly follow suit.

I ask unanimous consent that Mrs. BLACK be designated to control the balance of my time.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, I yield such time as he may consume to a very distinguished member of our committee, Mr. CROWLEY, from the State of New York.

Mr. CROWLEY. I thank my friend from Michigan and the ranking member of the Committee on Ways and Means for yielding me this time.

Mr. Speaker, I rise in opposition to this bill. As we look at this redefinition of terms under the Affordable Care Act, let me take a minute or 2 or 3 and go to the facts on the health care law as it exists today.

Some people on the other side of the aisle and in the media continue to refer to this provision that we're talking about today as a glitch. As we learned from the nonpartisan Joint Committee on Tax at the markup of this bill in the Ways and Means Committee, this provision was not a glitch.

Again, the other side will report that this was a glitch in the law. It was not a glitch. It was written into the law deliberately, and anyone who actually read the bill would have known that. This language was deliberately put into the health care law to expand affordable health insurance and will particularly help early retirees between the ages of 62 and 64, as well as Americans on disability.

□ 0950

But, again, for those of us who support this law and supported the passage of this law, we have heard a lot of distortions and a lot of falsehoods and outright lies about what is in this bill. That is why I encourage all my colleagues, Democrats and Republicans, especially those of you who are new to Congress who were not here when the bill was passed, to read the bill. I bet that if you did so, you'd like a lot about what is in the bill.

There are no death panels in this bill, no government takeover of health care in this bill, and bureaucrats will not be in the operating room with your surgeon. These are all falsehoods spread about the law, and again, people who read the law know that these claims simply are not true.

But here is what is in the law. I think we need to be reminded. No longer will insurance companies be able to decide whether or not you or your family deserve care based on cost or profit-making; no, these decisions will be made by doctors and patients. That's no glitch. Children can no longer be denied coverage on their parents' private health insurance because of a preexisting condition like asthma, which is very prevalent in my district in the Bronx. This was no glitch. Children can stay on their parents' private health insurance until the age of 26, which has led to over 1 million more young adults being covered this year. It's no glitch.

No mandates on any employer with under 50 employees—none, zero. No mandating to any employers with under 50 employees, also deliberate by the writers of this bill. Prescription

drugs for seniors are being made more affordable, and this year, seniors get deep discounts on their brand-name drugs if they fall into the prescription drug coverage gap, a black hole that seniors fall into if they need more than a few thousand dollars' worth of medications annually, which millions of our seniors do. It was no glitch—no glitch.

And, finally, something else in the bill—people will know if they read it: Young families with private health insurance can no longer be denied coverage or care under the disgusting term known as "lifetime limits." If a young mother gives birth to a severely ill child, there are no lifetime limits. Yes, the practice of telling young parents that not only is their newborn severely ill but that their private insurance company won't pay for any more hospitalization care because it's too costly is over. That's no glitch. Those parents will be able to get their sick child the care that he or she needs without selling their home, without declaring bankruptcy, and without having to fight their health insurance company tooth and nail to provide for their child. Rather, they can focus on their child's well-being. It's no glitch. It's in the law. Democrats put it there deliberately.

What I can't understand is why my Republican colleagues will continue to work to rip away health care, from private insurance to Medicare and Medicaid. But they refuse to even acknowledge that they, themselves, benefit from taxpayer-funded health care in this Congress. I have a bill that will require every Member of Congress to publicly disclose if they are receiving the taxpayer-subsidized health care benefits that are provided to all Federal Government employees, including Members of Congress. My bill has not been brought up for a debate or a vote yet, even though it's a simple bill to make more information available to the American people about the benefits that we in Congress enjoy.

Finally, I want to address another serious issue about this bill and how it could affect tens of millions of middle class Americans. During the committee debate on this bill, it was certified by the nonpartisan Joint Committee on Taxation that Social Security benefits generally are not added back in determining one's modified adjusted gross income for other benefits that they receive, such as IRA contributions, student loan interest, and adoption tax benefits. But we are changing that definition today for consideration of who can obtain tax credits to purchase private health insurance. I argued, and no one corrected me during that debate, that this bill could be the Republicans' first step on a slippery slope to limit middle class Americans' ability to claim certain deductions for retirement security, college tuition expenses, and even adoptive assistance—yes, the first step on the Republican plan to raise taxes on working class families. And this morning, my fears

are being proven correct. Right now, the Oversight Committee is discussing a report they wrote questioning the tax cuts provided to working families to afford health insurance in the Affordable Care Act.

They don't argue that the tax cuts are too limited or too weak; they actually argue that the tax cuts are too generous to working families and that too many Americans will benefit from tax cuts that will make obtaining private health insurance cheaper. The Oversight Committee report states that the health care law will "take millions of people off the tax rolls." And let me continue from the report that says Americans receiving these tax cuts in the health care law will have their taxes reduced and "will no longer pay the cost of government by contributing federal income taxes."

What that means is because the tax cuts in the law will lower taxes for people so they can afford health insurance. It's amazing how tax cuts for millionaires are sacrosanct, but tax cuts for working people so they can get affordable health care coverage so their kids can see a doctor are somehow evil. Let's end the hypocrisy with respect to health care and Medicare for our constituents and end the lies about the Affordable Health Care Act, and let's not pass this bill.

Mrs. BLACK. Mr. Speaker, I yield the customary 1 minute to the gentleman from Virginia, Majority Leader CANTOR.

Mr. CANTOR. I thank the gentlelady.

Mr. Speaker, it is clear that many businesses across this country are feeling the ill effects of the regulatory and tax burdens placed upon them by continued policies coming out of Washington and this administration. Small businesses in particular, the backbone of our economy, face a cloud of uncertainty. This uncertainty prevents entrepreneurs from taking a risk, from starting a business and from creating jobs.

Mr. Speaker, House Republicans want to work with our colleagues across the aisle, and we want to help empower these small businessmen and women to, once again, be the engine that drives our economy. This is the focus of the House Republican plan for America's job creators, Mr. Speaker. This is about jobs.

There are some who repeatedly claim that they want to vote on a jobs bill. Well, we passed one yesterday on a bipartisan basis. And today, we'll have another chance, and we will pass another. Currently, the House has passed 16 bills focused on job creation that are sitting idly in the U.S. Senate.

Mr. Speaker, the President has traveled the country telling Americans, "we can't wait" to pass some jobs bills. Well, we aren't waiting. We continue to pass jobs bills. Perhaps it's time for the President to deliver the "we can't wait" message to the other body in the Capitol.

Today, the House will take another step in solving our jobs crisis by repealing the 3 percent withholding rule. Under this rule, Federal, State, and many local governments will be required to withhold 3 percent of all government payments made to contractors and suppliers. The impact of this rule will be huge accounting burdens on governments and potentially harmful cash flow disruptions for suppliers, contractors, and subcontractors. Those are dollars, Mr. Speaker, that could otherwise be used to grow a business or hire more workers.

□ 1000

The cost of this law would then be felt by State and local governments and by universities like Virginia Commonwealth University, which told me it is an “unreasonable burden on an institution of higher education,” that it is an unreasonable burden on heavy equipment dealers and on other businesses across the country. Compliance costs would move capital that otherwise would be used to hire additional workers to the government.

Many of my fellow Virginians in the county in which I live will be severely impacted. For example, if this law had been in effect in 2009 and 2010 in the county of Henrico, Virginia, an estimated \$15 million would not have reached small businesses that are already operating within small margins of profit.

Mr. Speaker, this is not the time to be adding additional costs to our job creators. In May of this year, my county manager stated, “The effect of this law may also be harmful to the economy with a significant amount of money being directed to the Federal Government instead of to businesses that will potentially use those funds to create jobs and grow their business.”

By passing another jobs bill, House Republicans are helping companies cope with this era of uncertainty. This is another bipartisan and commonsense solution to support the small business men and women so that they can support and begin to regenerate our ailing economy.

In this past week, Mr. Speaker, we passed the long-awaited free trade agreements and the Veterans Opportunity to Work Act. Next week, we will further help entrepreneurs access capital with the Access to Capital for Job Creators Act.

The President says, We can't wait.

We agree. It's time to get America working again. We call upon the Senate, not only to act on this jobs bill, but on the other 16 jobs bills that currently sit idly in the Senate.

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

Mr. CROWLEY. Mr. Speaker, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from New York.

Mr. CROWLEY. I thank my colleague from Michigan for yielding.

I just want to note for the record that the majority leader did not challenge my point that, if this bill passes, it will, in fact, increase taxes on the middle class.

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

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

I am here today to speak on my bill, H.R. 2576, which would save \$13 billion by ensuring that Medicaid dollars go to those who are most in need.

When the Affordable Care Act was passed, it created a new income formula that determines the eligibility for government-subsidized health insurance. The Modified Adjusted Gross Income, more commonly known as MAGI, deviated from other Federal assistance programs in failing to include Social Security benefits as income. Let me repeat that: the new income formula for Medicaid, CHIP, and exchange subsidies deviated from the eligibility requirements for other Federal assistance programs. Supplemental security income, Supplemental Nutrition Assistance Programs, also known as food stamps, Temporary Assistance for Needy Families, and public housing all include—all include—the Social Security benefit as income.

Congress didn't know that then, but we know now that the Affordable Care Act had the unintended consequence of allowing a couple with close to \$60,000 in income to qualify to receive Medicaid benefits. Let me put it in more stark terms. Changing the income formula could result in individuals whose incomes are up to 400 percent of the Federal poverty level receiving Medicaid. This is unacceptable, and I very strongly believe that it is our duty to ensure that the very scarce Medicaid resources will be there for the most in need.

It is incorrect to assert that this legislation unfairly targets widows, survivors, or the disabled. This is the equivalent of asserting that public housing or the SNAP unfairly target widows, survivors or the disabled simply because, when accounting for resources, these programs consider the source of income.

The health care law's deviation from the typical method of counting income results in taxpayer dollars being directed to individuals who do not meet the standard definition of “low income.” According to the current law, a couple that is on Social Security benefits and has a total income of \$22,000 a year would have a higher income than a couple earning \$58,000 a year for the purpose of determining their eligibility for Federal subsidies in the exchange. I am not the only one who thinks so.

At the July 14 Budget Committee hearing, I asked Richard Foster, the CMS chief actuary, about the income eligibility issue. He said, “I don't generally comment on the pros or cons of policy, but that just doesn't make sense.” Foster had previously compared the MAGI glitch to allowing mid-

dle-income Americans to qualify for food stamps. Additionally, Richard Sorian, who is the HHS Assistant Secretary for Public Affairs, conceded, “As a matter of law, some middle-income Americans may be receiving coverage through Medicaid, which is meant to serve only the neediest Americans.”

Primarily, my bill is about fairness. We must accurately account for poverty in Federal assistance programs. My commonsense, bipartisan solution has a companion bill in the Senate, which is sponsored by HELP Committee Ranking Member MIKE ENZI; and H.R. 2576 passed out of Ways and Means with bipartisan support.

As has already been reported, President Obama, himself, recognizes the problem on page 41 of his recent debt reduction plan where he explicitly proposes the entire amount of Social Security benefits be included in the definition of “income.”

Mr. Speaker, we must bring Medicaid back into line with other Federal assistance programs and limit improper payments to those who should not receive Medicare benefits.

I reserve the balance of my time.

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

Mr. CROWLEY. Mr. Speaker, I would like to engage in a colloquy with the gentlelady.

You suggested this change of MAGI as it pertains to tax credits that are eligible to the middle class under the Affordable Care Act; is that correct?

Mrs. BLACK. Will the gentleman yield?

Mr. CROWLEY. I yield to the gentlelady from Tennessee.

Mrs. BLACK. That is correct.

Mr. CROWLEY. Are you also going to make that same suggestion that we change the adjusted gross income for eligibility for the purposes of IRA contributions?

Mrs. BLACK. Sir, we're talking about social benefit programs.

Mr. CROWLEY. I understand that. We're talking about tax credits for health care.

You don't want to make certain individuals eligible for those tax credits; isn't that correct? Your attempt here is to not make certain people who under the Affordable Care Act today would be eligible for certain tax credits ineligible; is that correct?

Mrs. BLACK. As the bill proposes, this would put it into alignment with other Federal assistance programs. That's the intent of the bill.

Mr. CROWLEY. My question is either “yes” or “no.” You can answer your way, but it's a simple question.

Under the Affordable Care Act, would the people who can receive tax credits today be denied those tax credits if your bill were to pass today?

Mrs. BLACK. I have answered your question.

Mr. CROWLEY. If you will continue with me under my time, would you then suggest that we now do that for

other areas of the Code not pertaining to the lower class or the poor in this country? I'm not suggesting we do that. I'm talking specifically of the middle class.

Should we extend that logic or maybe enhance your bill to include IRA contributions, student loan interest and adoption tax credits, which are focused on the middle class?

Again, we're not talking about the poor. They're covered. We're talking about individuals who are struggling to survive right now in this economy, who are struggling to put food on their tables, to pay for their student loans or their children's student loans, to put away money for retirement, who maybe have the opportunity for the first time in their lives to afford health insurance. Under your bill, you would take those credits away. Are you suggesting that we take them away?

It's a slippery slope. You start here. Let's just look at the overall Tax Code. We'll change major portions then.

□ 1010

What about the IRA contributions that that person would be making? What about the student loan interest, the adoption tax credits? Should we also limit their ability to take advantage of those provisions of the law?

The silence is deafening. The silence is deafening because the reality is, Mr. Speaker, this is a slippery slope. You take away opportunities for the middle class to afford health insurance under the Affordable Care Act by whittling away at it. It's the middle class who are hurt here.

We're not talking about the poor; we're not talking about the least amongst us. We're talking about the middle class that under the Affordable Care Act would have the opportunity to afford insurance for the first time, and this legislation, this legislation, I can't even say as well intentioned as it may be, it is not well intentioned.

There is nothing about this bill that is well intentioned. It is simply to take away a provision that this Congress and our President made available for the first time in people's lives. They want to take it away for the middle class.

Let's put everything aside—that's what we're doing today—and I'm suggesting maybe this is just the first step, that maybe the next step will be limiting the ability of individuals to put away money for retirement in their IRA, limiting the availability for students or the parents to pay for a college education, and lastly, and probably most egregious, the adoption tax credits, taking them away. I mean, that's where this is going.

I thank my colleague from Michigan once again for yielding me the time.

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

It is difficult to recognize the argument on this when we have bipartisan support. And once again, I want to read the Statement of Administration Policy that came out on October 25 from the executive office of the President, and it reads:

“The administration supports passage of H.R. 2576, which would change the calculation of modified adjusted gross income, as defined in section 1401 of the Affordable Care Act, to include both taxable and nontaxable Social Security benefits. Beginning in 2014, this income definition will be used to determine financial eligibility for Medicaid and the State Children's Health Insurance Program, and for premium tax credits and cost-sharing reductions available through Affordable Insurance Exchanges. The administration looks forward to working with the House to ensure the bill achieves the intended result.”

I think that speaks for itself.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT
AND BUDGET,

Washington, DC, October 25, 2011.

STATEMENT OF ADMINISTRATION POLICY

H.R. 2576—MODIFY INCOME CALCULATION FOR ELIGIBILITY FOR CERTAIN HEALTH PROGRAMS (REP. BLACK, R-TN, AND 3 COSPONSORS)

The Administration supports passage of H.R. 2576, which would change the calculation of modified adjusted gross income, as defined in section 1401 of the Affordable Care Act, to include both taxable and non-taxable Social Security benefits. Beginning in 2014, this income definition will be used to determine financial eligibility for Medicaid and the State Children's Health Insurance Program, and for premium tax credits and cost-sharing reductions available through Affordable Insurance Exchanges. The Administration looks forward to working with the House to ensure the bill achieves the intended result.

I reserve the balance of my time.

Mr. LEVIN. Does the majority have additional speakers? If so, I reserve the balance of my time.

Mrs. BLACK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. HERGER).

Mr. HERGER. I applaud my good friend from Tennessee for her leadership. This should not be a difficult question. Even the President supports this.

I believe the Medicaid expansion and premium subsidies in last year's health care overall are wasteful and should be repealed, but even for those who support these policies, there's no reason to ignore an entire category of income. Under current law, a person with \$30,000 in Social Security benefits and \$20,000 in other income would get a much larger health insurance subsidy than a person who earns \$50,000 in wages.

That makes no sense, and it's a disincentive to work. Let's treat everyone fairly and vote for this bill.

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

Mrs. BLACK. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BRADY), a member of the Ways and Means Committee.

Mr. BRADY of Texas. I want to thank Congresswoman BLACK for her leadership on this very commonsense issue, so commonsense at a time where it seems like Democrats and Republicans and the President in Washington

rarely agree on anything, we all agree on this, on closing this loophole in the President's health care plan that really should have never been there in the first place.

We got good news last week when the President rescinded another big flaw in the President's health care plan, when he gave up on the CLASS Act. It was a plan for nursing home care and later care for elderly that was financed in a way that even Senate Democrats labeled it a Ponzi scheme. Thankfully, that's been repealed.

Today we're here to repeal another loophole in a really nonsensical part in the President's health care plan for couples who make more than the national average in income, \$64,000 per year. Today, under the law, they can qualify for Medicaid. That's a program for the very poor in America. That's a program we don't have enough money for as it is.

And at a time when 25 million people are either out of work or can't find a full-time job, shouldn't our hard-earned tax dollars go to those who can't afford anything rather than those who are blessed with \$5,000 or more a month to make ends meet; at a time, again, it seems to me, that a couple making four times the Federal poverty level shouldn't be able to draw down the dollars that you and I pay to help those who are truly needy in America, who, by the way, are growing by the day?

I will say my good friend from New York is very passionate about this issue, and I appreciate his passion, but this isn't about young kids paying off college student loans. This is not about couples struggling to make ends meet. This is about making sure couples making as much as \$64,000 a year don't use the money that we reserve for our poorest in America.

Mr. CROWLEY. Will the gentleman yield?

Mr. BRADY of Texas. Not at this time.

And I appreciate the gentleman from New York's effort on this. This is not about taxing millionaires and billionaires.

In fact, let me yield for just a moment.

Mr. CROWLEY. I appreciate it. And in friendship, while the gentleman is a fair Member of the other side of the aisle, we work very well together on a number of issues.

You make out the point about \$64,000 a year as being—I won't say wealthy.

Mr. BRADY of Texas. Oh, no.

Mr. CROWLEY. But you are suggesting maybe on \$64,000 a year that people are living a little bit of the high life.

Mr. BRADY of Texas. Actually, I was making the point that the very poor need our resources.

Mr. CROWLEY. Will the gentleman continue to yield?

Mr. BRADY of Texas. I tell you what, maybe we can continue this conversation off the floor. I know you feel strongly.

Mr. CROWLEY. I was just suggesting, in my district in Queens, New York, or in the Bronx, \$64,000 doesn't get you very far. It just doesn't.

Mr. BRADY of Texas. For those who are making \$20,000 a year, it goes even less far.

Reclaiming my time, we've had great discussions about this, but, again, Medicaid should be for those who are very poor.

This loophole is being closed, and thankfully the President agrees with us. The Senate Democrats and Republicans join with us to close this loophole. That has to tell you that this is a loophole that Republicans and Democrats, the White House all agree needs to be closed.

Again, I thank Congresswoman BLACK for her leadership on this commonsense issue, and I urge support.

Mr. LEVIN. Is the majority ready to close?

Mrs. BLACK. We are ready to close.

Mr. LEVIN. I yield to the gentleman from New York, and then I will close.

Mr. CROWLEY. I thank the gentleman from Michigan once again.

It's been said on the floor, once again, this bill has bipartisan support. I don't doubt that it probably will at the end of the day, but somehow that's the magic formula for doing the right thing. I would suggest there are many things that were done on this floor that enjoy bipartisan support. The Iraq war, unfortunately, had bipartisan support. I was one of those who supported it. I think many today would suggest that maybe that wasn't the right thing to do.

□ 1020

Just as an example, the point I was making with my friend, the gentleman from Texas, this magic number of \$63,000 or \$64,000 as being a wonderful income, not if you live in Queens or the Bronx; you're barely making it. I'm not talking about people who are destitute. I'm not talking about people who are suffering. We know they exist. Many of my colleagues on the other side of the aisle would like to do away with the Medicaid system. Many of my colleagues on the other side of the aisle would like to do away with the Medicare system. I'm not suggesting that you're talking about this in the bill.

But what I am suggesting, though, is that you think that people making \$63,000 or \$64,000 are living high on the hog. They're not. Not in my district they're not. They can barely afford their home. They can barely afford to send their children to school. They can barely afford to put food on the table, and many of them cannot even afford ownership of a health insurance policy to take care of their children let alone themselves. And that's what I'm talking about, giving people that opportunity.

I don't care if the President is going to sign this bill. It doesn't make it right. It doesn't make it right. We should not be degrading. We should not be degrading hardworking Americans, middle class Americans who are trying to do the best for their families.

This bill should have never gotten out of committee, and it shouldn't be on the floor in the manner it is.

I thank the gentleman from Michigan for again yielding.

Mr. LEVIN. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 14½ minutes.

Mr. LEVIN. First of all, I'm glad that the majority leader came to the floor to talk about jobs. This set of bills is not a jobs bill. To call it that is a pure smoke screen. I quoted Mark Zandi before: "I don't think it's meaningful in terms of jobs. It's more trying to clean up something that needs cleaning up." That's the 3 percent withholding bill.

The Majority Leader called upon the Senate to act, to act on bills that essentially would allow mercury to continue to be accessible. And other bills that are called jobs bills, deregulation where it's necessary to regulate, that's a jobs bill? And the Majority Leader called again on the Senate to act.

We haven't had a single hearing here in the House on the President's jobs bill. Not a single hearing.

The President has proposed to cut the payroll tax in half for 98 percent of the businesses. A complete payroll tax holiday for adding workers; extending 100 percent expensing, not a single hearing on that.

Preventing up to 280,000 teacher layoffs, not a single hearing on that. Don't call on the Senate. The majority leader should call on the House himself and the committees to hold hearings on these bills.

The infrastructure bill, a bipartisan national infrastructure bank, not a single hearing.

And then unemployment insurance, at the end of this year, in next month, a million people will lose their unemployment benefits if we don't act and extend the Federal program; and a million and a half by mid-February. So I call upon the House to act.

A \$4,000 tax credit to employers for hiring the long-term unemployed, not a single hearing. No action. I suggest to the majority they not look to the other body, but to look to themselves.

So I'm glad the Majority Leader came here. Now, I want to say just a word about the bill right before us. Mr. CROWLEY has suggested that we look at the facts, and I think we should. Before we vote, I think all of us want to know what we're voting on. And essentially this revision of the modified adjusted gross income provision in terms of potential impact on health care, according to the Joint Tax Committee and the CBO, will likely have this effect, and I want everybody to understand it: between 500,000 and a million individ-

uals will no longer be eligible for Medicaid. That's their estimate. Of those who no longer are eligible for Medicaid, about 500,000 will be eligible for tax credits unless the Republicans ever succeeded in eliminating them. But of that additional number, between 500,000 and a million, about 500,000 people as a result, if this bill becomes law, will likely lose their health coverage altogether unless they had available to them insurance through their employer. That's the estimate of the Joint Tax Committee.

We're talking about vulnerable populations here. We're talking about early retirees, and we're talking about the disabled. And we need to understand those facts as presented by the Joint Tax Committee and by CBO.

A second problem here is that essentially we're using a provision relating to health to address a business tax problem. It is a problem for the government and for the business community in the 3 percent withholding provision which we should repeal.

But we should understand the implications. The Ways and Means Committee has traditionally said don't do it that way. Let's also remember that we're going to have before us a provision relating to physician reimbursement rates in Medicare, and we're going to have to find the funds to pay for it. And essentially what would be doing now is to use up a provision that impacts health and lose the possibility of using it in terms of improving health programs, such as reimbursement.

The last point I want to make is we tried to present an alternative, an alternative within business taxation. It relates to the taxation of the oil and gas industry. Mr. BLUMENAUER earlier talked about things that were kind of done in the dark of night and this provision, the 3 percent, if it wasn't the dark of night, it wasn't fully in the daylight.

But the oil and gas provision in section 199 was added, indeed, in the dark of night. It provided some tax benefits to the oil and gas industry in a bill that related to manufacturing when oil and gas did not fall within that purview. And it was essentially put in in the dark of night, and it would be much preferable to address that issue and pay for the bill that needs to pass rather than essentially starting on a path that Mr. CROWLEY has described that, according to CBO and the Joint Tax Committee, is likely to lead up to half a million people having no health coverage at all.

Everybody should understand that price, and then everybody can make up their own mind, but they should understand what's involved here. This is not a technical change. It isn't a glitch. It is a tax definition, by the way, as Mr. CROWLEY has pointed out; and it also applies to other areas where I think we need to be very careful in terms of its application.

So those are the facts and everybody can make up their own mind. But let's

not pretend this is a jobs bill when the majority here has essentially had a deaf ear to bringing up the jobs bill presented by the President. And let's not pretend that this will have no impact on health insurance and health coverage for lots of people who are the early retirees and the disabled.

□ 1030

These, by and large, are not wealthy people. And there are examples given that are true in the extreme. But for the mainstream in this country, the early retirees and the disabled, they're not on the fringes in terms of income, in terms of wealth.

These are the facts. I hope as everybody comes to vote on this bill—this second bill—they will look at the facts and make up their own mind.

I yield back the balance of my time. Mrs. BLACK. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentlewoman from Tennessee is recognized for 17 minutes.

Mrs. BLACK. Thank you, Mr. Speaker.

This bipartisan solution would bring Medicaid back into line with other Federal assistance programs and ensure that the program is there for those who most need it. Furthermore, according to the CBO and the Joint Tax Committee estimates, this bill would save taxpayers approximately \$13 billion over 10 years. And considering our \$14 trillion in national debt, closing this loophole as soon as possible is a good policy on a number of levels. I am delighted that both the President and other Members across the aisle support this bill.

I yield back the balance of my time. Mr. MARCHANT. Mr. Speaker, I rise to support H.R. 2576. This bill would count the entire Social Security benefit, rather than just the portion that is taxable for income tax purposes, as income for determining eligibility for Exchange subsidies, Medicaid, and CHIP.

This bill is both good policy and good economics. The 2010 health care law uses a uniform definition of modified adjustment gross income—or “MAGI”—to determine eligibility for Exchange subsidies, Medicaid, and Children's Health Insurance Program, CHIP. By using a uniform basis of eligibility, the current health law doesn't properly take account of the entire Social Security benefit. This understates the resources available to some households; which thus allows some individuals to game the system.

To illustrate, allow me to cite a report by the Associated Press, dated June 21, 2011. In the report, the Chief Actuary for federal health programs, Richard Foster, determined that “a married couple could have an actual income of about \$64,000 and still get Medicaid” under the current definition. There is no sound logic to this. In the same article, Foster adds, “I don't generally comment on the pros and cons of policy, but that just doesn't make sense.”

In addition, CBO and JCT have estimated the bill would reduce the deficit by \$13 billion over ten years.

H.R. 2576 is good policy and good economics. I urge my colleagues to support this bill.

Mr. STARK. Mr. Speaker, I rise in opposition to H.R. 2576, legislation brought forth by House Republicans today. It is being considered in order to pay for the previous bill that eliminates a Republican-written provision in law requiring a 3 percent withholding tax on payments to government contractors.

H.R. 2576 changes a provision of the new health reform law that defines income for purposes of qualifying for financial help obtaining health insurance. The effect of the bill is to reduce the number of Americans eligible for financial assistance with their health insurance costs. In fact, the Congressional Budget Office estimates that, if enacted, it will cause up to a half a million people to lose access to affordable health coverage.

My colleagues on the other side of the aisle will gleefully point to support by the Administration as a compelling reason to support this legislation. I respectfully disagree and believe the Administration is dead wrong on this one.

First, the Administration decided on its own—without consultation with Congress who wrote the Affordable Care Act—that this definition of income was a “glitch” in the law. They are wrong.

This definition excludes non-taxable Social Security income from the definition of income. As a result, it helps to assure that more people who obtain Social Security between ages 62 through 64 and people who qualify for Social Security because of severe disabilities have access to affordable health coverage. That wasn't a glitch. It was intentional. Making the change proposed in this bill saves money by kicking these very vulnerable people out of eligibility for financial help with their health insurance costs.

It's also important to note that we intentionally picked up this exclusion from the definition of income because this exclusion is typically applied for purposes of qualifying for other tax credits and benefits.

While I oppose this bill on its own merits, I also take issue with its pairing with the 3 percent withholding legislation. Yesterday, Ways and Means Ranking Member LEVIN went to the Rules Committee with an alternative way to finance the 3 percent withholding bill. His alternative would have offset the cost of this business tax cut by closing a tax loophole improperly enjoyed by oil and gas industry giants. Yet, Republicans prohibited his amendment from being brought to the floor for our consideration today.

Clearly, Republicans believe the needs of the highly profitable oil and gas industry outweigh the need for early retirees and people with disabilities to afford health insurance.

With H.R. 2576, Republicans are forcing these vulnerable people to pay for yet another tax break for business. It's the wrong thing to do and I urge my colleagues to join me in voting no.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 448, the previous question is ordered on the bill.

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.

The SPEAKER pro tempore. 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.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 262, nays 157, not voting 14, as follows:

[Roll No. 813]

YEAS—262

Adams	Gardner	Murphy (PA)
Aderholt	Garrett	Myrick
Akin	Gerlach	Neugebauer
Alexander	Gibbs	Noem
Altmire	Gibson	Nugent
Amash	Gingrey (GA)	Nunes
Amodel	Gohmert	Nunnelee
Austria	Goodlatte	Olson
Bachus	Gosar	Palazzo
Barletta	Gowdy	Paul
Barrow	Granger	Paulsen
Bartlett	Graves (GA)	Pearce
Barton (TX)	Graves (MO)	Pence
Bass (NH)	Griffin (AR)	Peterson
Benishek	Griffith (VA)	Petri
Berg	Guinta	Pitts
Biggart	Guthrie	Platts
Bilbray	Hall	Poe (TX)
Bilirakis	Hanna	Pompeo
Bishop (UT)	Harper	Posey
Black	Harris	Price (GA)
Blackburn	Hartzler	Quayle
Blumenauer	Hastings (WA)	Reed
Bonner	Hayworth	Rehberg
Bono Mack	Heck	Reichert
Boren	Hensarling	Renacci
Boustany	Hergert	Ribble
Brady (TX)	Herrera Beutler	Rigell
Brooks	Himes	Rivera
Broun (GA)	Huelskamp	Roby
Buchanan	Huizenga (MI)	Roe (TN)
Bucshon	Hultgren	Rogers (AL)
Buerkle	Hunter	Rogers (KY)
Burgess	Hurt	Rogers (MI)
Burton (IN)	Inslee	Rohrabacher
Calvert	Issa	Rokita
Camp	Jenkins	Rooney
Campbell	Johnson (IL)	Roskam
Canseco	Johnson (OH)	Ross (FL)
Cantor	Johnson, Sam	Royce
Capito	Jones	Runyan
Cardoza	Jordan	Ryan (WI)
Carney	Kelly	Scalise
Carter	Kind	Schilling
Cassidy	King (IA)	Schmidt
Chabot	King (NY)	Schock
Chaffetz	Kingston	Schrader
Chandler	Kinzinger (IL)	Schweikert
Coble	Kline	Scott (SC)
Coffman (CO)	Labrador	Scott, Austin
Cole	Lamborn	Sensenbrenner
Conaway	Lance	Sessions
Cooper	Landry	Shimkus
Costa	Lankford	Shuler
Courtney	Larsen (WA)	Shuster
Cravaack	Latham	Simpson
Crawford	LaTourette	Smith (NE)
Crenshaw	Latta	Smith (NJ)
Cuellar	Lewis (CA)	Smith (TX)
Culberson	Lipinski	Southerland
Davis (KY)	LoBiondo	Stearns
DeFazio	Long	Stivers
Denham	Lucas	Stutzman
Dent	Luetkemeyer	Sullivan
DesJarlais	Lummis	Terry
Diaz-Balart	Lungren, Daniel	Thompson (PA)
Dold	E.	Thornberry
Donnelly (IN)	Mack	Tiberi
Dreier	Manzullo	Tipton
Duffy	Marchant	Turner (OH)
Duncan (SC)	Marino	Upton
Duncan (TN)	Matheson	Walberg
Ellmers	McCarthy (CA)	Walden
Emerson	McCaul	Walsh (IL)
Farenthold	McClintock	Walz (MN)
Farr	McCotter	Webster
Fincher	McHenry	Welch
Fitzpatrick	McIntyre	West
Flake	McKeon	Westmoreland
Fleischmann	McKinley	Whitfield
Fleming	McMorris	Wilson (SC)
Flores	Rodgers	Wittman
Forbes	Meehan	Wolf
Fortenberry	Mica	Womack
Fox	Miller (FL)	Woodall
Franks (AZ)	Miller (MI)	Yoder
Frelinghuysen	Moran	Young (FL)
Gallely	Mulvaney	Young (IN)

NAYS—157

Andrews	Gutierrez	Pascarell
Baca	Hahn	Pastor (AZ)
Baldwin	Hanabusa	Payne
Bass (CA)	Hastings (FL)	Pelosi
Becerra	Heinrich	Perlmutter
Berkley	Higgins	Peters
Berman	Hinojosa	Pingree (ME)
Bishop (GA)	Hirono	Price (NC)
Bishop (NY)	Hochul	Quigley
Boswell	Holden	Rahall
Brady (PA)	Holt	Rangel
Braley (IA)	Honda	Reyes
Brown (FL)	Hoyer	Richardson
Butterfield	Israel	Richmond
Capps	Jackson (IL)	Ross (AR)
Capuano	Jackson Lee	Rothman (NJ)
Carnahan	(TX)	Roybal-Allard
Castor (IN)	Johnson (GA)	Ruppersberger
Castor (FL)	Johnson, E. B.	Rush
Chu	Kaptur	Sánchez, Linda
Cicilline	Keating	T.
Clarke (MI)	Kildee	Sanchez, Loretta
Clarke (NY)	Kissell	Sarbanes
Cleaver	Kucinich	Schakowsky
Clyburn	Langevin	Schiff
Cohen	Larson (CT)	Schwartz
Connolly (VA)	Lee (CA)	Scott (VA)
Conyers	Levin	Scott, David
Costello	Lewis (GA)	Serrano
Critz	Loebsock	Sewell
Crowley	Lofgren, Zoe	Sherman
Cummings	Lowey	Sires
Davis (CA)	Luján	Slaughter
Davis (IL)	Lynch	Smith (WA)
DeGette	Maloney	Speier
DeLauro	Markey	Stark
Deutch	Matsui	Sutton
Dicks	McCarthy (NY)	Thompson (CA)
Dingell	McCollum	Thompson (MS)
Doggett	McDermott	Tierney
Doyle	McGovern	Tonko
Edwards	McNerney	Towns
Ellison	Meeks	Tsongas
Engel	Michaud	Van Hollen
Eshoo	Miller (NC)	Velázquez
Fattah	Miller, George	Wasserman
Filner	Moore	Schultz
Frank (MA)	Murphy (CT)	Waters
Fudge	Nadler	Watt
Garamendi	Napolitano	Waxman
Gonzalez	Neal	Woolsey
Green, Al	Olver	Yarmuth
Green, Gene	Owens	
Grijalva	Pallone	

NOT VOTING—14

Ackerman	Hinchev	Turner (NY)
Bachmann	Miller, Gary	Visclosky
Clay	Polis	Wilson (FL)
Giffords	Ros-Lehtinen	Young (AK)
Grimm	Ryan (OH)	

□ 1058

Messrs. ROTHMAN of New Jersey, GARAMENDI, ELLISON, and LARSON of Connecticut changed their vote from “yea” to “nay.”

Mr. WELCH changed his vote from “nay” to “yea.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. GRIMM. Mr. Speaker, on rollcall No. 813, I had district work that required my presence. Had I been present, I would have voted “yea.”

3% WITHHOLDING REPEAL AND JOB CREATION ACT

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 674) to amend the Internal Revenue Code of 1986 to repeal the imposition of 3 percent withholding on certain payments made to vendors by government entities, will now resume.

The Clerk read the title of the bill.

MOTION TO RECOMMIT

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

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

Mr. ANDREWS. Yes, I am, in its present form.

Mr. CAMP. Mr. 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. Andrews moves to recommit the bill H.R. 674 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the enacting clause and insert the following:

SECTION 1. DENIAL OF RELIEF TO COMPANIES FOUND DELINQUENT IN PAYING THEIR FEDERAL TAXES.

(a) IN GENERAL.—Paragraph (1) of section 3402(t) of the Internal Revenue Code of 1986 is amended by striking “any person providing” and inserting “any Federal tax delinquent which provides”.

(b) FEDERAL TAX DELINQUENT.—Subsection (t) of section 3402 of such Code is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) FEDERAL TAX DELINQUENT.—The term ‘Federal tax delinquent’ means any person who owes a delinquent tax debt (as defined in section 6103(1)(22)(C)).”

(c) CONFORMING AMENDMENT.—Subsection (t) of section 3402 of such Code is amended by inserting “TO FEDERAL TAX DELINQUENTS” after “PAYMENTS MADE BY GOVERNMENT ENTITIES” in the heading thereof.

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

Mr. CAMP (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the motion be dispensed with.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey is recognized for 5 minutes in support of his motion.

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

Mr. ANDREWS. Mr. Speaker, this ends yet another week for the House of Representatives without consideration of a meaningful jobs bill. More meaningfully, though, this concludes another week where a nightmare is about to come true for our constituents. This is another week without a paycheck for a lot of Americans. It might be the week that their unemployment benefits expire. This might be the day that someone shuts down their small business and closes the doors for the last time. This might be the week that the foreclosure notice is executed and someone loses their home. This has been a bad week for a lot of Americans. It’s been a bad time for a lot of Americans. But what they have lost is not

simply their job, not simply their business, not simply their health insurance or their pension. Many of our neighbors have lost their basic faith that America is fair.

Mr. Speaker, 50 percent—50 percent—of the American people recently surveyed said the American Dream was either dead or on life support. They see in the halls of big institutions, they see on Wall Street and they see in the Halls of Congress a basic sense that America is not fair anymore, that the basic deal that if you work as hard as you can, give as much as you can and do as much as you can that you can go as far as your abilities will take you, too many of our constituents no longer believe that.

My motion makes what I believe is an improvement to a good bill. I’m going to support this bill that says that no small business person should have to make an interest-free loan to the Federal Government to do business with the government. I think that’s exactly right. But here’s the improvement it makes. It recognizes that some who would take advantage of that provision are taking advantage of our tax system and not paying their fair share.

When I say “not paying their fair share,” I’m not talking about policy or arguing about tax rates. I’m talking about someone who is delinquent on their taxes and cheating the rest of us. So when someone looks at their pay envelope this afternoon and sees what’s taken out in FICA and Federal withholding tax, they’re paying their fair share. Some like it, many do not, but they’re paying their fair share. Why should it be that someone who is not paying their fair share to support this country should take advantage of this very good bill? I say they shouldn’t.

So my improvement to this bill is very simple. If you run a barber shop or a software company or a delicatessen or a manufacturing plant, you no longer have to make an interest-free loan to the government to do business with the government. I agree with that, and I salute the authors of the bill. But if you are delinquent on your taxes, if you haven’t paid your fair share, if you are cheating the rest of the community, then you may not take advantage of this opportunity.

This amendment is not just about improving the revenue flow to the Federal Government. It’s about making the country a little more fair again. It’s about saying that those who follow the rules, our small businesses, our middle class citizens, those who follow the rules can take advantage of the law, but those who do not follow the rules may not take advantage of the law. I think the American people want to see that in big hospitals and insurance companies; I think they want to see that on Wall Street; and I think they want to see it right here on the floor of this Chamber.

So let’s cast a vote today not just for an improvement to this bill, but let’s make America a little more fair. Let’s