

debt, we must cut spending, agree to a stable source of revenue, and hold these commitments over the long term on a bipartisan basis. Partisan rhetoric will not get the job done. The Congress now has to deal with the reality of this budget mess.

The longer-term continuing resolution the House passed 2 weeks ago, though, won't grow our economy and it won't create jobs in the San Joaquin Valley. And, in fact, two reports by respected economists have indicated that it will provide careless cuts and mean hundreds of thousands of jobs lost throughout the Nation.

We can cut spending and we can grow our economy, but it will require shared sacrifice across the Nation by Democrats and Republicans coming together. Our Nation's fiscal health depends on it.

#### COMPREHENSIVE IMMIGRATION REFORM

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

Mr. POLIS. One of the most critical issues to my constituents and Americans across the country, there is crying out for Congress to take action with regard to illegal immigration.

This Nation has over 15 million people who are here illegally, and yet I don't hear one word about comprehensive immigration reform. Comprehensive immigration reform has strong majority support in polls from Republican voters, from Independent voters, and from Democratic voters. Comprehensive immigration reform would finally establish real border security, real employment verification, and require that people that are here illegally register, pay a fine and get right with the law. It is common sense for America, and it's time for Congress to take action on this critical issue.

Lately I've heard that we might be discussing mandatory E-Verify. That would make the problem worse. E-Verify encourages a black market in Social Security numbers. We need real employment verification with fingerprints or eye IDs so we can identify who's there and don't simply contribute to a black market in Social Security numbers which can be bought and sold, only increasing crime in this country.

My constituents are calling on Congress to take action on comprehensive immigration reform. I urge my colleagues to bring this important issue forward.

#### PROVIDING FOR CONSIDERATION OF H.R. 4, SMALL BUSINESS PAPERWORK MANDATE ELIMINATION ACT OF 2011

Mr. SCOTT of South Carolina. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 129 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 129

*Resolved*, That upon the adoption of this resolution it shall be in order to consider in the House 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. All points of order against consideration of the bill are waived. An amendment in the nature of a substitute consisting of the text of the amendment recommended by the Committee on Ways and Means now printed in H.R. 705 shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) two hours and 30 minutes of debate equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from South Carolina is recognized for 1 hour.

Mr. SCOTT of South Carolina. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Colorado (Mr. POLIS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

#### GENERAL LEAVE

Mr. SCOTT of South Carolina. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. SCOTT of South Carolina. Mr. Speaker, House Resolution 129 provides for consideration of H.R. 4, the Small Business Paperwork Mandate Elimination Act of 2011.

If you are looking for a prime example of government regulation which, first, is an unnecessary intrusion on small businesses, second, enlarges government bureaucracy at the expense of taxpayers and entrepreneurs, and, finally, creates a mountain of mind-numbing paperwork which has the net effect of killing jobs, then look no further.

Section 9006 of the health reform bill does all of that by requiring businesses to report every expense that they incur over \$600; not just wages to their employees, but even for payments to other businesses and for merchandise.

Imagine, if you will, a small business that picks up a couple of dozen doughnuts from Krispy Kreme on a weekly basis. At the end of the year, they must send a 1099 to Krispy Kreme. Think about a small business owner, as I have been for the last 14 years, who buys stamps from the post office, and now you have to send a 1099 to the U.S. Post Office. What about if you buy a printer for your office or blinds for your office? Here comes more, another mountain of

new paperwork. So now you're spending tax time preparing 1099s for Krispy Kreme, Office Depot, Walmart, Costco, Starbucks, and the list goes on and on.

It's one thing for a large corporation with an in-house tax department. It's another thing completely for a small business which spends an average of \$74 an hour—that's \$74 an hour—on tax compliance, the most expensive paperwork burden that the Federal Government imposes on all small businesses.

Then, to make matters worse, last year the President signed the Small Business Jobs Act, which expanded this onerous 1099 requirement to anyone who rents out property. How did this happen? Well, after the bill has been passed, we are learning more about it. We had a Congress that passed a bill through backroom deals shielded from the public view without reading them.

The American people have seen what's in this bill, and they don't like it. They don't like it one bit. That's why they sent all of us to Congress, to repeal, to defund, and to dismantle the health care reform. My Republican colleagues voted to repeal this bill 245-189, with a 49-vote greater margin than the original vote to pass it. That is also why two Federal judges have already ruled that national health care reform is unconstitutional.

And I am proud to be handling this rule on the House floor. H.R. 4 will remove an unnecessary burden from small businesses, so that instead of creating 1099s for their expenditures, they can create W-4s when they hire new employees.

I reserve the balance of my time.

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

Mr. Speaker, today the Republicans are breaking a promise that they made to the American people, a promise not to raise taxes. The new majority came in promising a growth agenda. Instead, under the guise of giving administrative relief to small businesses—relief that we all agree is necessary and the majority of this body last session voted to provide with a different way of paying for it—the Republicans are now increasing taxes on middle class Americans and punishing workers.

Mr. Speaker, my colleagues have also broken their promise to this body. The people's House was promised an open legislative process. Over and over, the leadership has told the American people they want to create an open process, create jobs, and lower taxes. Yet here we are debating the second closed rule of the week on a bill that calls out for new and better ideas, a bill that in its current form will increase taxes and punish employees.

We all agree that the 1099 reporting provision of the Affordable Care Act needs to be fixed. Just last Congress, we brought a bill to the floor to do that. H.R. 5982 would have repealed the 1099 requirements. But the measure failed because our Republican friends did not believe that ending incentives

for companies to outsource jobs overseas, which is the way we paid for fixing this administrative burden at the time, would protect American jobs and wouldn't raise taxes on individuals. They didn't believe that that was the correct way to offset the legislation. Instead, in this Congress, they are seeking a tax increase on middle class families as somehow preferable as a way of paying for something we all agree is important rather than ending incentives to shift American jobs overseas.

Now, we won't get into an argument about semantics. There will be those who somehow argue that this is not a tax increase. Well, if it looks and smells like a tax increase, it is a tax increase. A tax increase by any other name would smell as bitter.

Indeed, under this bill, hundreds of thousands of American families will receive an extra bill from the IRS to the tune of \$3,000, \$5,000, particularly middle class families, families earning \$80,000 a year and \$90,000 a year. The heart of what makes up the American middle class face the largest tax increases under this bill.

□ 1230

This bill would raise taxes, harming workers that should be protected. As the Joint Committee on Taxation points out, the Republican proposal would increase taxes for a family of four by an average of \$3,000 a year. And, yes, that is a bill from the IRS. That is taxes. T-A-X-E-S is what the Republicans are seeking to increase under this bill.

Let me give another real-life example. One of the issues we want to correct with regard to the 1099 bill and work with our colleagues on the other side of the aisle to find a good way to pay for, is that currently people who have rental property are going to be classified as being in the business of renting property, and being subject to additional paperwork under the 1099 provision. So this could be a family of four earning maybe \$60,000 a year in salary; they earn another \$20,000, \$25,000 from a rental property. They work hard. They keep up that property. Maybe it was formerly a family home, or maybe they saved up over 10 or 15 years to buy it.

With the 1099 paperwork problem, we are saying hey, you put a new refrigerator for \$600 in that rental home, you have to fill out additional government paperwork that makes you responsible for taxes on that, okay? That's what we want to save people from, Republicans and Democrats. We're saying: You know what, we don't want to burden that family. You make \$60,000 a year, you're getting \$20,000 from a rental property, we don't want you to jump through hoops to put a new refrigerator in your rental property.

But you know what? To that family, they say we don't want to do that extra paperwork, but if it's between that paperwork and paying a \$5,000 bill to the

IRS, I'll do the darn paperwork. I'll do the darn paperwork.

Who are we trying to help here? Who are we talking about helping? If they don't want the help, if this is actually harmful, who are we talking about helping?

According to Families USA, House Republicans wish to decimate what remains of the safe harbor that protects individuals and families from substantial tax penalties. The Affordable Care Act provides built-in flexibility to consumers and protects them by capping the tax penalty if the monthly premium credit received during the year exceeds the amount of credit due based on unexpected income or family status.

So again, how can unexpected or unplanned for income or family status change? It could be a bonus, it could be a raise at work, it could be a divorce, or it could be a marriage. There are a number of ways these things change and put people in a higher category where the IRS will be sending them, because of this bill, \$3,000 to pay, \$5,000 to pay. That's what American families are going to be on the line for.

These provisions of the Affordable Care Act recognize that forcing middle income individuals to repay the entire amount would dampen their willingness to sign up for insurance in the first place. It would penalize them if they found a new job, or penalize them if they received a raise. This process of reconciling the actual income versus tax credits is often called a true up.

Now, last December, as part our bill to prevent the SGR payment cuts from going into effect, we changed the true-up policy for the better. We converted it to a graduated income approach to protect those with middle income levels and enable us to ease away from the cliff that people face when they reach the 400 percent level.

Now, let's talk briefly about health care reform. I know there is a lot in health care reform that my colleagues on the other side of the aisle don't agree with, but I like to think there is some they do agree with as well.

One of the most important provisions of health care reform from a market perspective is the incentive it gave middle class families to work and get off of government health care. Let me explain.

Before this House and the country took up health care reform, there were many families that were right at the cutoff point for Medicaid, okay. Let's say they are earning \$10 an hour. If they got a raise to \$10.50 an hour, they might lose thousands of dollars in government benefits. And I've met constituents who've said this. They've said: Look, I'm earning \$9.50 an hour. I can't even take a raise at my job. I can't work another 20 hours a week at a side job because I actually lose money. So the government was telling them they couldn't work harder. The government was telling them we're going to trap you into a cycle of dependency. The government was telling

them if you earn any more money, we're cutting off your health care.

We replace that in the Affordable Care Act with something that I like to think has support from both sides of the aisles, and that is a sliding scale of reductions. So there is an actual incentive to get off of government health care, to get off of Medicaid, to better yourself and take that 50 cent raise, realizing you may not keep all 50 cents, you might lose a little bit. But, you know what, we're going to let you keep 30 cents of that, and 20 cents will go to decreasing your government benefits. And eventually you've weaned yourself off of government aid entirely and you're able to support health care. That is another misconception. It's not that people want to receive Medicaid or government health care; what they want is to be able to afford, to earn enough money to afford to have private insurance. That's the goal here. The Affordable Care Act helps them get there.

This would strip that provision back and provide a disincentive for families making \$75,000, \$80,000 a year, depending on the size of the family, to work harder.

America was built on a strong work ethic. We all, on both sides of the aisle, have a strong awareness of the market-based system we live in and the power of incentives. We should provide an incentive for middle class families to earn more, not earn less. Why do we penalize those who succeed? Why are the Republicans seeking to raise taxes on middle class families who are seeking to do a little bit better? We should encourage them to get that second home and make some rental income, to work another 10- or 20-hour-a-week job so they can send their kids to a good college. That's what this body should be discussing. Yet instead, we're about to present to the middle class in this country an enormous tax hike. Now to fund something we all agree, and that is why if this was an open process, as Republican leadership has repeatedly promised, we could come together around better ways to pay for it. Okay, you didn't like the way the Democrats proposed paying for it last year. And you know what, by the way, a lot of those pay-fors wound up in statute anyway paying for other bills, but let's work together to do that. Consistent with the cut-go proposal, let's make cuts in government expenditures somewhere to pay for closing this 1099 loophole. Let's not put it on the backs of middle class families earning \$80,000, \$90,000 a year, those who are least able to pay for a tax increase.

You know, I was proud to support the continuation for 2 years of the Bush tax cuts at the end of last year, and let me tell you why. I think it would be unthinkable to raise taxes on families making under \$250,000 a year. Now, I supported letting them expire for families making over \$250,000 a year. You don't take pleasure in that, but it was because I felt we needed to do that to

close the deficit. We couldn't leave that revenue on the table. But I felt it was so important to make sure that families making \$80,000, \$90,000, \$100,000 a year didn't get a tax increase that I was willing to support no tax increase for millionaires as well as part of the package.

And yet here we are in the third month of the Republican Congress with an enormous tax increase on those Americans who can least afford it, the very families who are making \$80,000, \$90,000 a year who form the backbone of the American middle class, facing a \$3,000, \$4,000, \$5,000 tax increase because of the way the Republican majority has chosen to pay for what we all agree is a worthy cause: reducing paperwork for small businesses and home renters.

I reserve the balance of my time.

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. NUGENT).

Mr. NUGENT. I thank the gentleman for yielding.

Mr. Speaker, I rise today in support of H. Res. 129 and the underlying legislation, H.R. 4.

Last year's health care law was rammed through without the opportunity for the American public to let their voices be heard. At the time, then-Speaker PELOSI said Congress had to pass the bill to know what is in it. Now we know. Even Democrats are realizing how many problems there are in this bill.

One such example is the 1099 reporting requirement. This requirement forces businesses to report nearly all expenses exceeding \$600 to the IRS. This results in a new, onerous burden on small businesses. The requirement means 10 to 20 times more paperwork for small businesses. The U.S. Small Business Administration estimates the 1099 tax compliance will cost small businesses \$800 per employee annually.

Small businesses are the economic backbone, and the 1099 requirement is breaking their back. My colleagues on the other side of the aisle will tell you H.R. 4 is a Republican tax increase on middle America. That couldn't be further from the truth.

The offset we are using here today prevents individuals from receiving health care subsidies that they aren't entitled to. We are preventing people from defrauding the Federal Government. We aren't taking money away from people; we are protecting taxpayer dollars by ensuring they're being used the way they're meant to be used.

Moreover, the subsidies we're talking about today don't even take place until 2014, which gives taxpayers ample time to know the facts. The 1099 requirement is affecting small businesses today. Anybody who calls this rule an attack on the middle class isn't telling you the truth, Mr. Speaker.

We are here today because the Republican majority is committed to jobs and protecting and creating jobs for the American people.

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

Mr. SCOTT of South Carolina. I yield the gentleman an additional 30 seconds.

Mr. NUGENT. The Democrat-passed 1099 reporting requirement is a job killer. We want to make sure that small businesses can use their hard-earned profits to expand their businesses, open new storefronts, and bring on new employees, not spend their time reporting to the IRS.

If we're going to create jobs, we need to create an environment where small businesses can succeed. H.R. 4 is an important step in fostering that environment. With that, Mr. Speaker, I encourage my colleagues to support this rule and support H.R. 4.

□ 1240

Mr. POLIS. Mr. Speaker, I yield myself 30 seconds.

This is not, as my colleague from Florida indicated, about fraud. The law has strong penalties for fraud already.

Now, there's agreement to close this extra paperwork on the 1099. What we are supporting is an open process that would allow the majority to work with the minority to find a way to pay for solving this increased administrative overhead without raising taxes on American families.

With that, I would like to yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, my colleague from Florida who just spoke said that the Democrats were going to attack this proposal or the pay-for for this proposal by saying that it's an assault on the middle class, and that's exactly what I intend to say.

Unless I misunderstood my colleague from Florida, he seemed to suggest that the health care subsidies, that people who are in this \$80,000 or \$90,000 income bracket was something that they were not entitled to; I suppose because he thinks that somehow they're too rich. Well, let me tell you, if you have a family of four and you're making \$80,000 to \$90,000 a year or something like that, certainly in my State of New Jersey but in a lot of parts of the country, it's very difficult for you with a family of four to be able to buy health insurance, to pay your premium, without some help. And that's exactly what we're talking about when we talk about people who are middle class. People who are middle class could be making \$25,000 a year, \$40,000, \$50,000, \$80,000, \$90,000, \$100,000 a year. It's not easy to be able to afford your health premiums if you have a family of four and you're in that income bracket.

I regret what's happening here today, because the bottom line is there was bipartisan agreement on the main goal of repealing this 1099 reporting. Doing away with it is something that the Democrats actually put on the House floor and voted on last session. But what we had during the 111th Congress is a repeal bill that basically was paid for by closing tax loopholes for compa-

nies that ship jobs overseas, and we weren't able to get that passed because it was on suspension and only two Republicans joined with us. It was actually endorsed, the pay-for and the bill, by the National Federation of Independent Business, but the Republicans wouldn't support it. There's no question here that we want to repeal the 1099 reporting requirement, but we don't want to pay for it on the backs of the middle class. We should pay for it by closing these loopholes for taxes for companies that take jobs overseas so that we can create more jobs here at home.

I just can't believe what the Republicans are saying. They have this offset that would essentially eliminate protections for middle class families and cost them about \$6,000 or more in payments to the IRS. So the average middle class family is either going to have to pay more to the IRS in order to get some kind of benefit on their premium or just decide to go uninsured. The whole point of the Affordable Care Act was to try to deal with those middle class families that can't afford health insurance. If you're very poor now, you get Medicaid. If you're over 65, you get Medicare. But if you're a working person, you can't afford your health insurance a lot of times because what happens is you have to go and buy it on the individual market because your employer simply doesn't provide it. That's these middle class people that we're trying to help with the Affordable Care Act, those that need a little help so that they can afford their premium. And these are the very ones that you're saying, "No, it's too bad now. We're not going to help you."

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LUNGREN).

Mr. DANIEL E. LUNGREN of California. I appreciate the time.

Mr. Speaker, I am pleased that we are bringing H.R. 4 to the floor. This is a bill that I introduced in its original form last April 26 when we looked at the health care bill that had passed and saw that this, which has absolutely nothing to do with health care, this new burden on businesses, this double-edged sword against small business, was put in that bill supposedly to pay for part of the health care bill.

Now, we have our Democratic friends talking about the pay-for here. I happen to think that we don't even need a pay-for because I think there is a game that is played in this place, which is we will put something in the health care bill that virtually nobody knows is in there. I bet you 99 percent of the Members of the House and the Senate who voted on that bill didn't even know this provision was in there. We then have it scored as somehow gaining \$19 billion for the Federal Government over the next 10 years, which I happen to think is made out of whole cloth because you have to assume that virtually everybody cheats in order for you to come to that conclusion. And

then if we say we now want to get rid of this unnecessary burden, which, by the way, when I introduced this last April, I couldn't get a single Democrat to join me on. I was told by Democrats that the leadership had said, Don't get on that bill; don't dare do anything like that because that will be the first repeal of the health care bill. After a while I finally got some to join me and now there are 38 Members, I believe, on the other side that have joined so that we now have a total of 278 Members, I believe, that have cosponsored my bill, H.R. 4.

But the point is, we bring this new obligation in, this new paperwork obligation, we claim it's going to gain us \$19 billion, and then what's the joke on the American people? If we dare repeal it, we're responsible for somehow coming up with \$19 billion in additional taxes.

Now I know what the Ways and Means Committee has done. They've added this to the bill, a pay-for, and I understand the justification for it. But frankly the rules are such that they're gamed against the average American citizen. You come up out of whole cloth to create this new obligation in your bill, and then once you do and see what the actual implication is and small business said this is a job killer, you say, "Okay, we'll allow you to bring it to the floor but only if you pay for it with new taxes in some way."

Well, our side has looked at it and said, instead of that, why not say those things that are not to be given to folks under this bill ought not to be given to folks under this bill? That is, overpayments ought not to be allowed. As Secretary Sebelius said when your side brought up a very similar provision last year, she said, basically, this is a way to recapture funds.

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

Mr. SCOTT of South Carolina. I yield the gentleman an additional 1 minute.

Mr. DANIEL E. LUNGREN of California. And so I would just like to get away from the confusion that is being displayed on the floor today and just get back to the essence of this bill. It is to repeal a provision that was put in the health care bill that virtually no one knew about, that is a job killer, that is recognized as being a job killer, that the other side with the majority could have at any time last year gotten rid of, which finally the President recognized in his State of the Union address is an excess in this health care bill, and let's not make it a political football now and say, well, now it's a tax, or now it's this, or now it's that. Frankly it is an attempt to try and repeal a section of the health care bill that never should have been there in the first place, that has erroneous premises on which it was developed, a suggestion that somehow most Americans involved in business cheat. That's the only way you can justify \$19 billion coming back to the Federal Treasury. If you believe that the average Amer-

ican businessman and businesswoman, particularly small businessmen and small businesswomen, are cheaters, I never have accepted that. I won't accept that today. And, frankly, we ought not to allow this kind of debate to stop the repeal of this provision of the health care bill.

Mr. POLIS. I yield myself a minute to respond to my good friend, the gentleman from California.

I agree with much of what you said, particularly when you said we don't need a pay-for. I agree with you that to a certain extent the gains are illusory. Yes, they're used as a pay-for; yes, there's a shell game; yes, on paper it looks like so much money. There's times that you and I might both disagree with the CBO, for instance, and this might very well be one of those. But the answer, and I hope my friend from California agrees, is not instead of doing no pay-for or perhaps allowing an amendment under this rule that would allow us to eliminate the pay-for, the answer is not to raise taxes on the middle class.

With that, I yield 5 minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I thank the gentleman from Colorado (Mr. POLIS) for yielding me this time.

Mr. Speaker, I rise in strong opposition to this rule, because hidden deep in this bill is language that indeed will increase income taxes on middle class American families by thousands of dollars a year.

□ 1250

My Republican colleagues claim the bill is not a tax increase on the middle class. They argue that Grover Norquist says it's not a tax increase. They say Democrats have, and I quote, "decided to dance the Washington two-step," claiming this bill contains a new income tax on working families.

In hearing all that, I have one simple question:

If the Republican plan is not that of a massive, new income tax increase, then why did the Republican majority refuse to allow a vote on the amendment which I offered?

My amendment simply said that no section of this bill would take effect if it raised taxes on any American family of four earning less than \$110,250 a year. That's all it said. It just makes it clear you can't raise taxes on the middle class. That's all it said. It is a straightforward and simple amendment. If the Republicans actually believed their own rhetoric of cutting taxes, they would have accepted my amendment and allowed a vote on that amendment on the floor.

We took JOE CROWLEY's amendment and accepted it because we believe this bill will not raise taxes on the middle class.

That's what my colleagues could have said.

The Republicans refuse to allow a vote on my amendment. They refuse to

debate it. They refuse to even discuss it. Why? Because they know their bill raises taxes on the middle class by thousands of dollars. It's not just me saying it. The Committee on Joint Tax states that this bill will raise \$25 billion in new revenue, which is short-hand for taxes. It doesn't come out of the sky. You just can't take that \$25 billion out of the air. Somebody has to pay that, and that entity is the middle class of our country.

Even Grover Norquist at Americans for Tax Reform has written, and I quote, "Americans for Tax Reform has always followed the Committee on Joint Tax's methodology."

He follows the Joint Tax methodology. So, if Joint Tax says it's a tax, Grover Norquist has to agree it is a tax. The best example, though, is a real-life example on how this bill will raise taxes on middle class families. By the "middle class," I mean families with children, earning no more than \$110,250 a year, not the millionaires the Republicans were trying to protect when they held these same taxpayers hostage in December while demanding tax cuts for the richest 1 percent of Americans, those earning over \$1 million a year.

Here is how this bill will raise taxes on middle class families:

If you're a family of four, earning \$88,000 a year, which is approximately 398 percent of the Federal poverty line, the Democratic health care law caps the amount of health care premiums you will be forced to pay annually at no more than 9.5 percent of one's income. In this example, that is \$8,360 a year on a typical family policy valued at \$13,000.

So the family receiving private health care insurance would pay \$8,360 in annual premiums, and the Federal Government would provide a tax credit valued at \$4,640, with these funds going directly to the insurance carrier, from Treasury to the insurance carrier. The money does not go to the family. The family doesn't touch it. The husband and wife, they don't touch that money. It goes right to the Treasury.

If this family were to get a \$250 bonus at the end of the year, say in December, and if the boss asks the husband or the wife or whoever the bread earner in the family is—maybe it's both—to come in and he says, "You know what? You're doing such a great job that we think you have management potential, and we want to give you a bonus"—and you're like thinking "a bonus"—"We're going to give you a \$250 bonus. Go out and buy the family a little dinner for the holidays," that \$250 bonus will bounce up that family to 401 percent of the Federal poverty level.

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

Mr. POLIS. I yield 1 additional minute to the gentleman from New York.

Mr. CROWLEY. Under the Republican bill being debated now, this family would be required to refund the government the entire \$4,640. Talk about

making work pay. Talk about getting a bonus for doing hard work and making work pay: Oh, here's 250 bucks. Please give us 4,640 bucks back.

Let's remember that the \$4,640 in tax credits never actually goes to the family. The Treasury cuts a check to the insurance companies, so the insurance companies are fine. They keep the money. It's the poor schlep—the middle class man or woman—who has to pay that money back.

So in essence, this bill, H.R. 4, is charging families, families who play by the rules—not tax cheats, not people who are trying to scam the system but those who play by the rules—thousands of dollars in new taxes. These are not families getting so-called new taxes. These are not families getting so-called "overpayment checks" or cash from the government. These are honest, hardworking families who are just trying to get ahead.

The adoption of my amendment would have stopped the Republican tax increase on middle class families. It would still allow for the repeal of the onerous 1099 reporting requirements on owners of small businesses.

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

Mr. POLIS. I yield an additional 30 seconds to the gentleman from New York.

Mr. CROWLEY. Democrats want to enact the repeal of the 1099 reporting requirements. We passed a bill in July of 2010 that didn't raise taxes on anyone. Instead, it closed loopholes that allowed for the exporting of U.S. jobs overseas.

Guess what happened to that bill? Your side blocked it. The Republicans blocked it.

That wasn't the only time Democrats did this responsibly. Recently, the Senate passed a bipartisan, deficit-neutral repeal of the onerous 1099 business reporting requirements. Let me make it clear: Democrats are ready to repeal 1099 reporting requirements, but we will not do it on the backs of hardworking middle class Americans.

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire (Mr. GUINTA).

Mr. GUINTA. I thank the gentleman from South Carolina for yielding this time.

I rise to add my voice to those calling for the repeal of the 1099 provision.

H.R. 4, very simply put, Mr. Speaker, is about protecting small business owners, job creators in New Hampshire and across our Nation, from onerous paperwork burdens. Simple as that. Nothing more. Nothing less.

Currently, this piece of legislation, a component of the health care legislation, requires those small business owners to comply with the Federal Government every time they spend \$600 with an individual vendor over the course of a calendar year. I've talked to many small business owners in my

home State of New Hampshire, who have told me specifically how this would hurt their small businesses.

We should be here to encourage small business owners to innovate, to expand. We should make sure that we give them the predictability of this House through public policy that will allow them to create jobs. The heart of New Hampshire's economy is the small business owner as 80 percent of our economy is reliant on them.

I ask that my colleagues join me in repealing the 1099 provision.

Mr. POLIS. I yield 2 minutes to the gentleman from Rhode Island (Mr. LANGEVIN).

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

Mr. LANGEVIN. I thank the gentleman for yielding.

Mr. Speaker, I have always looked for opportunities and ways to support our Nation's small businesses. We all know that they are the real job creators in our country.

Today, I strongly support repealing the enhanced 1099 tax reporting requirement established under the Affordable Care Act. Businesses across my home State of Rhode Island and the country have made it crystal clear that this is a highly problematic requirement that will result in serious logistical and financial burdens if it is not addressed before next year's implementation.

We passed the Affordable Care Act, in part, to ease the burdens of health care costs on small businesses, not to replace them with onerous tax provisions. This is an opportunity for lawmakers, regardless of party affiliation, to come together and fix a problem in the health care reform act that will protect businesses of all sizes.

Now, I was proud to vote for the repeal of this provision last year, and was equally disappointed that it did not garner enough votes to pass in either the House or the Senate. It is my sincere hope that Democrats and Republicans will take this opportunity to set aside their differences and agree to repeal this provision in both a fiscally and socially responsible way.

As currently drafted, this repeal would be paid for by raising taxes on middle class families, making it harder for them to afford private health insurance when the Affordable Care Act goes into effect in 2014. This is unacceptable. Surely, we can find a better way to pay for a bill that lessens the tax burden on businesses than by increasing the tax burden on middle class and low-income families.

□ 1300

To that end, I ask my colleagues to support this measure, but to consider an alternative way to pay for this bill when the House resolves its differences with the Senate. Businesses everywhere are counting on us to come through for them, as is the middle class; and we can't afford to let them down.

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia, my cousin, Mr. SCOTT.

Mr. AUSTIN SCOTT of Georgia. I would like to thank the gentleman from South Carolina. I'm looking forward to visiting the family at Christmas.

Mr. Speaker, ladies and gentlemen of this House and this great country, as I traveled to cities like Covington, Warner Robins and Tifton, Georgia this past week, the main issue I heard from constituents was their growing fear of the size of government's regulatory burden on their business and their way of life.

Now, I find it laughable that today Democrats say that they didn't know this 1099 provision was in this bill. The fact is this 1099 provision was part of a continuous assault by the Democratic Party on small businesses across this country. Now, eliminating this provision will further reduce the government's burden placed on these businesses.

As a small business owner myself, I know from personal experience that passing this resolution will allow employers the time necessary to focus on creating jobs rather than dealing with the burden of government paperwork.

Mr. Speaker, I urge my fellow colleagues to vote in favor of repealing this overbearing, burdensome, job-killing 1099 provision that the Democrats put into that bill. And as Thomas Jefferson once said: "When the people fear their government, there is tyranny; when the government fears the people there is liberty."

Mr. Speaker, it is time to liberate our people, our small businesses from the burdens of this 1099 provision.

PARLIAMENTARY INQUIRY

Mr. POLIS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. POLIS. Does section 4 of H.R. 4 violate the rules of the House by proposing a tax increase?

The SPEAKER pro tempore. Is the gentleman asking about the underlying bill or the pending resolution?

Mr. POLIS. The inquiry is regarding the underlying bill.

The SPEAKER pro tempore. The bill is not yet pending. In any case, the gentleman is asking for an advisory opinion. The Chair will not issue such an opinion.

Mr. POLIS. I thank the gentleman.

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

Mr. Speaker, I think this is a question of how cleverly—or perhaps deviously—the majority party constructed the rules of the House with regard to a test as to whether presenting a family earning \$80,000 a year with a bill for \$3,000 from the IRS is a tax increase or not. It would take some pretty fancy tap dancing to say that a \$3,000 or \$4,000 bill from the IRS to a middle class family is not a tax increase. If it

looks like a tax increase, if it smells like a tax increase, it is a tax increase. And it is contrary to the rules of the House to allow a tax increase in this kind of bill.

Now, I understand there's some fancy dancing and semantics around it, but I think the American people and the voters of this country have a great deal of common sense with regard to this matter. When you get a \$3,000 bill from the IRS that you have to pay—and if you don't pay, as my colleagues on the other side of the aisle liked to point out during the debate on the health care bill, you could face going to prison—that's a tax increase. That's a tax increase.

What this bill does is tell hundreds of thousands of middle class families, particularly right on that cusp—we talk about this 400 percent of poverty rate, again, that's an arbitrary level, but it's a real level for families; it's X dollars. Now it depends on the size of the family and it depends on the State, but we're talking \$80,000, \$90,000 a year, right in that range. You earn, as my friend from New York pointed out, 250 bucks more, the IRS sends you a bill, \$3,000, \$4,000, \$5,000; and if you don't pay it, you face going to prison.

I yield to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I thank the gentleman.

I was attempting to ask the gentleman from Georgia to yield so I could ask him a question: What part of what I said about the family of four earning \$88,000 and getting a bonus of \$250, and their exposure then to \$4,460 in taxes was untrue? He was on a diatribe of his talking points about small businesses.

We understand small businesses, the burden that was placed there. We are trying to remove that from them, but not to place it on the backs of the middle class. I understand he wanted to remove the burden from small business, but to place it on the backs of the middle class, that was the question I've asked.

And by the way, I haven't heard one colleague from the other side of the aisle refute what I said about that family of four. Not one person has stood up and said, you're wrong, Mr. CROWLEY. That will not take place; that potential will not take place if this bill passes. The silence is deafening from the other side. They know it's a tax increase on the middle class, Mr. POLIS.

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

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KINZINGER).

Mr. KINZINGER of Illinois. I thank my colleague from South Carolina for yielding.

This is great. You know, it's very interesting to listen to this concern. When I was actually out on the campaign trail, I talked to a lot of small business owners. These small business owners were fired up. This is exactly what they're saying is wrong with

Washington—more and more government regulation, more and more paperwork—and this is exactly what we have to clean up now after 4 years of what we've been dealing with.

Mr. Speaker, as a new Member I was not in the body when the previous Democrat majority passed this job-destroying regulation, taxes on every sector of our economy. But as I did go around, I heard from businesses like Mussman's Back Acres in Kankakee County in my district, and I heard about the illogical burden that this would place on them, the people they would have to hire just to take care of this requirement—one of the most illogical requirements I can say of the health care bill. It doesn't make a heck of a lot of sense.

The 1099 requirement impacts small businesses disproportionately by requiring them to file and collect 1099 tax forms for any business transaction—any one—over \$600 or more per year, these new requirements at a time when businesses can't afford it.

Mr. CROWLEY. Will the gentleman yield?

Mr. KINZINGER of Illinois. Actually, if you would allow me to keep speaking, I would appreciate that.

I am proud to be a cosponsor of this legislation to strip the 1099 requirement on business. This body will continue to remove the undue burden on small businesses, the undue burden on society in general that was placed out of this body for the last 4 years.

It is high time that the Republican majority, and, frankly, with many colleagues on the other side that have said it's time to make small business work again—it's time to give them the freedom to hire people back. It's time to take our country back, get people back to work, rein in government spending, and put government where it should be: limited, effective and efficient.

Mr. POLIS. Mr. Speaker, I yield 20 seconds to my friend from New York (Mr. CROWLEY).

Mr. CROWLEY. Once again I asked the gentleman to yield. He refused to yield because he has no answer. But I'm correct. The example that I gave of a family of four making \$88,000 would have a huge tax increase because of this bill of \$4,460.

You refused to yield because you know you cannot refute what I'm stating here on the floor.

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HULTGREN).

Mr. HULTGREN. I thank the gentleman.

Today, I rise in support of H.R. 4. This bill will repeal one of the most egregious and anti-jobs, anti-growth provisions contained in last year's health care law. This 1099 provision threatens our small business owners with an avalanche of paperwork and bureaucracy when Congress should instead be doing everything in our power to help employers create jobs.

My constituents have told me loud and clear what this means to them. One small business owner in my district told me that just last year alone she had more than 500 transactions that she would have had to report under this provision, the expense and enormous regulatory burden on her and her employees. She called it ridiculous, and I think she is understating things.

I hope Congress will overwhelmingly pass this bill. Let's liberate our small business owners from the mountain of paperwork and instead let them get back to work, creating jobs and moving our economy forward.

Mr. POLIS. Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Nevada, Dr. HECK.

□ 1310

Mr. HECK. I thank the gentleman.

Mr. Speaker, today I also rise in support of H.R. 4, the Small Business Paperwork Mandate Elimination Act of 2011. There is no doubt this job-killing 1099 hidden tax deserves repeal.

Nevada's unemployment rate is a Nation-high 14.5 percent. We need to create jobs. Eighty percent of Nevada's employees work for small businesses. So I asked small business owners what the government should do to create jobs.

Paul Beehler, a small business owner, operates Midas shops throughout southern Nevada, buys multiple auto parts from multiple vendors, said regulations and hidden taxes, like the 1099 hidden tax, keep him from hiring new workers.

You know what? More than 170 small business organizations Nationwide agree with Paul and have called for the 1099 hidden tax's repeal.

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

Mr. HECK. No, Mr. Speaker, I shall not yield.

Washington said it wants to hear job-creating ideas from the business community. Here is one that they are screaming about.

Nevada's families are hurting. American families are hurting. It's time to end the job-killing 1099 hidden tax and get Nevadans back to work.

Mr. POLIS. Since the gentleman from New York has been unable to enter into a colloquy with the several gentlemen he has sought to, I yield 45 seconds to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I appreciate the time from the gentleman from Colorado.

I've attempted so far again to ask two more gentlemen from the other side of the aisle to yield for the purposes of answering a question. I've noticed that not a single one as of yet has refuted the example that I gave of a family of four earning \$88,000 a year getting a \$250 bonus being pumped up over the 401 percentile of the Federal poverty level and being exposed to a \$4,460 tax.

I wonder when the gentlemen were out campaigning last year and talking to small businesses, did you talk to the middle class about the increase in the tax that you would propose when you came to the floor of the House? One of the first bills, number four, the fourth bill to increase taxes on the middle class. Did you talk to those folks? Did you let them know what you were doing to them? I suspect not. You have two more speakers to refute what I've said. I'm waiting.

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

Mr. SCOTT of South Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. RIGELL).

Mr. RIGELL. I thank my friend and the gentleman from South Carolina for yielding.

Mr. Speaker, as a business owner for more than 20 years, I know firsthand that excessive tax paperwork and compliance matters are already major expenses to our small businesses. And the new reporting requirements included in the health care law will substantially increase those costs. These new requirements impose yet another burden on small businesses forcing them to devote more resources to filing taxes instead of going out and doing what they do best, which is to create jobs.

You know, in Virginia alone, small businesses make up nearly 98 percent of all business establishments and account for—

Mr. CROWLEY. Will the gentleman yield?

Mr. RIGELL. No, I will not. The gentleman's question that he is persistent with is not germane.

And account for more than 75 percent of new job growth. And according to a study by the Small Business Administration, the cost of complying with the Tax Code is 66 percent higher for small businesses as compared to large businesses.

Mr. CROWLEY. Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Virginia controls his time. The gentleman apparently refuses to yield.

Mr. RIGELL. You know, these reporting requirements are a classic example of laws that are passed by people who have no clue what it means to go out and create a job and that put precious capital at risk. They're created, these laws, by people who have never met with a banker and have been told by a banker, "No, I can't help you."

So this bill, H.R. 4, is a step in the right direction to help our small business owners. I strongly urge my colleagues to stand with me in voting in favor of it.

Mr. POLIS. After continuing to be amazed that the gentleman from Virginia somehow said that a tax increase is not a tax increase and is not germane, I am happy to yield 15 seconds to the gentleman from New York.

Mr. CROWLEY. Not germane. That's the answer. A \$4,460 tax increase is not germane to this debate we're having

right now. What is? The \$25 billion doesn't fall out of the sky, out of the air. It has to come from somewhere. It is a tax increase on the middle class.

You know it. We all know it.

Mr. SCOTT of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland, Dr. ANDY HARRIS.

Mr. HARRIS. Mr. Speaker, as if businesses weren't struggling enough with the worst recession since the Great Depression, some Washington bureaucrat decided it was a good idea to distract the real job creators of our country from doing what they do best—create jobs.

To the gentleman from New York, that's what this debate is about, whether that hypothetical family actually has a job. But whether they should be distracted from creating jobs by requiring them to fill out mountains of 1099 paperwork. Obviously, the individual who came up with this brilliant idea has never had to meet a payroll or deal with the day-to-day operations of a small business.

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

The SPEAKER pro tempore. The gentleman from Maryland controls the time. The gentleman, by his silence, is not willing to yield.

Mr. HARRIS. Small business owners all over my district have told me that the 1099 provision would hurt their business. Trish Date, who co-owns Rittenhouse Fuel Services with her husband and Perry Hall, said it would be "an administrative nightmare that would cost me thousands of dollars to implement."

Last year, she used over 250 individual vendors that will now require 1099 forms to be printed, copied, mailed, completed, and sent to the vendors and the IRS. Her small family-owned business simply does not have the resources or capacity to handle this onerous regulation.

Another business owner, Karen Oertel, whose family owns and operates the Harris Crab House on the eastern shore, said this 1099 mandate would be "overwhelmingly burdensome on my family business."

Mr. Speaker, the 1099 provision is simply a job-destroying regulation that wastes precious time, labor, and money. If we want to create jobs tomorrow, I urge my colleagues to join me in repealing this awful provision now by supporting H.R. 4.

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

Mr. SCOTT of South Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from California, the chairman of the Rules Committee, Mr. DREIER.

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

Mr. DREIER. Mr. Speaker, let me first say that we all know why we're here. There is a bipartisan consensus that the 1099 provision in this bill is flawed. It's a mistake. And what it

says to me is that the health care bill is badly flawed.

And we all recall the very famous statement that was made, "We have to pass this bill before we can understand what's in it." I'm trying to remember who said that. Somebody said that. Somebody very prominent said that.

So here we have a measure that is badly flawed. There is bipartisan consensus—278 cosponsors of Mr. LUNGREN's bill. And as Mr. LUNGREN said at the outset, Democrats were discouraged from cosponsoring it because by cosponsoring the measure they admitted that this outrageous health care bill was flawed.

Well, it got to the point where the President of the United States in his news conference right after the election said the bill needs to be fixed, the 1099 provision needs to be fixed. So he was acknowledging right there that it was flawed. Now, we have this big debate on CutGo and how we're paying for this.

And I would be happy to yield to my friend who has been requesting time to ask the question that I know he's going to ask me because I've heard it a million times over the last few minutes.

I yield to my friend from New York (Mr. CROWLEY).

Mr. CROWLEY. No. The last time, Mr. Speaker, was for the purpose of a parliamentary inquiry.

Mr. DREIER. I'm yielding to my friend. The Speaker doesn't need to yield.

Mr. CROWLEY. Thank you.

Mr. Speaker, the reason for my asking for my colleagues to yield was to inquire as to the procedures of the House.

Mr. DREIER. Reclaiming my time, Mr. Speaker, I yielded to the gentleman to ask me a question.

Mr. CROWLEY. I will ask that as well.

What of the example I gave you of a family of four earning \$88,000 a year who gets a bonus—how many here have heard of a bonus of \$250? They get a bonus because they worked hard. They get that bonus and they are in the 401 percentile of the Federal poverty level. They get a bill from the IRS for \$4,460. What part of that is not a tax increase?

Mr. DREIER. Reclaiming my time, Mr. Speaker, I will answer my friend by saying the following: It is a subsidy that has provided that opportunity for that taxpayer. It is a subsidy.

This is scored by the Congressional Budget Office.

Mr. CROWLEY. Will the gentleman yield?

Mr. DREIER. Could I finish the answer to the question? Because I know the gentleman has been interrupting, repeatedly, Members, and I, usually, as I ask people to yield, try not to do it more than three times. And the gentleman has asked three, four, five times. Some of our Members yield when they're doing 1-minute speeches.

So let me just say that this is scored by the Congressional Budget Office, Mr. Speaker.

□ 1320

It is scored not as a tax increase; it is scored as a spending cut. And I know what the Joint Committee on Taxation has said, but they rely on the Congressional Budget Office as they look to this. And so the fact is what this comes down to is returning an improper government subsidy. And that is not a tax increase.

So if I could complete my statement, Mr. Speaker, now that I have answered the question posed by the gentleman, this bill itself is in fact a badly flawed measure, the Obama health care bill. And for that reason, it is absolutely essential that we provide the kind of relief that every small business in this country deserves. And so we are in a position where we have done this in, I believe, the most proper way.

The gentleman's amendment doesn't comply with the CutGo provision that we have. So for that reason, Mr. Speaker, I am going to encourage my colleagues to support this rule.

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

Look, in a climate of a fragile economic recovery, the last thing we want do is punish people for getting a raise or earning a few extra dollars by working an extra job.

Now, Mr. Speaker, this bill is intended to help small businesses, and that's something we all agree with. I ran a small business before I was elected to Congress, and there is great support from both sides of the aisle to making sure that we reduce the 1099 reporting requirements for small businesses and people who happen to have a rental home.

But this is a situation of thanks, but no thanks. Thanks for saying I don't have to fill out an extra form because I bought a \$600 refrigerator for my rental property, but no thanks because you are giving me a \$5,000 bill from the IRS.

This Republican proposal undoes a bipartisan agreement that passed overwhelmingly last Congress. Under this Republican pay-for, an average middle class family could find out in January that they have to come up with \$12,000 by April to send to the IRS with their tax return, or they could face going to prison. An extra \$100 in overtime here and a \$500 holiday bonus there could send a working family towards tax court.

During the last Congress, the Republican Party complained of being left out of the process; and while we didn't always have an open rule, every major piece of legislation came to the floor under a structured rule. Members of both parties come to the Rules Committee and have their amendments vetted. Now, why aren't we through this rule offering the good idea that the gentleman from California (Mr. DANIEL E. LUNGREN) offered? He said why don't we remove the pay-for from this bill and simply disagree with CBO and see if we can pass it on that ground? Why are we not allowing the amendment

from my friend from New York, who offered an amendment that would repeal the middle class tax increase proposed in this Republican bill? The Crowley amendment would protect the middle class and maintain the bipartisan agreement that we had last year.

Mr. Speaker, we all agree that the 1099 provisions in the Affordable Care Act need to be addressed. There has been excellent points made in that regard from Members from both sides of the aisle, but this is not the way to do it, not on the backs of the middle class, not with a tax hike during a recession.

Republicans are proposing a substantial tax hike for the middle class. Not only is that bad policy, but it's also a violation of the pledge that many of them signed committing to oppose all tax increases. A tax increase is a tax increase. When you get a \$3,000, or \$4,000, or \$5,000 bill from the IRS that you have to pay the IRS, it's called a tax increase. A tax increase. There is nothing else to call it.

No fancy dancing, no fancy words can change the fact that a bill from the IRS is a tax increase. And families making \$80,000, \$90,000 a year will receive substantial tax increases under the Republican version of paying for this bill.

Mr. Speaker, if we defeat the previous question, I will offer an amendment to the rule to make in order Mr. CROWLEY's amendment to the bill. That amendment simply says that nothing in the bill will apply if it would result in a tax increase on anyone whose income is less than 500 percent of the Federal poverty line.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

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

There was no objection.

Mr. POLIS. I urge a "no" vote on the rule.

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

Mr. SCOTT of South Carolina. Mr. Speaker, we have heard a lot today about the cost and about taxes, about tax increases. We must be working from very different mathematical systems. They keep saying that we are raising taxes, and there is nothing further from the truth than the statements I have heard from the left.

You have consistently posed a question that all of America needs an answer to: Is this in fact a tax increase? Well, according to the Joint Committee on Taxation, this is in fact a net tax cut of over \$20 billion over the next 10 years, and it will reduce the deficit by \$166 billion over the same period of time. Let's also keep in mind that these cost savings come from the government recouping money that the recipients should not have gotten in the first place.

That is not a tax increase. Let me say it one more time: that is not a tax

increase. If we were looking for the way to actually get rid of this problem, there is a simple way to do that: let's repeal the entire health care law. Because the problem that we see today comes in the package of the health care law itself. So consistent with reality is the fact that the Democrats have put us in this position. So we are working in a bipartisan fashion through the 1099 repeal to eliminate this problem.

Finally, we should all bear in mind that while this resolution is a closed rule, the opposition was offered an opportunity to submit a substitute bill. They declined. We have also expanded debate to 2½ hours.

The material previously referred to by Mr. POLIS is as follows:

AN AMENDMENT TO H. RES. 129 OFFERED BY  
MR. POLIS OF COLORADO

(1) Strike "the previous question" and all that follows and insert the following:

The previous question shall be considered as ordered on the bill, as amended, and on any amendment thereto to final passage without intervening motion except: (1) two hours and 30 minutes of debate equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means; (2) the amendment printed in section 2, if offered by Representative Crowley of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for 10 minutes equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

(2) At the end of the resolution, add the following:

SEC. 2. The amendment referred to in the first section of this resolution is as follows:

At the end of the bill, insert the following:

SEC. — PROHIBITION OF TAX INCREASE ON  
AMERICA'S MIDDLE CLASS.

Any amendment made by this Act shall not apply to any taxable year beginning during any calendar year if such application of such amendment would result in an increase in the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxpayer whose household income is less than 500 percent of the poverty line for the size of the family involved for a taxable year of the taxpayer beginning in such calendar year (compared to the tax which would be imposed under such chapter for such taxable year determined without regard to such amendment).

(The information contained herein was provided by the Republican Minority on multiple occasions throughout the 110th and 111th Congresses.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT  
IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308-311), describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To

defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Republican majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: "Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment."

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: "Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. SCOTT of South Carolina. I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### PROVIDING FOR CONSIDERATION OF H.R. 662, SURFACE TRANSPORTATION EXTENSION ACT OF 2011

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 128 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

##### H. RES. 128

*Resolved*, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 662) to provide an extension of Federal-aid highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund pending enactment of a multiyear law reauthorizing such programs. All points of order against consideration of the bill are waived. The bill shall be considered as read. All points of order against provisions in the bill are waived. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Transportation and Infrastructure; (2) the amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Mica of Florida or his designee, which shall be in order without intervention of any point of order, shall be considered as read, shall be separately debatable for 10 minutes equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for a division of the question; and (3) one motion to recommit with or without instructions.

□ 1330

The SPEAKER pro tempore. The gentleman from Texas is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my friend, the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

##### GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

Mr. SESSIONS. Mr. Speaker, House Resolution 128 provides for a structured rule for consideration of H.R. 662. This rule provides for ample debate and opportunities for Members on both sides of the aisle, the majority and minority, to make sure that they have ample time to participate, come to the floor, and express their ideas, which is what this new Republican majority is enabling Members to do.

I rise today in support of this rule and the underlying bill. The underlying legislation is a simple extension of service transportation programs through September 30 of this year.

This legislation was introduced by the distinguished chairman of the Transportation and Infrastructure Committee, Chairman MICA, on February 11, 2011, with Ranking Member RAHALL as an original cosponsor. It was reported out of the Committee on Transportation and Infrastructure by a voice vote on February 28, 2011. This legislation went through regular order with bipartisan support.

This is a clean, straight extension of current law, providing a hard freeze at 2009 spending levels through the end of this fiscal year. Without this legislation, the spending levels would expire on Friday, March 4, 2011.

In an effort to provide more transparency and accountability of how this body has been run, which is different than how this body has been run for the past 4 years, the Republican Conference adopted a policy that would no longer permit extensions of programs on a continuing resolution or any other appropriations bills. This allows Members a straight up or down vote on an issue at hand and, in this case, it is surface transportation.

The Surface Transportation Extension Act of 2011 continues the authorization of Federal highway, transit, and highway safety programs through the end of this fiscal year at the same program funding levels established for fiscal year 2009. This authorization is essential to allow funds that had been included in transportation appropriations legislation to flow to States and local transit agencies. We are not trying to get in the way of decisions that need to be made locally; we are simply trying to make sure that they are legally executed.

Should this straight extension of transportation funding not be signed into law before the March 4 deadline, the impact would be severe and immediate. A shutdown would result in immediate furloughs and suspension of payments to States, which would hamper the Federal Highway Administration's ability to pay contractors. This would jeopardize the States' transportation funding to a tune of \$154 million a day, killing ongoing projects, things which had been agreed on and are being done locally.

This level of funding was extended by the previous Congress six times starting in October of 2009. Continuing this funding at 2009 levels allows for the appropriate funding for States to complete and manage their transportation projects. With an extension through the fiscal year, it will allow the new chairman of the Transportation Committee, my dear friend, the favorite son and gentleman from Florida (Mr. MICA) the appropriate time to hold necessary hearings to review and re-estimate the funding essential for States to carry on their transportation projects.

The Congressional Budget Office, which is also known as the CBO, has concluded that the underlying bill today does not affect direct spending or revenues. Further, the CBO determined