McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McGovern
McHenry
McIntyre
McKeon
McKinley
McMorris Rodgers
Mica
Michaud
Miller (MI)
Miller (NC)
Miller, Gary
Moore
Moran
Mulvaney
Murphy (CT)
Murphy (PA)
Myrick
Nadler
Neugebauer
Noem
Nunes
Nunnelee
Olson
Palazzo
Pascrell
Pearce
Pelosi
Pence
Perlmutter
Petri
Pingree (ME)
Pitts
Platts
Polis
Pompeo
Posey
Price (GA)
Price (NC)
Quigley
Rehberg
Reyes
Richardson
Rivera
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Roskam
Ross (AR)
Ross (FL)
Rothman (NJ)
Roybal-Allard
Royce
Runyan
Ruppersberger
Ryan (WI)
Scalise
Schiff
Schmidt
Schwartz
Schweikert
Scott (SC)
Scott (VA)
Scott, Austin
Scott, David
Sensenbrenner
Serrano
Sessions
Sewell
Sherman
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Southerland
Speier
Stearns
Stutzman
Sullivan
Sutton
Thompson (PA)
Thornberry
Tiberi
Tierney
Tipton
Tonko
Towns
Tsongas
Turner (NY)
Turner (OH)
Upton
Van Hollen
Walden
Walz (MN)
Wasserman Schultz
Watt
Waxman
Webster
Welch
West
Westmoreland
Whitfield
Wilson (FL)
Wilson (SC)
Wolf
Womack
Woolsey
Yarmuth
Young (IN)

NAYS—118

Adams
Altmire
Andrews
Baldwin
Bass (CA)
Benishek
Biggert
Bishop (NY)
Boswell
Brady (PA)
Burgess
Capuano
Cardoza
Castor (FL)
Chandler
Chu
Clarke (NY)
Cleaver
Clyburn
Coffman (CO)
Cohen
Conaway
Costa
Costello
Courtney
Cravaack
Critz
DeFazio
Dent
DesJarlais
Dold
Donnelly (IN)
Duffy
Fattah
Fitzpatrick
Forbes
Foxx
Fudge
Gardner
Garrett
Gerlach
Gibson
Graves (MO)
Green, Gene
Griffin (AR)
Grijalva
Gutierrez
Hanna
Hartzler
Heck
Herrera Beutler
Honda
Hoyer
Huelskamp
Israel
Jackson (IL)
Jackson Lee (TX)
Johnson (OH)
Keating
Kind
Kucinich
Langevin
Latham
Lee (CA)
Lewis (GA)
LoBiondo
Luetkemeyer
Lynch
Markey
Matheson
McCotter
McDermott
McNerney
Meehan
Meeks
Miller (FL)
Miller, George
Neal
Nugent
Olver
Pallone
Pastor (AZ)
Paulsen
Peters
Peterson
Poe (TX)
Quayle
Rahall
Reed
Reichert
Renacci
Ribble
Richmond
Rigell
Rooney
Ros-Lehtinen
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schilling
Schock
Shuler
Sires
Stark
Stivers
Terry
Thompson (CA)
Thompson (MS)
Velázquez
Visclosky
Walberg
Waters
Wittman
Woodall
Yoder

ANSWERED ''PRESENT''—3

Amash
Gohmert
Owens

NOT VOTING—20

Bass (NH)
Bishop (UT)
Braley (IA)
Burton (IN)
Cummings
Davis (KY)
Filner
Flake
Gosar
Guinta
Manzullo
Marino
Napolitano
Paul
Rangel
Schrader
Slaughter
Walsh (IL)
Young (AK)
Young (FL)

☐ 1057

So the Journal was approved.

The result of the vote was announced as above recorded.

Stated against:

Mr. FILNER. Mr. Speaker, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted ''no.''

SMALL BUSINESS TAX CUT ACT

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 620, I call up the bill (H.R. 9) to amend the Internal Revenue Code of 1986 to provide a deduction for domestic business income of qualified small businesses, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to House Resolution 620, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is adopted. The bill, as amended, is considered read.

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

H.R. 9

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Tax Cut Act''.

SEC. 2. DEDUCTION FOR DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 200. DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.

''(a) ALLOWANCE OF DEDUCTION.—In the case of a qualified small business, there shall be allowed as a deduction an amount equal to 20 percent of the lesser of—

''(1) the qualified domestic business income of the taxpayer for the taxable year, or

''(2) taxable income (determined without regard to this section) for the taxable year.

''(b) DEDUCTION LIMITED BASED ON WAGES PAID.—

''(1) IN GENERAL.—The amount of the deduction allowable under subsection (a) for any taxable year shall not exceed 50 percent of the greater of—

''(A) the W–2 wages of the taxpayer paid to non-owners, or

''(B) the sum of—

''(i) the W–2 wages of the taxpayer paid to individuals who are non-owner family members of direct owners, plus

''(ii) any W–2 wages of the taxpayer paid to 10-percent-or-less direct owners.

''(2) DEFINITIONS RELATED TO OWNERSHIP.—For purposes of this section—

''(A) NON-OWNER.—The term 'non-owner' means, with respect to any qualified small business, any person who does not own (and is not considered as owning within the meaning of subsection (c) or (e)(3) of section 267, as the case may be) any stock of such business (or, if such business is other than a corporation, any capital or profits interest of such business).

''(B) NON-OWNER FAMILY MEMBERS.—An individual is a non-owner family member of a direct owner if—

''(i) such individual is family (within the meaning of section 267(c)(4)) of a direct owner, and

''(ii) such individual would be a non-owner if subsections (c) and (e)(3) of section 267 were applied without regard to section 267(c)(2).

''(C) DIRECT OWNER.—The term 'direct owner' means, with respect to any qualified small business, any person who owns (or is considered as owning under the applicable non-family attribution rules) any stock of such business (or, if such business is other than a corporation, any capital or profits interest of such business).

''(D) 10-PERCENT-OR-LESS DIRECT OWNERS.—The term '10-percent-or-less direct owner' means, with respect to any qualified small business, any direct owner of such business who owns (or is considered as owning under the applicable non-family attribution rules)—

''(i) in the case of a qualified small business which is a corporation, not more than 10 percent of the outstanding stock of the corporation or stock possessing more than 10 percent of the total combined voting power of all stock of the corporation, or

''(ii) in the case of a qualified small business which is not a corporation, not more than 10 percent of the capital or profits interest of such business.

''(E) APPLICABLE NON-FAMILY ATTRIBUTION RULES.—The term 'applicable non-family attribution rules' means the attribution rules of subsection (c) or (e)(3) of section 267, as the case may be, but in each case applied without regard to section 267(c)(2).

''(3) W–2 WAGES.—For purposes of this section—

''(A) IN GENERAL.—The term 'W–2 wages' means, with respect to any person for any taxable year of such person, the sum of the amounts described in paragraphs (3) and (8) of section 6051(a) paid by such person with respect to employment of employees by such person during the calendar year ending during such taxable year.

''(B) LIMITATION TO WAGES ATTRIBUTABLE TO QUALIFIED DOMESTIC BUSINESS INCOME.—Such term shall not include any amount which is not properly allocable to domestic business gross receipts for purposes of subsection (c)(1).

''(C) OTHER REQUIREMENTS.—Except in the case of amounts treated as W–2 wages under paragraph (4)—

''(i) such term shall not include any amount which is not allowed as a deduction under section 162 for the taxable year, and

''(ii) such term shall not include any amount which is not properly included in a return filed with the Social Security Administration on or before the 60th day after the due date (including extensions) for such return.

''(4) CERTAIN PARTNERSHIP DISTRIBUTIONS TREATED AS W–2 WAGES.—

''(A) IN GENERAL.—In the case of a qualified small business which is a partnership and elects the application of this paragraph for the taxable year—

''(i) the qualified domestic business taxable income of such partnership for such taxable year (determined after the application of clause (ii)) which is allocable under rules similar to the rules of section 199(d)(1)(A)(ii) to each qualified service-providing partner shall be treated for purposes of this section as W–2 wages paid during such taxable year to such partner as an employee, and

''(ii) the domestic business gross receipts of such partnership for such taxable year shall be reduced by the amount so treated.

''(B) QUALIFIED SERVICE-PROVIDING PARTNER.—For purposes of this paragraph, the term 'qualified service-providing partner' means, with respect to any qualified domestic business taxable income, any partner who is a 10-percent-or-less direct owner and who materially participates in the trade or business to which such income relates.

''(5) ACQUISITIONS AND DISPOSITIONS.—The Secretary shall provide for the application of this subsection in cases where the taxpayer acquires, or disposes of, the major portion of a trade or business or the major portion of a separate unit of a trade or business during the taxable year.

''(c) QUALIFIED DOMESTIC BUSINESS INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified domestic business income' for any taxable year means an amount equal to the excess (if any) of—

''(A) the taxpayer's domestic business gross receipts for such taxable year, over

''(B) the sum of—

''(i) the cost of goods sold that are allocable to such receipts, and

''(ii) other expenses, losses, or deductions (other than the deduction allowed under this section), which are properly allocable to such receipts.

''(2) DOMESTIC BUSINESS GROSS RECEIPTS.—

''(A) IN GENERAL.—The term 'domestic business gross receipts' means the gross receipts of the taxpayer which are effectively connected with the conduct of a trade or business within the United States within the meaning of section 864(c) but determined—

''(i) without regard to paragraphs (3), (4), and (5) thereof, and

''(ii) by substituting 'qualified small business (within the meaning of section 200)' for 'nonresident alien individual or a foreign corporation' each place it appears therein.

''(B) EXCEPTIONS.—For purposes of paragraph (1), domestic business gross receipts shall not include any of the following:

''(i) Gross receipts derived from the sale or exchange of—

''(I) a capital asset, or

''(II) property used in the trade or business (as defined in section 1231(b)).

''(ii) Royalties, rents, dividends, interest, or annuities.

''(iii) Any amount which constitutes wages (as defined in section 3401).

''(3) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of paragraphs (2) and (3) of section 199(c) shall apply for purposes of this section (applied with respect to qualified domestic business income in lieu of qualified production activities income and with respect to domestic business gross receipts in lieu of domestic production gross receipts).

''(d) QUALIFIED SMALL BUSINESS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified small business' means any employer engaged in a trade or business if such employer had fewer than 500 full-time equivalent employees for either calendar year 2010 or 2011.

''(2) FULL-TIME EQUIVALENT EMPLOYEES.—The term 'full-time equivalent employees' has the meaning given such term by subsection (d)(2) of section 45R applied—

''(A) without regard to subsection (d)(5) of such section,

''(B) with regard to subsection (e)(1) of such section, and

''(C) by substituting 'calendar year' for 'taxable year' each place it appears therein.

''(3) EMPLOYERS NOT IN EXISTENCE PRIOR TO 2012.—In the case of an employer which was not in existence on January 1, 2012, the determination under paragraph (1) shall be made with respect to calendar year 2012.

''(4) APPLICATION TO CALENDAR YEARS IN WHICH EMPLOYER IN EXISTENCE FOR PORTION OF CALENDAR YEAR.—In the case of any calendar year during which the employer comes into existence, the number of full-time equivalent employees determined under paragraph (2) with respect to such calendar year shall be increased by multiplying the number so determined (without regard to this paragraph) by the quotient obtained by dividing—

''(A) the number of days in such calendar year, by

''(B) the number of days during such calendar year which such employer is in existence.

''(5) SPECIAL RULES.—

''(A) AGGREGATION RULE.—For purposes of paragraph (1), any person treated as a single employer under subsection (a) or (b) of section 52 (applied without regard to section 1563(b)) or subsection (m) or (o) of section 414 shall be treated as a single employer for purposes of this subsection.

''(B) PREDECESSORS.—Any reference in this subsection to an employer shall include a reference to any predecessor of such employer.

''(e) SPECIAL RULES.—

''(1) ELECTIVE APPLICATION OF DEDUCTION.—Except as otherwise provided by the Secretary, the taxpayer may elect not to take any item of income into account as domestic business gross receipts for purposes of this section.

''(2) COORDINATION WITH SECTION 199.—If a deduction is allowed under this section with respect to any taxpayer for any taxable year—

''(A) any gross receipts of the taxpayer which are taken into account under this section for such taxable year shall not be taken into account under section 199 for such taxable year, and

''(B) the W–2 wages of the taxpayer which are taken into account under this section shall not be taken into account under section 199 for such taxable year.

''(3) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of paragraphs (1), (2), (3), (4), (6), and (7) of section 199(d) shall apply for purposes of this section (applied with respect to qualified domestic business income in lieu of qualified production activities income).

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this section, including regulations which prevent a taxpayer which reorganizes from being treated as a qualified small business if such taxpayer would not have been treated as a qualified small business prior to such reorganization.

''(g) APPLICATION.—Subsection (a) shall apply only with respect to the first taxable year of the taxpayer beginning after December 31, 2011.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 56(d)(1)(A) of such Code is amended by striking ''deduction under section 199'' both places it appears and inserting ''deductions under sections 199 and 200''.

(2) Section 56(g)(4)(C) of such Code is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.—Clause (i) shall not apply to any amount allowable as a deduction under section 200.''.

(3) The following provisions of such Code are each amended by inserting ''200,'' after ''199,''.

(A) Section 86(b)(2)(A).

(B) Section 135(c)(4)(A).

(C) Section 137(b)(3)(A).

(D) Section 219(g)(3)(A)(ii).

(E) Section 221(b)(2)(C)(i).

(F) Section 222(b)(2)(C)(i).

(G) Section 246(b)(1).

(H) Section 469(i)(3)(F)(iii).

(4) Section 163(j)(6)(A)(i) of such Code is amended by striking ''and'' at the end of subclause (III) and by inserting after subclause (IV) the following new subclause:

''(V) any deduction allowable under section 200, and''.

(5) Section 170(b)(2)(C) of such Code is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) section 200.''.

(6) Section 172(d) of such Code is amended by adding at the end the following new paragraph:

''(8) DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.—The deduction under section 200 shall not be allowed.''.

(7) Section 613(a) of such Code is amended by striking ''deduction under section 199'' and inserting ''deductions under sections 199 and 200''.

(8) Section 613A(d)(1) of such Code is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) any deduction allowable under section 200,''.

(9) Section 1402(a) of such Code is amended by striking ''and'' at the end of paragraph (16), by redesignating paragraph (17) as paragraph (18), and by inserting after paragraph (16) the following new paragraph:

''(17) the deduction provided by section 200 shall not be allowed; and''.

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 200. Domestic business income of qualified small businesses.''.

The SPEAKER pro tempore. After 70 minutes of debate on the bill, as amended, it shall be in order to consider the further amendment in the nature of a substitute printed in House Report 112–447, if offered by the gentleman from Michigan (Mr. LEVIN) or his designee, which shall be considered read and shall be separately debatable for 25 minutes equally divided and controlled by the proponent and an opponent.

The gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN) each will control 35 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. 9.

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

There was no objection.

□ 1100

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

I rise today in support of H.R. 9, the Small Business Tax Cut Act. This legislation will allow small businesses with fewer than 500 employees to take a 20 percent tax deduction.

Small businesses are the engine of job creation, and while we pursue comprehensive tax reform that will give all businesses certainty to invest and hire, this bill will help small businesses to reinvest, hire new workers, or provide a raise to an employee.

The policies put forth by President Obama and congressional Democrats have yielded more government spending but have failed to generate strong income growth and the jobs Americans need. Instead of lowering unemployment, we got a lower credit rating; instead of massive job creation, we got massive and unprecedented levels of debt; and instead of higher wages for working families, we got higher gas prices.

This bill provides real relief to American small businesses and the workers they employ, and it treats every small business equally. Contrary to the political cronyism we've seen time and time again, this bill does not pick winners and losers. It provides relief to all small businesses, including those in my home State of Michigan. Michigan has been hit especially hard over the last 3 years with some of the highest unemployment rates in the Nation. And while small business owners in my district need and want comprehensive tax reform, they also agree that we must take steps to spur investment and hiring today as well. These business owners are the real experts who know what they need to add jobs back to our communities.

Take, for example, Bob Yackel, president of Merrill Tool. As part of the 400-employee Merrill Technologies Group, Mr. Yackel says:

As a manufacturing business in mid-Michigan, we know firsthand the ramifications of the recent economic turmoil. The best way Washington can help energize economic growth is by making sure business owners are spending less on tax payments and more on creating jobs.

Bob Yackel is a larger small business owner, but there are smaller businesses that feel the same way.

Jim Holton, owner of Mountain Town Station in Mount Pleasant, has served the central Michigan community as a restaurant owner for more than 15 years. He is especially pleased with the simplicity and ease of this legislative approach. He says:

The beauty of the Small Business Tax Cut Act is its simplicity. If you're earning profits and contributing to the economy, then you can take 20 percent off your tax bill. No hoops to jump through. This is a great way for business owners like myself in the Great Lakes Bay region and across America to help jump-start our economy.

Those are just two examples in Michigan's Fourth District, but they echo small businesses and small business owners across the country.

Throughout our history, we've depended upon these industrious and innovative risk-takers to help us move through tough economic times. While we work to provide them the long-term comprehensive tax reform they need, we can also take steps today to unlock new opportunities for them immediately. Passing this bill will provide these much-needed, immediate opportunities.

I urge my colleagues to join me in supporting small business and to demonstrate that they support them as well by voting ''yes'' on H.R. 9.

Mr. Speaker, I ask unanimous consent that the gentleman from Virginia (Mr. CANTOR) be permitted to control the balance of the time, and I reserve the balance of my time.

The SPEAKER pro tempore. Without objection, Mr. CANTOR will control the time and have the authority to dispense time.

There was no objection.

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

This bill needs to be graded, and the grade it gets is F, a fat F grade. It fails all tests of sound tax policy.

Let me start with truth in advertising, a grade F. This is not a small business bill. It's small business in name only. It's totally untargeted, totally. It applies as long as an entity has under 500 employees—law firms, sports teams, financial consultants, lobbyists, corporate farmers—and regardless of what their annual receipts are. They can be tens of millions, hundreds of millions of dollars.

Interestingly, when the SBA looks at its loan program, it has what's called a common standard. What that is is that generally the businesses it serves cannot have more than $7 million in average annual receipts for most nonmanufacturing firms. This bill has no limits—none—as to function or amount of receipts, so really this bill mocks the use of the title ''small business.'' This isn't about mom and pop. It's about popping the cork for wealthy taxpayers.

Secondly, graded on tax fairness, F. According to the most cautious estimate, 56 percent of the tax break under this bill goes to taxpayers making $250,000 or more annually. It provides 125,000 taxpayers making $1 million a year with a tax break of over $58,000. Another model says that 49 percent of this $46 billion revenue loss goes to people with incomes over $1 million. This is Bush tax cuts on steroids.

Thirdly, in terms of job creation, another grade F. Listen to the Joint Tax Committee analysis. It says this bill's economic impact ''is so small as to be incalculable.'' The only thing calculating about this bill is its political nature.

We've looked at the Web site of the majority leader. He uses Mr. Robbins, who was the one who advised Herman Cain on 9–9-9. Here's what Mr. Robbins says about this bill: He estimates that a 1-year tax cut would create 39,000 jobs. This is on the majority leader's Web site. So, according to the analysis that the leader is touting on its own Web site, H.R. 9 would increase the Federal deficit by $1.1 million for every job supposedly created. So, another big F.

Now let's talk about where these jobs would be created. The bill is so untargeted to require that the jobs that are created here would really be created, because a company would get this benefit if it sheds jobs or if it uses the deduction to hire workers overseas.

Let's next go to fiscal irresponsibility, another fat F in terms of responsibility. This bill adds a whopping $46 billion to the deficit in 1 year; if it's made permanent, one-half trillion dollars over the next 10 years. So I say this to anybody who votes for this bill and then goes home and utters the word, once, ''Federal deficit.'' They will sell short the intelligence of their constituents, because they will know when someone is selling them a pig in a poke.

Now let's talk about tax reform, another fat F. This bill is the antithesis of tax reform. What it does is ridicule supporters who claim their fealty to tax reform. It doesn't simplify tax structures; it complicates it. That's why I quote The Wall Street Journal this morning. This is what they say about your bill: It's another tax gimmick.

□ 1110

Just earlier today somebody got up here and read from The Wall Street Journal. It was some months ago. Again, The Wall Street Journal says: ''The U.S. economy does not need another tax gimmick.'' So this is tax policy gone haywire.

I'm going to offer a substitute, after we finish debate here on general debate, that's targeted; that will help create jobs; that's fair; that is fiscally responsible and continues a policy that both Republicans and Democrats have supported in the past.

This flies in the face of anything bipartisan. It flies in the face of anything that is truthful in advertising. It flies in the face of anything that is fair. It flies in the face of anything that creates jobs. It flies in the face of fiscal responsibility, and it flies in the face of tax reform.

So I more than urge people to vote ''no'' and vote ''yes'' on our substitute. I really urge that they exercise their responsibility to try to get this country moving in the right direction, not with policies that deserve a total F on the test of sound tax policy.

I reserve the balance of my time.

Mr. CANTOR. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, we know jobs won't come back until small businesses recover. Small businesses have generated over 65 percent of the new jobs in this country; but the economic downturn, red tape, and higher taxes coming from Washington have simply made it harder for small business to create jobs.

Tax policies should encourage economic growth, investment, and job creation, not stifle it. We need to stop and think about what kind of country we want to be. Do we want to be one with lower taxes, more growth, and more jobs; or do we want to be one of more government control and fewer opportunities?

This week, when every American filed their tax returns, the other party in the Senate voted to increase taxes. We should not be taking money out of the hands of those we are counting on to create jobs. We need to let small business owners keep more of their hard-earned money so they can start hiring again.

Today, Mr. Speaker, we'll vote on the Small Business Tax Cut Act to give every small business with fewer than 500 employees a 20 percent tax cut. Our bill puts more money into the hands of small business owners so they can reinvest those funds to retain and create more jobs and grow their businesses, plain and simple.

According to a study, the Small Business Tax Cut Act will help create more than 100,000 new jobs a year once fully in place. One-third of the firms that benefit from our tax cut are owned by women. One-fifth are owned by minorities. And our legislation won't just benefit small business owners; it benefits current workers by boosting wages.

Mr. Speaker, when I talk with small business owners across the country, I hear they need more opportunity to grow. I hear that taxes are siphoning away their income. I hear they can't access capital.

One small business owner in Spotsylvania, Virginia, called the small business tax cut a win-win for him and other small business owners in the economy. He said that with more money to invest in his businesses he could afford to hire more staff, buy new equipment and expand.

Mr. Speaker, while we continue to work toward tax reform that broadens the base, brings down the rates for everybody, and gets rid of loopholes, Washington assumes the role of picking winners and losers. We need to take incremental steps to give job creators tax relief right away. This Small Business Tax Cut Act is a step in that right direction.

President Obama called small businesses the anchors of our Main Streets. We agree. I hope we can all unite around helping the small businesses which are the engines of job creation in our country.

Mr. Speaker, I'd say in response to the gentleman's assertion towards the definition of small business in this bill, this is the Small Business Administration definition of small business. This is what every program that comes out of this government aimed to help small businesses is premised upon. The SBA definition of a small business is one of 499 or fewer.

As far as the gentleman's allegations about the potential for abuse under this bill, if he'd read the language of the bill, Mr. Speaker, it caps the ability to benefit from the tax cut to 50 percent of the W–2 wages that that small business paid out. This is, straight up, something to help small businesses keep more of their money while they're having so much difficulty keeping the lights on and, instead, giving them the ability to grow, to grow, invest, and create more jobs.

As far as the gentleman's allegations that somehow this bill only affects those millionaires, billionaires and the rest, I think he will see the studies have shown that just 18.3 percent of those people are in the categories of income he suggests, with 80-some percent in the middle class—80-some percent, the true small business owners who we're relying on to create jobs for the middle class to come back.

And I would say to the gentleman, as far as the allegation of gimmickry, the essence of supply-side economics, the centrality issue on taxes is the reduction of marginal rates. That's exactly what this bill does.

Does it provide it for long enough? Does it provide permanency? No. But what we want to do in a permanent way is effect broader tax reform. But since we can't see eye to eye on that, since we've still got work to do, let's give the small businesses some help now.

With that, I reserve the balance of my time, Mr. Speaker.

Mr. LEVIN. I yield myself 30 seconds.

We have a Statement of Administration Policy in total opposition to this. The Small Business Administration would not provide a loan for innumerable people who benefit from this. They have a $7 million limit.

Supply-side economics, we tried that for a number of years, and we were losing 700,000 jobs a month when this administration took over—700,000, and you raise supply-side economics as something we should embrace? No way. No way.

I yield 3 minutes to the distinguished gentleman from Washington, Dr. JIM MCDERMOTT, a member of our committee.

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

Mr. MCDERMOTT. Mr. Speaker, Members of the House, in 5 hours we're going to get on planes and go home, so we have to get the press releases ready to go. And that's what this is about.

This bill will be dead in the Senate the minute it hits the desk. It's not going anywhere. It is a press release, and it is the most wasteful bill of the season so far. Now, I'm sure that Mr. CANTOR and others will find worse things to do down the way as we get closer to the election.

This week has been a disaster in here. We started on Tuesday by deeming the budget passed, here and in the Senate. It's a fiction. It never happened. That's how this week started.

Then we went to the Ways and Means Committee yesterday, and we cut $68 billion out of health, children's services, social services, foster care, in reconciliation to balance the budget.

And then we get up this morning and here we have a bill that borrows $46 billion from the Chinese, or whoever, to give it to small business. The fact is that 125,000 millionaires in this country will get an average tax cut of $58,000.

That's what this bill does. It does not create jobs. It's supposed to create jobs. In fact, the job creation is so small, as you heard, it's incalculable.

Now, that wouldn't satisfy the majority leader. He had to go and find an economist somewhere who'd give him a better number.

□ 1120

So he found Herman Cain's guy, the guy who had the 9–9–9 tax deal. Now, there's a solid citizen. He really knows what's going. Well, he comes up with 39,000 jobs will be created. 39,000 jobs. It sounds like quite a bit, doesn't it? Until you figure how many billions of dollars are going to create them. The figure is that each job will cost $1.1 million in tax cuts. This is to get one job. Do you think they're hiring somebody for $1.1 million? They're hiring them for $6 or $8 an hour.

This is not a job creation bill. It is simply a press release. The Republicans have not brought out a serious job creation bill. Yesterday was as close as we came when we finally did the highway bill so that we could at least keep highway infrastructure being created. Otherwise, there has been nothing solid that has gotten through the Congress. The highway bill will get through because everybody knows it creates jobs, but this kind of stuff is simply sinking us.

What's really interesting, though, is that, as I look at that $1.1 million per job, I remember when they came up with the phony claim—never proven—that the Recovery Act would cost $278,000 for a job. This costs us four times as much, and it's from his own economist. Vote ''no'' on this bill.

Mr. CANTOR. Mr. Speaker, I now yield 1 minute to the gentlewoman from Washington (Ms. HERRERA BEUTLER).

Ms. HERRERA BEUTLER. Last week, I met with more than 70 small businesses throughout southwest Washington, so I am here to support a bill today that would give every one of those businesses a much-needed, positive injection of capital.

What my friends on the other side of the aisle seem to have a hard time understanding is that 7 out of 10 jobs in this country over the last 20 years have come from small businesses. If we create an environment where they can grow and succeed, more people are going to find work, and that's what this is all about. They need it. My district has endured multiple years of double-digit unemployment, and job-providing small businesses haven't seen much from their government to give them hope or to encourage them to grow their workforces.

For example, many small businesses that I've met with are really worried about hitting that 50-employee threshold that is going to trigger the health care law's burdensome cost. They're staying under it. Imagine that: a government rule that is deterring small businesses from hiring. This is a terrible time to send that message. Another business owner talked to me about how he is exasperated by the government reaching out to him, saying he had 4 days to put together a mountain load of paperwork or face a fine.

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

Mr. CANTOR. I yield the gentlelady an additional 30 seconds.

Ms. HERRERA BEUTLER. We need to remove those barriers. Today, the bill that we get a chance to pass is going to send a different signal that says, Government wants you to grow. We want you to hire. You're not Uncle Sam's piggy bank. We want you to succeed and prosper.

These businesses are going to put moms, dads, and hardworking taxpayers to work. Let's allow them to do more of that. On behalf of small business owners in southwest Washington, I stand in strong support of this bill.

Mr. LEVIN. I yield myself 5 seconds.

Is it worth $1.1 million a job in Washington?

I now yield 2 minutes to the very distinguished gentleman from Oregon, an active member of our committee, Mr. BLUMENAUER.

Mr. BLUMENAUER. I listened to my good friend and colleague from the other side of the river from my hometown of Portland, Oregon, talking about trying to assist small business and encourage economic development.

But the facts are that the vast majority of this aid, as we've talked about, is going to be unfocused. It's going to go to people whether they need it or not, including some of the wealthiest individuals and partnerships—accountants, lobbyists—and to companies regardless of whether or not they add employment or reduce it.

At this very time, we have people on Capitol Hill who are begging us to get real about infrastructure investment. We finally are getting a bill to conference, but we're hung up on funding it. The Republican budget would cut transportation funding 46 percent, $6.5 billion less than is necessary to keep current obligations. This week, small business people, including a number who visited my office, came in, imploring us to stop the games and to get on with the reauthorization of the Surface Transportation Act.

If we really are going to borrow $46 billion from China or from whomever and add to the deficit, if we have that capacity, for heavens sakes, we should invest it in rebuilding and renewing America.

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

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

Mr. BLUMENAUER. With this $46 billion, added to the bipartisan Senate bill that passed with 74 votes—half the Republicans—we could have a robust reauthorization of the Surface Transportation Act and create hundreds of thousands of family-wage jobs. Not by picking winners and losers, but by going back to the day when we used to work together on a bipartisan basis to fund infrastructure and to help strengthen every community around the country.

Reject this gimmick. If we have an extra $46 billion we're going to borrow, invest it in rebuilding and renewing America—really helping small business and strengthening the environment in every community across America.

Mr. CANTOR. I now yield 1 minute to the gentlewoman from Kansas (Ms. JENKINS).

Ms. JENKINS. I thank the leader for yielding.

Job growth is my top priority, and no one can deny that small business is the engine that drives our economy and our job market. Since 1980, small businesses have accounted for 60 percent of job creation. Their success is vital to the strength of this economy and to the availability of jobs for all Americans.

As a CPA and a legislator, I've heard from small business owners throughout my career, and their message has been remarkably consistent: They need relief from the burdensome Tax Code, and they need capital to hire and expand, which is exactly what the Small Business Tax Cut Act provides.

While our colleagues in the Senate are devising new and creative ways to raise taxes, here in the House we have the opportunity to pass legislation that supports our small businesses, encourages growth and job creation, and lifts our economy out of the current economics of the day. We can and should do all of this by passing the Small Business Tax Cut Act today.

Mr. LEVIN. I now yield 3 minutes to another very active member of our committee, the gentleman from California, XAVIER BECERRA.

Mr. BECERRA. I thank the gentleman for yielding.

When you hear of small business, what comes up in your mind first? The corner drug store? The tech troubleshooting startup? My daughter's martial arts instructor? How about Donald Trump? How about Trump Sales and Leasing, or Paris Hilton Entertainment? What about Larry Flynt Publications? Not that any of these latter companies have volunteered to show me their tax returns, but by all accounts, these are the businesses that will devour the lion's share of the tax breaks in this legislation.

Mr. Speaker, 3 percent of the businesses in America will get 56 percent of the tax breaks provided. The rich and famous will get most of the money. 125,000 millionaires in America will get $58,000 in tax breaks this year alone, which is the first year of this tax break. That's how targeted this particular bill is.

More than that, what we find is that most Americans don't believe that our tax system is fair. They believe that it is skewed towards the very wealthy. H.R. 9 proves that they are right. Seventy percent of Americans believe that the tax system is skewed against them and favors the very wealthy. If Paris Hilton, who has what we understand are about five employees based in Beverly Hills, can take advantage of this tax cut, or if Donald Trump or Larry Flynt or Kim Kardashian or Oprah Winfrey—all small business people—can take advantage and get, maybe, $58,000 in tax breaks while most small businesses will get barely anything, then I think the American public is correct.

□ 1130

Remember, most businesses in America are sole proprietorships. Most of those sole proprietorships have no employees. Under this bill, if you're a sole proprietor and have no employees, you get zero of the tax break benefits.

I have another example. Two companies, both have 500 employees. One company decides to hire more Americans; 10 more Americans are put on the payroll. The other company of 500 employees decides, I think it's easier for me to make more money if I take some of those jobs and put them overseas, so I'm going to fire 10 Americans here in America, and I'm going to start those jobs overseas, outsource those jobs.

Guess who gets the tax break—the company that hires 10 new American employees? No. They get nothing. The firm that fires 10 American employees here and outsources those jobs to another country, that company will get the benefits of this tax break.

The American public is correct. Today's tax system is skewed towards the wealthy, and that's why we have to vote against this legislation. Let us have job creation legislation. Let us focus on small businesses. This does neither.

I urge my colleagues to vote against H.R. 9.

Mr. CANTOR. I yield myself 30 seconds just in response, Mr. Speaker, to the allegation about those who benefit from the Small Business Tax Cut Act. I would ask the gentleman to perhaps look at the language of the Democrat alternative on the motion to recommit because it, as well, provides the same benefit it's trying to provide to others. All those people, the so-called ''rich and famous'' that he says are the only ones that benefit, also benefit under their alternative.

Mr. BECERRA. Will the gentleman yield?

Mr. CANTOR. I will not yield.

Mr. Speaker, we are here to provide the kind of relief to the small business men and women that will benefit from this.

With that, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACK).

Mrs. BLACK. Thank you, Mr. Leader, for allowing me to be here today.

I have spent the last year and a half traveling throughout the Sixth Congressional District that I represent talking to small-, medium-, and large-size businesses. What I have asked them across the board is, what is it that would help you to be able to grow your business.

What I hear from them is that there's a lot of uncertainty out there, and they are concerned already about large burdens of increasing taxes, more regulations, more mandates. They really fear what Washington will do to them next.

What if we said to small businesses, that really are the engine of our economic growth, that we're going to do something for you instead of to you? What if Washington encouraged growth instead of causing small businesses to live in fear that one more tax might sink them?

Over 20 years ago, my family started a small business, and I can tell you that if the conditions were like they are today then we probably would not have taken the risk to put everything on the line and start our small business. That's why I'm supporting Leader CANTOR's 20 percent small business tax cut that would allow small business owners to, one, retain more capital; two, invest in their business; and three—this is the key—to hire more workers.

In the State of Tennessee, we have over 96,000 small businesses that employ over 1.38 million individuals. In particular, we have 12,000 small women-owned businesses, which have been, until recently, the fastest growing sector of our small business economy.

So it's not just a cliche that getting small business growing again is the key to our economic growth; it's a fact.

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

What the leader said is not correct. The substitute provides some help to those who invest in property, plant, and equipment. That's not Paris Hilton.

Mr. CANTOR. Will the gentleman yield?

Mr. LEVIN. Let me finish.

You didn't yield at all to us, so let me finish.

It has to be a factory that's built here.

I yield to the gentleman from California.

Mr. BECERRA. What the gentleman Mr. LEVIN is saying is correct, and I want to correct Mr. CANTOR because he misspoke about the Democratic alternative.

The Democratic alternative requires that a small business make an investment in a plant or small machinery. If Paris Hilton wishes to invest in a plant and machinery, then perhaps she will qualify. If Larry Flynt would want to invest in plants and machinery for his business, perhaps he would qualify. Otherwise, this is a giveaway. Ours requires you to make investments in America.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to another distinguished member of our committee, the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL. Thank you, Mr. LEVIN.

Mr. Speaker, I stand in opposition to this proposal today.

I have just a couple of thoughts, having had long-term membership here.

This is not the way to write legislation, and the Members on the other side know this.

The chairman of the Ways and Means Committee should be here with us today to discuss this. This should have been vetted into the full committee. This should have had an active markup with full participation.

I revere this institution, and I revere that committee. Members spend their careers trying to become members of the Ways and Means Committee. To bring this legislation to the floor today without a hearing is ill-considered.

From a historic perspective, why don't we talk about how we got into this situation?

This bill today adds $46 billion to the deficit. Without a hearing? Why don't we just do these proposals by unanimous consent and bring them to the floor? We missed the point of what the vetting process does, where people stand in front of that committee and they offer expert testimony. But our friends on the Republican side, they call this a small business tax cut. This is about the theater of the election year, and everybody knows it.

This is the same group that would have you believe, incidentally, that tax cuts pay for themselves, even though you can't find an economist who will adhere to that position.

They have run up the deficits in this country recklessly, and in the name of a political campaign, they're prepared to do it again. They want to pour syrup on the plate and not even bother to serve pancakes with it. In our current fiscal situation, to have not vetted this sort of proposal in front of the committee is a mistake.

You want to talk about helping small business with tax policy? Count me in. We've worked on some good bipartisan legislation over the last 20 years to help small business, not to do it in this manner where this legislation has been brought to the floor.

We had a markup in the committee yesterday where cuts are being proposed to senior citizens, to low-income families, eliminate funding for Meals On Wheels, and yet they bring this proposal up today with a straight face.

Mr. CANTOR. I yield myself 30 seconds.

I just want to set the record straight, Mr. Speaker.

The Ways and Means Committee had two small business hearings on the implications of tax reform in which this proposal was raised. In addition, the gentleman well knows that there was a markup.

Mr. NEAL. Will the gentleman yield?

Mr. CANTOR. If I could finish. No.

There was a markup in committee in which even the gentleman offered an amendment and then withdrew it because it was ruled nongermane. Of course there was a markup. Of course this idea has been the subject of discussion in committee.

Again, I just wanted to set the record straight, Mr. Speaker.

With that, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. I thank the majority leader for yielding.

Mr. Speaker, Tuesday was Tax Day, when Americans everywhere were reminded just how much Uncle Sam takes out of our pockets each and every year. But it was also a reminder that not all of our tax policies are created equal.

Some in Washington want to raise taxes simply to feed the Federal Government's spending addiction, even when higher taxes on things like capital gains and investments would only discourage growth and shrink revenue in the long term.

I think our Tax Code should be designed to promote simplicity, competition, and economic growth. We can do this by reducing the burden on small American businesses that are responsible for the majority of new jobs created in our country every day.

This bill will provide an immediate 20 percent deduction for millions of small businesses, one-third of which, by the way, are owned by women and one-fifth of which are minority-owned.

□ 1140

Let's allow small businesses to reinvest in new jobs, new opportunities, and new products that will grow our economy. Mr. Speaker, I urge my colleagues to listen, as I have done, to the voices of their small business owners and operators back home.

Mr. LEVIN. May I ask the distinguished gentleman from the State of Ohio how much time remains on both sides?

The SPEAKER pro tempore. The gentleman from the State of Michigan has 15½ minutes, and the gentleman from Virginia, the majority leader, has 20½ minutes remaining.

Mr. LEVIN. I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT), another active member of our committee.

Mr. DOGGETT. I thank the gentleman.

You know, the Republicans are always so much better in the names they give these bills than what's in them. I think in considering this one we have to look at what it is and what it is not.

It is not an economic recovery measure. A nonpartisan analysis has shown that the economic benefits are considered to be so small as to be incalculable.

It is not helpful to sole proprietors, who do not benefit at all from this bill.

It is not a way to reduce the deficit or the national debt. Indeed, this is a measure that will add $46 billion to the national deficit.

We were told only yesterday that because of a pressing national debt, we can no longer provide one source of federal funding for hot meals for seniors through the Meals on Wheels program in Texas, that we could not afford to provide Federal resources that are necessary there on child abuse or on keeping a child with disability at home, or helping seniors maintain their independence, that there just aren't the resources to do that. But today we are told there is $46 billion we can add to the debt for a nice-sounding bill.

What is this bill? It is another failed Republican retread. It is a measure that will help those at the top rather than those who are really struggling to get to the top. I'm concerned about the icehouse on the west side of San Antonio, about the beauty shop in Lockhart, about the auto repair shop in San Marcos. But those are not the places that will receive the principal benefits of this measure.

Indeed, 125,000 millionaires in this country will get more in tax benefits out of this than many of the owners of those businesses earn during an entire year, in fact, more than the median income throughout San Antonio, Austin, and central and south Texas.

What this measure is is a boon.

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

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

Mr. DOGGETT. It will be a boon to highly paid professionals, private equity firms, hedge fund managers, and professional sports teams. I think they've received enough economic benefit in the past with the Bush tax cuts.

We ought to be focusing our support for small businesses not on those who are already at the top and should be contributing a little to the shared sacrifice necessary to get our national debt under control and meet basic human needs.

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

Again, Mr. Speaker, just to correct the record, the gentleman from Texas indicated that this bill doesn't benefit sole proprietors. Sole proprietors are, in fact, the disproportionate beneficiaries under this bill. According to the Committee on Joint Taxation, 17.9, almost 18 million sole proprietors benefit under this bill, again, to set the record straight, Mr. Speaker.

I yield 2 minutes to the gentleman from Texas (Mr. BRADY), not only the chairman of the Subcommittee on Trade but, as well, the vice chairman of the Joint Economic Committee.

Mr. BRADY of Texas. I want to first thank Leader CANTOR for his leadership on economic issues, especially those along Main Street. That's what this is about. This isn't about Paris Hilton, Larry Flynt, or even Hilary Rosen, the President's top adviser, who recently denigrated women who choose to work at home. It's not about celebrities. It's about small business people. They're the ones who have been left behind in the Obama economy.

Think about this. We have tens, literally, tens of millions of Americans who can't find a full-time job. There are millions more who have just given up. They don't even look for work anymore. Here we are. It's hard to believe there are fewer Americans working today than when the President took office. Bailouts, stimulus, Cash for Clunkers, housing bailout, Solyndra bailout, all of that, fewer Americans working, 700,000 fewer women with a job.

Small businesses have borne the brunt of this terrible recovery. It is time we help them instead of raising taxes on those who succeed. Why don't we let them keep 20 percent more of the income they earn, the sales they make, the weekends they work, the charges they put on their credit cards, all they do to survive and succeed in this economy? Republicans are determined to give them a chance to succeed until this economy can get back to work, to hire new workers, to keep new workers.

I have to tell you, I remember in Ways and Means Committee the debate on ObamaCare, the Republicans offered an amendment to shield small businesses from tax increases, and our Democrat friends said they can't do that because small businesses have had it too easy all these years—small businesses have had it too easy all these years.

It's time to give our small businesses a break, time to get this economy back on track. It's time to let them keep what they have worked so hard to earn.

Mr. LEVIN. I yield 2 minutes to another very active member of our committee, the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, we are really in the middle of the theater of the absurd. I'm not opposed, and apparently the other side is not opposed, to stimulus spending for the economy. I don't know where they have been for the last 18 months. Let's make effective stimulus.

Since you mentioned the CBO, Mr. CANTOR, through the Chair, they rank this bill next to last in bang for the buck in job creation. You didn't quote CBO about that.

Through the Speaker, the Joint Committee on Taxation said the economic impact is so small as to be incalculable—your own analysis on your Web site. It's very clear it's going to cost, add, $1.1 million, for every job created, to the deficit.

I rise in strong opposition to this legislation. Just yesterday, in order to comply with the majority's budget that violates the deal Speaker BOEHNER agreed to last year—that deal is clear, public—the Ways and Means Committee cut $53 billion in health care tax credits, child tax credits, social services block credits. You cut it yesterday for the disabled, for the elderly who are most vulnerable. In New Jersey, they could lose millions of dollars for Meals on Wheels, foster care.

This is unacceptable. We are voting to add $47 billion to the deficit today with a giveaway to professional sports teams—oh, you didn't know that—or hedge fund operators or managers or whatever they call themselves, and multimillion-dollar partnerships and corporations.

Yes, $47 billion goes to 125,000 millionaires.

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

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

Mr. PASCRELL. But each of them gets a tax cut, Mr. Speaker, $60,000. This is wrong.

The same report found that the best options for job growth include aid to States and increased safety net spending, something I know that the other side opposes.

In fact, the Agriculture Committee just voted yesterday to cut food stamps, get this, by $34 billion; like all of those people on food stamps want to be on food stamps, all those people that are poor want to be poor. And that's your anthem. But it can't find reality. It has no foundation, and it is immoral—immoral.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair asks all Members to heed the gavel.

Mr. CANTOR. Mr. Speaker, I yield 1 minute to the gentlewoman from South Dakota (Mrs. NOEM).

Mrs. NOEM. I thank the leader for yielding.

You know, it never ceases to amaze me the misleading claims that will come from my colleagues on the other side of the aisle at times. One of them that has been talked about a lot here today is the fact that only the rich and famous would benefit from this piece of legislation. Well, I have been sitting back here, and I have been trying to think of even a handful of famous people in South Dakota that are going to benefit from this.

□ 1150

I can't come up with it; but I've got over 20,000 jobs in the State of South Dakota, and 20,000 different businesses that are going to benefit from this piece of legislation. That's why I'm supporting it. My constituents in South Dakota so many times only look at government as an entity that costs them money and makes it very detrimental and hard for them to succeed. When the government can actually step in and do something that makes it easier for them to succeed and help drive that success, then that is something we should be behind, and that's why the Small Business Tax Cut is a perfect example of that situation.

Small businesses create jobs, and they also employ almost half of all the private sector employees in this country. This bill is going to free up the cash so that those small businesses can keep people employed when they've hit tough times and maybe reinvest in their businesses. It's the key to what we need to do, and I hope we can all come together and support this good legislation before us.

Mr. LEVIN. I yield 2 minutes to another distinguished member of our committee, the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I thank the gentleman, my friend from Michigan, for yielding me this time.

Mr. Speaker, I rise in strong opposition to this bill. There are a number of reasons to oppose this legislation.

One, this bill is not targeted towards job creation. Frankly, it is not targeted at all. It will provide 99.6 percent of all businesses with a tax break, regardless of whether or not they create one American job or not.

Two, this bill does not prevent businesses from taking a tax cut even when they lay off workers.

Three, this bill fails to help the businesses most in need, such as new businesses or start-ups. They're not eligible for any provisions in this bill.

Fourth, this bill will add billions to the deficit, which will hurt economic growth in America.

Five, and most egregiously, this bill provides companies who are in the midst of offshoring jobs with a tax break.

During committee consideration of this legislation, I offered an amendment to deny this tax deduction to any company that reduces the number of American workers and jobs while correspondingly increasing its foreign workforce. Additionally, the amendment stated if a company offshores U.S. jobs next year, after this 1-year tax expenditure expires, the funds would be recaptured or taken back by the Treasury. This is so a company cannot take the money this year and run away with American dollars and jobs next year and put them overseas.

My amendment enjoyed the support of every Democrat on the Committee of Ways and Means. Unfortunately, it was not supported by one Republican on that committee. Americans and their taxpayer dollars should not be subsidizing the destruction of American jobs.

Let me state: Democrats recognize we live in a global economy. We recognize that many of our companies need to operate internationally to remain competitive and expand their markets and market share. But Americans should not have their hard-earned tax dollars—$46 billion in this case, Mr. Speaker—taken away and used to subsidize this kind of business activity.

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

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. CROWLEY. Democrats worked hard while in the majority to end the practice of incentivizing the offshoring of U.S. jobs in the Tax Code. We killed a number of perverse tax loopholes and reinvested the revenue into initiatives focused on creating U.S. jobs and assisting America's small businesses.

Defeat this bill. It is immoral. We should not be spending U.S. tax dollars in this way.

Mr. CANTOR. Mr. Speaker, I yield myself 30 seconds just to respond to the gentleman. I think he put his finger on the problem here. The problem with his kind of amendment is the problem with the Tax Code today, because it means that if you're a business, under his rule, you would have to come to Washington to seek eligibility for a tax break or seek eligibility for a tax favor. And if you're on the approved list in Washington, then you can go and benefit and have an advantage over others.

That's not what we believe. We believe in helping all small businesses.

With that, I yield 2 minutes to the gentleman from Missouri (Mr. GRAVES), the Small Business Committee chairman.

Mr. GRAVES of Missouri. Mr. Speaker, tax season reminds us that small businesses are disproportionately affected by tax compliance and high tax rates. The Small Business Administration reports that the average tax compliance cost per employee for small businesses is almost three times the cost of larger firms. And according to the NFIB, tax issues are the single most significant set of regulatory burdens for most small firms. The Small Business Tax Deduction Act is simple, fair, and gives small businesses access to badly needed capital to invest in their companies while providing a little more certainty to help them plan for the future.

As chairman of the Small Business Committee, I hear from small business owners every single week about their regulatory and tax burdens. Through our interactive Web page, ''Small Biz Open Mic,'' we have heard that tax policies may drive some small firms out of business.

On Tuesday, Wendy Koller, owner of Koller Moving and Storage in Fort Smith, Arkansas, said:

> We are hesitant to hire new employees for fear of what new tax burdens await us with the expiration of the older tax law and the new health care laws coming. We are concerned that these new issues may be the ones that push us out of business.

Last Saturday, Debbie Peacock, owner of a fabricating distributor in Mesa, Arizona, wrote:

> Any additional taxes will only stop any chance of a recovery, and the government needs to realize we need every penny to increase staff, which puts people back to work.

I can go on and on and on with examples like these.

Yesterday, our committee held a hearing on the flood of new taxes that are just around the corner, such as new taxes from the health care law and the massive tax increase that's going to occur if the 2001 and 2003 tax cuts expire. All of these measures could send the economy into a tailspin, costing thousands of jobs.

That's why the Small Business Tax Deduction Act is necessary and is going to provide that tax relief for America's most robust job creators.

With that, Mr. Speaker, I would ask that my colleagues support this bill.

Mr. LEVIN. I yield 3 minutes to the ranking member of the Budget Committee, the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Thank you, Mr. LEVIN.

Mr. Speaker, here we go again. This bill provides a windfall tax break to hedge fund owners, to big Washington law firms, to the very wealthy, even if they don't hire a single person—not one. In fact, in a cruel hoax and twist on this, wealthy individuals can qualify for this tax break even if they fire people this year. And in some cases they can also get a bigger tax break if they do not make their investments this year.

Mr. Speaker, this place sometimes gets to be a fact-free zone. We have the nonpartisan Joint Tax Committee say, The economic activity generated by this is so small as to be incalculable. That's why Bruce Bartlett, former economic adviser to President Reagan said, It will do nothing whatsoever to increase employment.

So what's this all about? It gives a big tax break to the wealthiest individuals while adding $50 billion to our deficit and debt.

Now, Mr. Speaker, this week highlights the unfortunate doublespeak from our Republican colleagues when it comes to the deficit. On the Senate side, a majority of Republicans voted against a bill to apply the Buffett rule, meaning that we were going to ask millionaires to pay the same effective tax rate as many of their employees paid and use that $50 billion toward deficit reduction. Here in the House, we're providing a $50 billion tax break that adds to the deficit, and this one is targeted disproportionately to very wealthy individuals.

There's another sort of strange irony. When we were debating the payroll tax cut for a year that would benefit 160 million Americans, our Republican colleagues dragged their feet and then said this was all a gimmick, it was a 1-year thing, it was a sugar high. Well, at least the nonpartisan Congressional Budget Office said that it would generate economic activity. In fact, they ranked it near the top.

This is a 1-year thing that's going to give a great sugar high to the wealthiest individuals. They are going to be floating on this. But it's ranked near the bottom by the nonpartisan Congressional Budget Office in terms of economic activity.

You want to know another irony? When it came to providing a tax break for 160 million Americans, payroll tax cut, we paid for it. We offset the cost of that. When it comes to providing a sugar high, $50 billion tax cut that disproportionately benefits the wealthy, we don't offset it. We put it on our national credit card. We increase the debt. Who pays for that? We've heard on a bipartisan basis that's our kids, our grandkids. We're all going to be paying for that debt.

□ 1200

So Mr. Speaker, this is worse than a gimmick. It's not good for the economy, it adds to the deficit, and I urge that we reject this bill.

Mr. CANTOR. I ask unanimous consent that the gentleman from Michigan (Mr. CAMP) be permitted to control the balance of the time.

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

There was no objection.

The SPEAKER pro tempore. The Chair would advise that the gentleman from Michigan (Mr. CAMP) now controls 14½ minutes, and the gentleman from Michigan (Mr. LEVIN) has 5¼ minutes.

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

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Louisiana (Mr. SCALISE).

Mr. SCALISE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the Small Business Tax Cut. Louisiana alone will see 80,000 small businesses that will be able to benefit from this and over 890,000 workers that will benefit from this. Yet my colleagues on the Democrat side maybe think that it's their money. They don't want those small businesses to be able to keep it, and they think that Washington can spend it better than the small businesses.

How has that worked, by the way? They don't want small businesses to be able to keep some more of the hard-earned money that they make so they can invest it in their business. They'd rather keep it up here for critical Washington spending like the $535 million they blew on Solyndra, or maybe the $850,000 that Obama's GSA blew on the Vegas junkets. Those are the kind of things that they would rather see, and so they don't want those small businesses to be able to keep more of their hard-earned money. They want to keep taxing businesses. They've added over $1.9 trillion of new taxes in President Obama's own budget.

We've tried it their way. More than 2 million Americans have lost their jobs since President Obama took office. How about we actually try letting small businesses keep more of their hard-earned money so they can create good jobs for hardworking taxpayers?

Mr. LEVIN. I yield 3 minutes to our distinguished whip, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, ladies and gentlemen of this House, it is hard to call us to responsibility, but that's what our public wants. Our public wants it on the right, they want it on the left, and they want it on the middle. This is fiscally a totally irresponsible piece of legislation, and you know it. And I know you know it, and America ought to know you know it.

Ladies and gentlemen, what this bill does is blow a $46 billion hole in the deficit this year alone. But ladies and gentlemen, Mr. Speaker, the people of America need to know that we use 10-year figures for the most part, so this means $460 billion.

Now, I know all of you on your side of the aisle—because I've been here for a substantial period of time—are next year going to say we're going to raise taxes on small businesses and put that 20 percent back. Bet me. You're going to say if we did that, it would be the largest tax increase in the history of small business. So you're going to do it year after year.

One of the previous speakers said that we're taking money from small businesses. Well, let me tell you who you're taking money from today: my children, your children; my grandchildren, your grandchildren; and, yes, my two great-grandchildren. That's who's going to pay this $46 billion hole that you're creating today.

And what does Bruce Bartlett, economic adviser to Ronald Reagan—not a Democrat, a Republican—an economic adviser, somebody who advised Ronald Reagan how to get this economy moving—unlike George Bush, I might add—and what did he say? What did he say about this bill that you have brought to the floor—which, by the way, The Wall Street Journal today called ''a tax gimmick.'' The Wall Street Journal called this bill that you are offering today a tax gimmick. And so what did Bruce Bartlett say? ''It will do nothing whatsoever to increase employment.''

Point number one, this is not a jobs bill. It will not grow the economy, and it will not do what all of us think needs to be done.

And they went on to say that ''it is nothing more than an election-year giveaway to a favored Republican constituency,'' a political gimmick, a tax gimmick that will cost us $46 billion this year alone and $460 billion—let me say, round that to half a trillion as inflation pushes it up, a half-a-trillion-dollar hole adding to the budget deficit that confronts this country that all Americans know we must address.

My colleagues, it takes no courage to vote for this bill. What takes courage is to pay for things. What takes courage is to say we have an obligation. What took courage was to make sure that we paid our debts. We didn't do it. So what happened? We almost took this country to the brink of default.

Ladies and gentlemen of this House, summon the responsibility, judgment, and intellectual honesty that our public expects. Vote against this bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would again ask all Members to heed the gavel and also to address their remarks to the Chair and not to other Members in the second person.

Mr. CAMP. Mr. Speaker, I yield 3 minutes to the distinguished majority whip, the gentleman from California (Mr. MCCARTHY).

Mr. MCCARTHY of California. I thank the distinguished chairman of Ways and Means. It's an honor to be able to speak on this floor. It's an honor to listen to the debate on both sides. And what's so ironic is that when you listen to the debate, you wonder, what happens here becomes law, but more importantly, do we ever measure, do we ever measure what creates jobs? Do we ever measure in America who creates jobs?

Now, some of you know my story. I actually grew up in a family of Democrats. I got rather fortunate. I didn't have great grades, so I went to junior college. The family didn't have enough money to send me away. I worked through the summer, I took my money, and I created a small business. At the end of 2 years, I then had enough money to pay my whole way through college, so I sold my business.

I applied for a summer internship with my local Congressman, and he turned me down. But today on this floor, I sit elected to the seat I couldn't even get an internship to. That small business paid my way through college. But when I sit and measure and talk and listen to my constituents, they talk about jobs.

They know that there have been 11 recessions since World War II, and every other recession we've come out of it stronger and faster. Even the greatest recession of '82, when interest rates were double digit, and you measured until today, we'd have 13 million more jobs. But the policy holds it back.

So I thought I would go back and I would analyze just the nearest time in America's culture of where we created jobs. So I went back to the end of the last recession, 2001, to the beginning of this recession in 2007. When people look at America, they think that was a pretty good time in America. The jobs grew, the economy was strong, and people were able to buy houses. And I analyzed who created the jobs. Do you realize during that time in America, small business added 7 million jobs? Large corporations cut a million.

So to hear somebody on the floor, Mr. Speaker, say they're some special constituency? Well, I'm very proud to stand with the constituency that will grow jobs. I'm very proud to stand today to cut 20 percent to put people back to work in America.

Mr. Speaker, I will stand proudly behind this bill because statistics, the facts, and the history of America have proven we are the strongest when small business is strongest, we are strongest and create jobs through small business, not through more politics.

Policy matters, small business matters, and jobs in America matter. That's why I tell Members on both sides of the aisle, this is an American bill for American jobs, for small business to be strong again in America, and America will be strong again.

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

Mr. CAMP. At this time, I yield 2 minutes to the distinguished gentlewoman from Washington (Mrs. MCMORRIS RODGERS).

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

Mr. Speaker, I rise in strong support of the legislation before us today.

Small businesses are the foundation of our economy. It's the small businesses that drive job creation in America. And every time I'm home in eastern Washington, it is such a privilege to sit down with small business owners. I'm always inspired by these people who have an idea to improve our lives and they turn it into a reality.

One such business that I recently toured was called Made Naturally. Two stay-at-home moms had an idea to come up with natural cleaning products 2 years ago. They put together a business plan, and they have now executed it, hired 13 employees, and they are doing well in Spokane, Washington. And when I toured their business, what they told me was that it is the tax burden and the regulatory uncertainty that is preventing them from hiring any new employees right now.

Just like these two business owners in Spokane, Washington, there are men and women all across this country that face the same challenges when it comes to growing businesses. As someone who worked in a family business for more than 13 years, I can say they are certainly right.

So I'd like to shed some light, especially on the women, the entrepreneurial women right now whose businesses are hurting because of this administration's policies. It's important because two out of three businesses right now are being started by women in America. They're actually the fastest-growing segment in our U.S. economy, and every dollar they save in taxes is one more dollar they can spend in hiring a new employee.

The current path is both unacceptable and unsustainable. It's time to change course. It's time to give America's small business owners tax breaks, not tax burdens.

□ 1210

It's time to give them relief, not just rhetoric. It's time to give them the flexibility and freedom they need to create jobs. So it's time to move forward with the legislation that will do just that. I strongly support this bill.

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

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. I thank the gentleman for yielding time.

I want to say that our colleagues reveal their attitude toward taxpayer money when they say this will cost us. The attitude of our colleagues on the other side of the aisle, Mr. Speaker, is that all the money that hardworking taxpayers earn belongs to the government. This doesn't cost us; this allows some people to keep more of their money.

I rise today in support of H.R. 9, the Small Business Tax Cut Act, which would provide America's private sector with the resources needed to help supercharge desperately needed hiring.

It's worth mentioning how this bill will benefit women since one-third of the firms directly benefiting from the act are owned by women. In North Carolina, small businesses with between one and 500 employees employ 205,490 individuals; 23,348 of those businesses are women-owned. Mr. Speaker, it's for these reasons I urge my colleagues to support H.R. 9.

Mr. LEVIN. Mr. Speaker, how much time is remaining, please?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) has 7½ minutes remaining. The gentleman from Michigan (Mr. LEVIN) has 2¼ minutes remaining.

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

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. SCHILLING).

Mr. SCHILLING. I thank Leader CANTOR for giving me the opportunity to be here today and speak in favor of the Small Business Tax Cut Act.

As Illinoisans filed their tax returns, folks in my district felt the pinch of the tax increases imposed on them by our State's lawmakers, who last year raised personal income taxes by 66 percent and corporate taxes by 45 percent.

State lawmakers told us that taxes would be used to pay Illinois debt and prevent budget deficits down the line; but the truth, as many of us feared, is that these tax hikes have done nothing to help our State. In fact, Illinois unemployment has remained above 9 percent for 36 straight months, since March of 2009. And thanks to Illinois tax hikes, rising gas prices, and Federal tax rates as high as 35 percent, our small businesses are strapped for cash.

As a small business owner, I know the pain all too well. Rather than advancing partisan and un-serious show votes—votes that don't lower gas prices, don't encourage economic growth, and don't impact our deficit—we in the House want to ensure more opportunities for job seekers and job creators.

Mr. LEVIN. I now yield 30 seconds to the distinguished gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. I thank my friend. Mr. Speaker, we keep hearing that this is a small business tax cut. It is not. It is a bait and switch. One-half of this so-called ''small business tax cut'' will go to millionaires. So you call it a small business tax cut, and they give away the store to millionaires, Mr. Speaker.

They are saying that we have to dismantle Medicare because they say we can't afford it on the one hand, and on the other hand they are lavishing millionaires with a $46 billion tax cut. If you're one of 125,000 millionaires in America, you get $58,000 from this bill. If you're a senior on Medicare, it costs you an additional $6,000 for your medicine. I oppose this bill.

Mr. CAMP. I yield 1 minute to the distinguished gentlewoman from North Carolina (Mrs. ELLMERS).

Mrs. ELLMERS. Thank you, Mr. Chairman.

Mr. Speaker, I would like to speak today on the intellectual responsibility of H.R. 9.

Back in my home town of Dunn, I have friends who are pharmacists. They own and run an independent pharmacy started by their father 60 years ago. I'm speaking of Paige Houston and Cathy Blackman.

Paige told me the other day that initially in this recession they were missed because people were afraid to go without their medications, and they were willing to pay the money even though the economy was starting to take a turn. Today, things are so bad that people are going without their medications, which as a result is a decrease in the number of customers they have and the amount of revenue coming in. Now their accountant has told them that they have no choice but to cut contributions to their employees' 401(k) plans and their health insurance premiums or be forced to lay off employees. Paige told me this 20 percent tax cut will keep more money in their business, allowing her to maintain benefits for her employees.

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

Mr. CAMP. I yield 1 minute to the distinguished gentlewoman from Michigan (Mrs. MILLER.)

Mrs. MILLER of Michigan. Mr. Speaker, we all understand that American small businesses are the engine of job creation. I think the Democrats are waging a war on small business.

I have spoken with so many small business job creators in my district, and they all share the same message: government overregulation and government overtaxation is stifling their ability to grow. This House has already acted decisively to address government overregulation, and today we're going to act decisively to give small businesses the tax relief that they need to grow.

Allowing small businesses with fewer than 500 employees a 20 percent tax cut to free up capital and to allow those businesses to invest in and to grow their businesses to create the jobs that we so desperately need in this economy is the right thing to do. So I was very disappointed to see that President Obama threatened to veto this bill, because, Mr. Speaker and Mr. President, I would respectfully tell you that hundreds of small manufacturing firms in Michigan that are struggling to buy new equipment, to pursue new customers and grow their businesses are not among the corporations with the biggest profits; and those small businesses would benefit from this bill. You can contrast that with General Electric, which made over $14 billion in profits in 2010 and yet paid no Federal income tax.

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

Mr. CAMP. I yield the gentlewoman an additional 15 seconds.

Mrs. MILLER of Michigan. We need to remember that the CEO of General Electric is actually the head of President Obama's Jobs Council.

So, Mr. Speaker, I would say that we can trust the American small businesses to spend their money more wisely than government will ever do. Again, it's mystifying to me that the Democratic Party seems to be waging a war on the small business community of America.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. KINZINGER).

Mr. KINZINGER of Illinois. You all know the saying, ''money is power,'' right? I think we all can agree in this Chamber that the one thing that we want to do is empower small business. How do you empower small business? You let them keep more of the money they earn so they can go out and they can invest in new products so they can hire people. I'd love to get people back to work. I'd love to empower small business. That's why we want to let them keep more of what they earn.

I did an initiative in my district called the One More Jobs Initiative, where it asks small business owners, What do you need from the Federal Government to create just one more job? A pretty noble concept: instead of pontificating here, let's actually ask those who create jobs. The number one answer I got, Mr. Speaker, was: let us keep more of the money we earn and let us hire people. Give us tax certainty.

That's why I rise in support today of this tax cut package, because this is exactly what small business needs to continue to be successful, to pull this country out of this recession we're in, and continue to reclaim our mantle as the most powerful country in the world.

Mr. CAMP. At this time, I yield 1 minute to the distinguished gentleman from North Carolina (Mr. MCHENRY).

Mr. MCHENRY. I thank the chairman for yielding.

Our Nation is at a crossroads. This President wants to take more money from the private sector and continue the exponential growth of the Federal Government. We want to make sure that job creators are able to reinvest their hard-earned money back into their businesses to expand and grow the economy and get this job creation cycle going again. That's why we support a 20 percent tax cut for small businesses. The President, on the other hand, wants to raise taxes on small businesses and job creators.

There are 22 million small businesses helped by this bill, and I think it's necessary that we pass this bill today. I urge my colleagues to support a 20 percent tax cut for small businesses so we can create jobs and make a more prosperous America.

□ 1220

The SPEAKER pro tempore. The Chair would advise both sides, the gentleman from Michigan (Mr. CAMP) has 2¼ minutes, and the gentleman from Michigan (Mr. LEVIN) has 1¾ minutes.

Mr. CAMP. At this time, I have two additional speakers. One of them will close, so I have one speaker before closing.

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

Mr. CAMP. At this time, I yield 1 minute to the distinguished gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, this recession is different, and the difference is there's no recovery. And that is a historic difference.

Now, what is different about this recession and all our other recessions when we had a recovery is government policy. Government policy has stifled job creation. Normally, at this time in a recovery, 65 percent of the jobs are being created by small businesses. But 2 million jobs aren't there because of Obama's health care policies alone, regulatory policies, tax policies. Small business is struggling.

Now, let me tell you, Congress cannot create jobs. We're not going to create jobs with this bill. We're going to allow small businesses to create jobs.

You'll either choose government or you'll choose the people. You'll choose government to continue to create jobs like with Solyndra, and we saw the disaster there, or you'll allow the people to create those jobs. I'm putting my trust in the people.

Mr. CAMP. Mr. Speaker, at this time, we're prepared to close.

Mr. LEVIN. I yield the balance of my time to a distinguished member of the committee, the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to this bill today—a $46 billion price tag, and it's unpaid for. Moreover, 1 year is not tax certainty if you're a small business person.

I rise also as a small business person. Equally as troubling as this bill, unpaid for, $46 billion bill, is the fact that yesterday, in the Ways and Means Committee, the majority passed a bill that they said was to reduce the deficit. But instead, what they did is they cut programs that were incredibly important to the elderly, to children, to the disabled, programs that allowed people help with their daycare so they could go to work. If those people don't have daycare, they're not going to be able to go to work. And, at the same time, the Ag Committee passed a bill to cut food stamps.

These actions are hard to understand, even in these most difficult times. But even harder to understand is, in light of this fiscally irresponsible bill today, those bills were passed.

I said yesterday that it was a bad day to be poor. Well, today is a bad day to be fiscally responsible, because this bill is anything but fiscally responsible.

And it's wrong to claim on Wednesday that you have to cut daycare for low-income people or put seniors at risk, disabled people at risk, and children at risk to cut the deficit but then turn around on Thursday and add $46 billion to the deficit. That's just wrong.

The Joint Committee on Taxation said that this bill's economic impact is ''so small as to be incalculable.'' I can tell you, the people that will be hurt across this country, that hurt won't be incalculable.

I strongly oppose this bill.

Mr. CAMP. I yield the balance of my time to the distinguished gentleman from Oregon (Mr. WALDEN).

Mr. WALDEN. Mr. Speaker, my wife and I were small business owners for more than two decades, and we still retain part of that business, so I know what it's like to meet a payroll. I know what it's like to employ people. We only had 15 to 20 people on our payroll over the course of 20 years, but I worked a lot with small businesses. And in small business it really is about how do you grow, how do you have the positive cash flow, Mr. Speaker, to grow your business, to invest in new technology, new equipment, to take your ideas and spin them forward and grow jobs. That's your whole nature as an entrepreneur in America, and as it should be.

In Oregon, we've got 86,000 small businesses employing more than three-quarters of a million people. This legislation will help those small businesses have what is called ''positive cash flow.'' That is from whence jobs flow.

If you have the money and you can retain it rather than have to give it all up to the government, then you're going to make wise choices in your business to grow your business, because it's your competitive nature to grow your business, which means to create jobs in the economy.

My friends on the other side of the aisle had no problem a few years ago spending $1 trillion to have the government borrow the money and pick winners and losers and waste it.

This is a good way to spur jobs and growth in our economy. I urge its passage.

Mr. STARK. Mr. Speaker, I rise today in opposition to H.R. 9, the Small Business Tax Cut Act, a bill that provides a $46 billion tax break for the wealthy paid for by ordinary working people. This bill will send half of the tax cuts to those with annual incomes over $1 million and 80 percent of benefits to those earning more than $200,000. Once again, Republicans are extending a helping hand to those who need it least, including professional sports teams, law firms, lobbying firms, and accounting firms.

The Republican Leadership claims that we need this legislation to create jobs, yet the non-partisan Joint Committee on Taxation, JCT, tells us that this bill will do no such thing. The Congressional Budget Office, CBO, ranks broad business tax deductions like this bill as one of the least effective proposals for promoting economic growth. This is not surprising. H.R. 9 gives a tax deduction to any business, even those that don't hire workers or even lay off workers.

Today's bill caps off another banner week for House Republicans that once again laid bare their priorities: hand tax breaks to those who don't need them, and cut the programs that help the middle class, the poor, the sick, and the elderly. Yesterday, the Ways and Means Committee passed partisan legislation that would take away the child tax credit for 3 million children, weaken health coverage for 350,000 middle class Americans, and eliminate funding for the Social Services Block Grant that provides child care for 4.4 million children and serves 1.7 million low-income seniors through programs like Meals on Wheels. That's a total of $53 billion in cuts to the safety net so Republicans can pay for more take cuts for the rich. This is class warfare and one side is clearly winning.

If we want to commemorate Tax Day with a vote on a tax bill, we should be voting on the Buffett Rule, a bill that promotes tax fairness.

The Buffett Rule is targeted—it will only impact taxpayers who have income over $1 million and are not paying their fair share of taxes. Nearly 65 percent of taxpayers who earn more than $1 million pay lower tax rates for those who make less than $100,000. There is something wrong with our tax system when ordinary working families are paying higher tax rates than some of the wealthiest individuals.

According to CBO, the Buffett Rule would generate $47 billion over the next decade. We could use this $47 billion to create jobs, revitalize the middle class, and sustain a safety net for the poor, the sick, the elderly, and other groups who are being abused by the Republican Majority.

It is time we got our priorities straight and stopped providing handouts to the most fortunate at the expense of lower income Americans. I strongly oppose this legislation and urge my fellow members to join me in voting "no".

Mr. MORAN. Mr. Speaker, I rise today in strong opposition to H.R. 9, an irresponsible bill that, in the name of cutting taxes for small business and spurring job growth, would provide a windfall for those who need them least. This one-year measure would increase our federal deficit to the tune of $46 billion.

H.R. 9 provides qualifying businesses with less than 500 employees a 20 percent tax deduction for domestic business income which could be taken during the current tax year. Instead of supporting local small businesses though, this bill inordinately benefits wealthy business owners. Half of the tax cuts in the bill would go to the four percent of small business owners earning over $1 million a year. The 55 percent of small-business employers that have incomes below $100,000 would receive only 6 percent of the benefit from this bill. Struggling small business owners who are operating at an annual loss will not benefit from this bill in any way.

The Center for American Progress reports that professional sports franchises such as the Los Angeles Dodgers, Donald Trump's Trump Tower Sales & Leasing, and Paris Hilton Entertainment, Inc. are among the businesses owned by millionaires that would enjoy this tax break.

This one-time windfall simply will not change incentives for hiring. According to the Congressional Budget Office (CBO): "[T]he one-year of tax savings provided by the bill is unlikely to make the costs of much investment in physical capital or labor recruitment and training worthwhile." In fact, this will incentivize qualifying business to delay investment in order to maximize taxable income in 2012. Additionally, H.R. 9 does not require a company to create any jobs or invest in the U.S. economy. In fact, if a company reduces their workforce or sends jobs overseas, they would still qualify for this 20 percent tax break.

H.R. 9 borrows billions in order to create a new tax expenditure yet fails to address the primary issue facing American small business, lack of consumer demand. This bill chooses anti-tax orthodoxy over fiscal and economic logic. Given our current fiscal situation we cannot afford another reckless giveaway to the wealthy. I urge my colleagues to reject H.R. 9.

Ms. VELÁZQUEZ. Mr. Speaker, I rise in opposition to this legislation. There is nothing in this bill specifically for small businesses. Instead, this is another attempt to award tax breaks to the wealthy. In fact, millionaires will receive nearly half of the benefit from this legislation, while true small businesses accrue only 10 percent. Once again, as the largest corporations get fatter, small businesses have to struggle for scraps.

Small, fast growing startups, which often have little tax liability, would see no tax savings—yet these are the firms most likely to create jobs. Even worse, this plan would give tax breaks to companies shedding employees—exactly the wrong incentive. Finally, this bill does nothing to address small business owners' top concern—a lack of demand for their goods and services. A real small business bill would tackle that problem.

This is not a small business bill—it is a millionaire's tax break bill. Vote no so we can focus on real solutions to small businesses' needs.

Mr. FLAKE. Mr. Speaker, I rise in support of this provision to get construction of Keystone XL pipeline underway.

For months, Members from both sides of the aisle have worked tirelessly to impress upon the Administration the urgent need for the Keystone XL pipeline project to proceed.

The justification for Keystone as a safe and critical boon to private sector job creation and American energy security has not changed. This project will still create thousands of jobs. It will still increase the nation's capacity to transport crude oil by 830,000 barrels per day; and the State Department is still on record stating that Keystone "poses little environmental risk" and will lead to "no significant impacts to most resources."

Unfortunately, the Administration's reluctance to proceed with the Keystone XL pipeline has left some other figures unchanged since debate on Keystone began. The unemployment is still above 8 percent. The U.S. still relies on the same sources of foreign energy; and American's are still asking why?

Yet thousands remain out of work because the President refuses to pick up his pen. Americans want more jobs and greater energy security. Construction of the Keystone XL Pipeline will help to ensure both. I urge support for this provision.

Mr. WILSON of South Carolina. Mr. Speaker, today, the House is expected to vote on the Small Business Tax Cut Act, legislation allowing for job creation promoting economic growth by cutting taxes for small business owners.

In an opinion piece published Tuesday in Politico, Steve Forbes writes "Real economic growth has been pathetic during the Obama Presidency. Last year, the economy grew 1.7 percent. By comparison, the Reagan recovery was spectacular, growing at 4.5 percent in 1983, with nearly 3.5 million jobs. In just one month, September 1983, the Reagan economy added more than a million jobs, nearly as many as the economy grew for all of 2011."

In order for our nation to recover from the economic recession, small businesses must be given the opportunity to grow and create jobs. The President and the liberal-controlled Senate continue to stall dozens of bills which would promote jobs. I urge my colleagues to vote in favor of this bill and help American families create jobs.

In conclusion, God Bless our troops and we will never forget September 11th in the Global War on Terrorism.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in opposition to H.R. 9, the legislation before this chamber today that would provide a one-time tax windfall in the tens of thousands of dollars to entertainers, sports franchises, smut peddlers, and other wealthy business owners, while doing little to create jobs for struggling middle-class America and adding $46 billion to the national deficit.

My colleagues on the other side of the aisle are bringing this legislation before the House in the name of tax relief for small businesses and job creation.

I would happily vote in favor of legislation that provided targeted relief to small businesses and spurred much-needed job creation in my district and throughout the country.

Unfortunately, H.R. 9 would do no such thing. In fact, the Joint Committee on Taxation stated, "the effects of the bill on economic activity are so small as to be incalculable."

Similarly, a report last year by the Congressional Budget Office rated the approach taken in H.R. 9 to be one of the least cost-effective ways to encourage growth or create jobs in a weak economy. CB0 estimated that this legislation's approach would create one job or fewer per $1 million of budgetary cost.

However, H.R. 9, if enacted, would be a boon to wealthy taxpayers. Nearly half of the benefit would go to individuals with incomes of over $1 million.

Seventy-six percent of small business employers have incomes below $200,000, but this group only received 16 percent of the benefit under H.R. 9. And 55 percent of small business employers have incomes below $100,000 but this group receives only six percent of the total benefit.

At a time when our Nation must tackle its growing deficit, and push further job creation, the last thing this Congress ought to do is give expensive handouts to the richest individuals in our society.

Instead, this Congress ought to be debating on how to deliver targeted job creation legislation and protect essential safety net programs, like the Supplemental Nutritional Assistance Program and Medicaid, which this House recently voted to cut in the hundreds of billions of dollars over the next decade in the name of "deficit reduction."

I call on my colleagues on both sides of the aisle today to stand for commonsense fiscal principles and targeted job creation and vote against H.R. 9.

Mr. POE of Texas. Mr. Speaker, our small businesses are hurting.

In the past year, only one in five small businesses has hired.

This is a problem because if small businesses aren't hiring, we don't recover.

According to a survey from the U.S. Chamber of Commerce, they are not hiring because they don't know what Washington, DC is going to do to them next.

Four in five small-business owners said that the taxes, regulations and legislation coming from Washington made it more difficult for them to hire additional workers.

In other words, our government is getting in the way of economic recovery.

H.R. 9 will be a breath of fresh air to them.

For every $100 of income, small businesses will save $7 in federal taxes.

That's 7 percent they can put towards hiring a veteran back from Iraq or someone who hasn't been able to find a job for years.

Washington needs to get out of the way and let our small businesses do what they do best: hire new workers.

And that's just the way it is.

Mr. RAHALL. Mr. Speaker, I support tax and regulatory policies that help small businesses attract investment and create jobs, but I also believe that we in the Congress must be responsible stewards of taxpayer funds.

I voted against H.R. 9 because it would spend an enormous amount of money without any requirements that the funds be invested in job creation or even invested in the American economy. Any company that receives the tax benefit provided by this bill could use it to bolster profits while laying off workers and shipping American jobs overseas. Half of the tax breaks would go to only 0.3 percent of taxpayers, those with incomes exceeding $1 million, costing $46 billion while the rest of our Nation is forced to endure the impact of painful spending cuts in programs important to working middle-class families. That's hardly fair and certainly not right.

This measure is more about scoring political points in an election year—trying to play gotcha—when we should be trying to move forward on measures that would give a real boost to job creation and economic growth.

Mr. WOLF. Mr. Speaker, I have been consistent in my support for comprehensive tax reform that lowers rates for individuals and businesses by eliminating the types of carve outs and deductions in the tax code that, as recently reported by The Hill, have let 26 Fortune 500 companies pay a negative tax rate over a four-year span. To be clear, that means these companies are getting paid by the government while hard-working men and women pay their taxes.

Something is very wrong with this picture. That is precisely the reason why we need real, long-term comprehensive tax reform. Last year, Senator TOM COBURN identified nearly $1 trillion in annual spending through the tax code through tax earmarks that benefit special interests such as video game developers, hedge fund managers, NASCAR, dog and horse tracks and ethanol producers. Unlike an earmark in an annual appropriations bill, these tax earmarks are far worse because once enacted they typically exist in perpetuity.

Using these extensive tax loopholes, General Electric (GE) paid no federal taxes in 2010. Yet, the Congressional Research Service has found that GE was honored by a Chinese newspaper for ranking 32nd among commercial service sector companies that paid taxes to China.

Let me repeat: GE paid no taxes to the United States, but was a significant source of tax revenue for China. China? China, a country that is spying on us, persecutes people of faith and has a long record of horrific human rights abuses.

Rather than putting forth true comprehensive tax reform—the type that would bring stability to the economy by providing certainty for job creators and families—both parties in both chambers have pushed political agendas instead of what is best for America.

The so-called "Buffett rule" the Senate attempted to pass earlier this week was defeated, and rightly so. Washington Post columnist Ruth Marcus points out President Obama's pursuit of this policy "is pure political stunt. . . . It won't pass. And even if that happened, it would have a negligible impact on the exploding debt—$4.7 billion a year, or less than four-tenths of 1 percent of this year's deficit—and take a tiny nibble out of income inequality."

At a time when strong leadership is needed to address our nation's crippling debt, it is unfortunate that President Obama has continually failed to lead by example. He even walked away from the recommendations of his own bipartisan fiscal commission.

Unfortunately, the House today has done no better than the Senate or president. The Wall Street Journal, in an editorial today headlined Bipartisan Tax Gimmickry, candidly described the proposal before us as a "gimmick" and went on to say that Republicans "would do more for the economy and their political prospects if they began to educate the country about sensible tax policy."

The bill before us is a temporary, one-year proposal that will increase our debt by $46 billion, without an offset to pay for this additional deficit spending. I want to stress: $46 billion for a temporary, one-year proposal.

I want to remind my colleagues that two months ago Congress essentially wiped out the $95 billion in savings cut from the 2011 and 2012 appropriations bills when it approved extending the payroll "holiday" for another year at a cost of $93 billion.

We are now talking about adding to this spending for a total of $139 billion in temporary, one-year stimulus spending with no offsets; no way to pay for it.

We are already running trillion dollar deficits for the fourth straight year. We are $15.6 trillion in debt. We have unfunded obligations and liabilities of $65 trillion. Republicans on the Senate Budget Committee earlier this month posted a chart on its Web site showing that our debt at the end of 2011 was greater than the combined debt of the United Kingdom and the entire Eurozone.

We need look no further than the riots in Europe to see the destructive impact that results from the crushing reality of a government unable to deliver promised entitlements to its citizens. There have been riots in Belgium, Spain, France, Ireland, England, Italy, Latvia, and Greece. And yet we are considering another proposal that moves us closer to Europe's instability.

We are now spending $4.3 billion a week simply on interest to service the debt. And this is at historically low interest rates.

The Congressional Budget Office (CBO) projects that by 2022 we're going to be sending $11.6 billion out the door each week to nations such as China, which is spying on us, where human rights are an afterthought, and Catholic bishops, Protestant ministers and Tibetan monks are jailed for practicing their faith, and oil-exporting countries such as Saudi Arabia, which funded the radical madrasahs on the Afghan-Pakistan border, resulting in the rise of the Taliban and al Qaeda.

And, unless we change course, according to the CBO's long term estimate, every penny collected of the federal budget will go to interest on the debt and entitlement spending by 2025.

Every penny. That means no money for national defense. No money for homeland security. No money to fix the nation's crumbling bridges and roads. No money for medical research to find a cure for cancer or Alzheimer's or Parkinson's disease.

Quite frankly this borrowing is unsustainable, dangerous and irresponsible.

Given our nation's fiscal obligations, one must ask: Can we really afford another costly, one-year policy absent the needed comprehensive reform?

Why are we spending time on a policy that everyone knows has no chance of being signed into law as currently drafted? Could it be because, as recently reported by Politico, "Congress is readying for a political fight with dueling tax votes this week that will define each party's priorities in this election year"?

The final paragraph of today's Wall Street Journal editorial noted that "[t]he economy works best when investors and companies can operate under predictable policies that allow them to better judge their risks for the long term. Reagan-era officials understood this, but too many Republicans have forgotten. The U.S. economy doesn't need another tax gimmick. It needs a tax reform that includes a permanent cut in individual and business tax rates for everyone."

The president and some on the other side of the aisle say that our debt crisis is because Americans are under-taxed. Like President Reagan said, and I believe, "the problem is not that people are taxed too little, the problem is that government spends too much." There is no question that the real problem is overspending, especially on runaway entitlement costs and through hundreds of billions of so-called tax expenditures.

It is no secret that our inefficient and burdensome tax code is undermining consumer and business confidence, further weakening our fragile economic recovery. Comprehensive tax reform is needed now more than ever to rid our tax code of earmarks and loopholes that promote crony capitalism and let Washington pick winners and losers.

Two weeks ago I was one of 38 members to vote for the bipartisan Cooper-LaTourette substitute amendment to the budget, which was modeled on the work of the Simpson-Bowles Commission. The Simpson-Bowles Commission produced a credible plan that gained the support of a bipartisan majority of the commission's 18 members. Called "The Moment of Truth," the commission's report made clear that eliminating the debt and deficit will not be easy and that any reform must begin with entitlements. Mandatory and discretionary spending also has to be addressed as well as other "sacred cows," including tax reform and defense spending.

The Cooper-LaTourette substitute was a balanced and ambitious plan, that, while not perfect, was the type of bitter medicine necessary to address our deficit. There is never a convenient time to make tough decisions, but the longer we put off fixing the problem, the worse the medicine will be. Unfortunately, the amendment failed.

For nearly six years I have pushed bipartisan legislation to set up an independent commission to develop a comprehensive deficit reduction package that would require an up-or-down vote by the Congress. I have said that the enormity of the crisis we face demands that everything must be on the table for discussion—all entitlement spending, all domestic discretionary spending, and tax policy; not tax increases, but reforms to make the tax code simpler and fairer and free from special interest earmarks.

I have supported every serious effort to resolve this crisis: the Bowles-Simpson recommendations, the "Gang of Six" effort, and the "Cut, Cap and Balance" bill—including the Balanced Budget Amendment. None of these solutions were perfect, but they all took the steps necessary to rebuild and protect our economy.

But powerful special interests continue to hold this institution hostage and undermine every good faith effort to change course. And that's why we have these actions on the floor of the House and Senate instead of the much-needed proposal to enact comprehensive reform.

Mr. Speaker, I do not sign political pledges to special interest groups. My only pledge is the oath of office I take on the first day of each Congress. And that is why I cannot partake in this political vote that would further add to the deficit without dealing with the underlying drivers of our deficit and debt.

As The Hill reported this week: "Republicans and Democrats are hurtling toward a fiscal cliff, but neither side wants to take the plunge.

"In less than nine months, Bush-era tax rates are scheduled to expire, hiking rates for the middle class as well as top income earners. At the same time, automatic spending cuts will kick in. The combination, coupled with the expiration of the payroll tax cut and other factors, would constitute a blow that analysts say could imperil the economic recovery and send America crashing back into recession."

We need to simplify the tax code to lower tax rates. But we need to do it through real, comprehensive reform, not through a piecemeal approach that makes it too politically easy to ignore our overall finances. I vote "present" to bring attention to this point.

Mr. PENCE. Mr. Speaker, I rise today in strong support of the Small Business Tax Cut Act (H.R. 9), which will provide tax relief to Hoosier small businesses and help them to grow and create jobs.

In Indiana there are more than 100,000 small businesses that employ more than a million Hoosiers. Nearly 14,000 of these small businesses are owned by women. As I travel across Indiana and hear from these hard-working Hoosier entrepreneurs and taxpayers, one thing is clear: Washington, DC needs a new approach to fostering job growth. With unemployment in Indiana at a disheartening 8.4 percent, Hoosiers are looking for tax relief that will help their friends and neighbors get back to work.

The Small Business Tax Cut Act reduces the heavy burden of taxes on Hoosier small businesses by allowing them to deduct 20 percent of their active income this year. In all, this important measure would reduce taxes on job creators by $46 billion, freeing up capital for small businesses to grow and take on new employees.

This pro-growth, pro-taxpayer legislation will help to foster new investment in our economy and spur job growth. I urge my colleagues to support the Small Business Tax Cut Act.

Mrs. MALONEY. Mr. Speaker, I rise in strong opposition to H.R. 9, the so-called Small Business Tax Cut Act, which, instead of helping small businesses or growing the economy, is merely another tax giveaway to the rich.

Americans are demanding that we take action to create jobs and spur economic growth, but this legislation before us today adds $46 billion to the deficit in the next year alone, fails to create jobs and actually discourages the investments our economy needs.

Now is the time to support American small businesses and grow the economy, as Democrats would do in an alternative proposal, by allowing companies to deduct 100% of the cost of capital, or "bonus depreciation," in the first year for new investment in machinery and equipment—a proposal even conservative economists consider one of the most productive ways to boost economic growth.

This is not the time to hand another tax cut to our nations' wealthiest as H.R. 9 proposes, and I urge my colleagues to oppose this misguided legislation.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LEVIN

Mr. LEVIN. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Tax Cut Act''.

SEC. 2. DEDUCTION FOR DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 200. DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.

''(a) ALLOWANCE OF DEDUCTION.—In the case of a qualified small business, there shall be allowed as a deduction an amount equal to 20 percent of the lesser of—

''(1) the qualified domestic business income of the taxpayer for the taxable year, or

''(2) taxable income (determined without regard to this section) for the taxable year.

''(b) DEDUCTION LIMITED BASED ON WAGES PAID.—

''(1) IN GENERAL.—The amount of the deduction allowable under subsection (a) for any taxable year shall not exceed 50 percent of the greater of—

''(A) the W–2 wages of the taxpayer paid to non-owners, or

''(B) the sum of—

''(i) the W–2 wages of the taxpayer paid to individuals who are non-owner family members of direct owners, plus

''(ii) any W–2 wages of the taxpayer paid to 10-percent-or-less direct owners.

''(2) DEFINITIONS RELATED TO OWNERSHIP.—For purposes of this section—

''(A) NON-OWNER.—The term 'non-owner' means, with respect to any qualified small business, any person who does not own (and is not considered as owning within the meaning of subsection (c) or (e)(3) of section 267, as the case may be) any stock of such business (or, if such business is other than a corporation, any capital or profits interest of such business).

''(B) NON-OWNER FAMILY MEMBERS.—An individual is a non-owner family member of a direct owner if—

''(i) such individual is family (within the meaning of section 267(c)(4)) of a direct owner, and

''(ii) such individual would be a non-owner if subsections (c) and (e)(3) of section 267 were applied without regard to section 267(c)(2).

''(C) DIRECT OWNER.—The term 'direct owner' means, with respect to any qualified small business, any person who owns (or is considered as owning under the applicable non-family attribution rules) any stock of such business (or, if such business is other than a corporation, any capital or profits interest of such business).

''(D) 10-PERCENT-OR-LESS DIRECT OWNERS.—The term '10-percent-or-less direct owner' means, with respect to any qualified small business, any direct owner of such business who owns (or is considered as owning under the applicable non-family attribution rules)—

''(i) in the case of a qualified small business which is a corporation, not more than 10 percent of the outstanding stock of the corporation or stock possessing more than 10 percent of the total combined voting power of all stock of the corporation, or

''(ii) in the case of a qualified small business which is not a corporation, not more than 10 percent of the capital or profits interest of such business.

''(E) APPLICABLE NON-FAMILY ATTRIBUTION RULES.—The term 'applicable non-family attribution rules' means the attribution rules of subsection (c) or (e)(3) of section 267, as the case may be, but in each case applied without regard to section 267(c)(2).

''(3) W–2 WAGES.—For purposes of this section—

''(A) IN GENERAL.—The term 'W–2 wages' means, with respect to any person for any taxable year of such person, the sum of the amounts described in paragraphs (3) and (8) of section 6051(a) paid by such person with respect to employment of employees by such person during the calendar year ending during such taxable year.

''(B) LIMITATION TO WAGES ATTRIBUTABLE TO QUALIFIED DOMESTIC BUSINESS INCOME.—Such term shall not include any amount which is not properly allocable to domestic business gross receipts for purposes of subsection (d)(1).

''(C) OTHER REQUIREMENTS.—Except in the case of amounts treated as W–2 wages under paragraph (4)—

''(i) such term shall not include any amount which is not allowed as a deduction under section 162 for the taxable year, and

''(ii) such term shall not include any amount which is not properly included in a return filed with the Social Security Administration on or before the 60th day after the due date (including extensions) for such return.

''(4) CERTAIN PARTNERSHIP DISTRIBUTIONS TREATED AS W–2 WAGES.—

''(A) IN GENERAL.—In the case of a qualified small business which is a partnership and elects the application of this paragraph for the taxable year—

''(i) the qualified domestic business taxable income of such partnership for such taxable year (determined after the application of clause (ii)) which is allocable under rules similar to the rules of section 199(d)(1)(A)(ii) to each qualified service-providing partner shall be treated for purposes of this section as W–2 wages paid during such taxable year to such partner as an employee, and

''(ii) the domestic business gross receipts of such partnership for such taxable year shall be reduced by the amount so treated.

''(B) QUALIFIED SERVICE-PROVIDING PARTNER.—For purposes of this paragraph, the term 'qualified service-providing partner' means, with respect to any qualified domestic business taxable income, any partner who is a 10-percent-or-less direct owner and who materially participates in the trade or business to which such income relates.

''(5) ACQUISITIONS AND DISPOSITIONS.—The Secretary shall provide for the application of this subsection in cases where the taxpayer acquires, or disposes of, the major portion of a trade or business or the major portion of a separate unit of a trade or business during the taxable year.

''(c) LIMITATION BASED ON INVESTMENT IN QUALIFIED PROPERTY.—

''(1) IN GENERAL.—The amount of the deduction allowable under subsection (a) for any taxable year shall not exceed the allowance which would be determined under section 168(k)(1)(A) with respect to the taxpayer for the taxable year if such section were applied—

''(A) by substituting '100 percent' for '50 percent', and

''(B) without regard to paragraph (2).

''(2) ADJUSTMENT OF BASIS.—No deduction shall be allowed to the taxpayer under subsection (a) for any taxable year unless the adjusted basis of property taken into account under paragraph (1) is reduced by the amount of the deduction allowed under subsection (a) before computing the amount otherwise allowable as a depreciation deduction under this chapter (including any allowance otherwise determined under section 168(k)) for such taxable year and any subsequent taxable year.

''(d) QUALIFIED DOMESTIC BUSINESS INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified domestic business income' for any taxable year means an amount equal to the excess (if any) of—

''(A) the taxpayer's domestic business gross receipts for such taxable year, over

''(B) the sum of—

''(i) the cost of goods sold that are allocable to such receipts, and

''(ii) other expenses, losses, or deductions (other than the deduction allowed under this section), which are properly allocable to such receipts.

''(2) DOMESTIC BUSINESS GROSS RECEIPTS.—

''(A) IN GENERAL.—The term 'domestic business gross receipts' means the gross receipts of the taxpayer which are effectively connected with the conduct of a trade or business within the United States within the meaning of section 864(c) but determined—

''(i) without regard to paragraphs (3), (4), and (5) thereof, and

''(ii) by substituting 'qualified small business (within the meaning of section 200)' for 'nonresident alien individual or a foreign corporation' each place it appears therein.

''(B) EXCEPTIONS.—For purposes of paragraph (1), domestic business gross receipts shall not include any of the following:

''(i) Gross receipts derived from the sale or exchange of—

''(I) a capital asset, or

''(II) property used in the trade or business (as defined in section 1231(b)).

''(ii) Royalties, rents, dividends, interest, or annuities.

''(iii) Any amount which constitutes wages (as defined in section 3401).

''(3) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of paragraphs (2) and (3) of section 199(c) shall apply for purposes of this section (applied with respect to qualified domestic business income in lieu of qualified production activities income and with respect to domestic business gross receipts in lieu of domestic production gross receipts).

''(e) QUALIFIED SMALL BUSINESS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified small business' means any employer engaged in a trade or business if such employer had fewer than 500 full-time equivalent employees for either calendar year 2010 or 2011.

''(2) FULL-TIME EQUIVALENT EMPLOYEES.—The term 'full-time equivalent employees' has the meaning given such term by subsection (d)(2) of section 45R applied—

''(A) without regard to subsection (d)(5) of such section,

''(B) with regard to subsection (e)(1) of such section, and

''(C) by substituting 'calendar year' for 'taxable year' each place it appears therein.

''(3) EMPLOYERS NOT IN EXISTENCE PRIOR TO 2012.—In the case of an employer which was not in existence on January 1, 2012, the determination under paragraph (1) shall be made with respect to calendar year 2012.

''(4) APPLICATION TO CALENDAR YEARS IN WHICH EMPLOYER IN EXISTENCE FOR PORTION OF CALENDAR YEAR.—In the case of any calendar year during which the employer comes into existence, the number of full-time equivalent employees determined under paragraph (2) with respect to such calendar year shall be increased by multiplying the number so determined (without regard to this paragraph) by the quotient obtained by dividing—

''(A) the number of days in such calendar year, by

''(B) the number of days during such calendar year which such employer is in existence.

''(5) SPECIAL RULES.—

''(A) AGGREGATION RULE.—For purposes of paragraph (1), any person treated as a single employer under subsection (a) or (b) of section 52 (applied without regard to section 1563(b)) or subsection (m) or (o) of section 414 shall be treated as a single employer for purposes of this subsection.

''(B) PREDECESSORS.—Any reference in this subsection to an employer shall include a reference to any predecessor of such employer.

''(f) SPECIAL RULES.—

''(1) ELECTIVE APPLICATION OF DEDUCTION.—Except as otherwise provided by the Secretary, the taxpayer may elect not to take any item of income into account as domestic business gross receipts for purposes of this section.

''(2) COORDINATION WITH SECTION 199.—If a deduction is allowed under this section with respect to any taxpayer for any taxable year—

''(A) any gross receipts of the taxpayer which are taken into account under this section for such taxable year shall not be taken into account under section 199 for such taxable year, and

''(B) the W–2 wages of the taxpayer which are taken into account under this section shall not be taken into account under section 199 for such taxable year.

''(3) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of paragraphs (1), (2), (3), (4), (6), and (7) of section 199(d) shall apply for purposes of this section (applied with respect to qualified domestic business income in lieu of qualified production activities income).

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the purposes of this section, including regulations which prevent a taxpayer which reorganizes from being treated as a qualified small business if such taxpayer would not have been treated as a qualified small business prior to such reorganization.

''(h) APPLICATION.—Subsection (a) shall apply only with respect to the first taxable year of the taxpayer beginning after December 31, 2011.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 56(d)(1)(A) of such Code is amended by striking ''deduction under section 199'' both places it appears and inserting ''deductions under sections 199 and 200''.

(2) Section 56(g)(4)(C) of such Code is amended by adding at the end the following new clause:

''(vii) DEDUCTION FOR DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.—Clause (i) shall not apply to any amount allowable as a deduction under section 200.''.

(3) The following provisions of such Code are each amended by inserting ''200,'' after ''199,''.

(A) Section 86(b)(2)(A).

(B) Section 135(c)(4)(A).

(C) Section 137(b)(3)(A).

(D) Section 219(g)(3)(A)(ii).

(E) Section 221(b)(2)(C)(i).

(F) Section 222(b)(2)(C)(i).

(G) Section 246(b)(1).

(H) Section 469(i)(3)(F)(iii).

(4) Section 163(j)(6)(A)(i) of such Code is amended by striking ''and'' at the end of subclause (III) and by inserting after subclause (IV) the following new subclause:

''(V) any deduction allowable under section 200, and''.

(5) Section 170(b)(2)(C) of such Code is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) section 200.''.

(6) Section 172(d) of such Code is amended by adding at the end the following new paragraph:

''(8) DOMESTIC BUSINESS INCOME OF QUALIFIED SMALL BUSINESSES.—The deduction under section 200 shall not be allowed.''.

(7) Section 613(a) of such Code is amended by striking ''deduction under section 199'' and inserting ''deductions under sections 199 and 200''.

(8) Section 613A(d)(1) of such Code is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) any deduction allowable under section 200,''.

(9) Section 1402(a) of such Code is amended by striking ''and'' at the end of paragraph (16), by redesignating paragraph (17) as paragraph (18), and by inserting after paragraph (16) the following new paragraph:

''(17) the deduction provided by section 200 shall not be allowed; and''.

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 200. Domestic business income of qualified small businesses.''.

The SPEAKER pro tempore. Pursuant to House Resolution 620, the gentleman from Michigan (Mr. LEVIN) and a Member opposed each will control 12½ minutes.

The Chair recognizes the gentleman from Michigan.

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

The Democratic amendment in the nature of a substitute offers a 1-year extension of 100 percent bonus depreciation for certain U.S. businesses.

Most importantly, the amendment offers a stark contrast to the majority's untargeted giveaway to the very wealthy Americans.

First, bonus depreciation is available only to businesses that make investments in depreciable property. As a result, most of the benefit from the bonus depreciation provision will flow to businesses such as manufacturers that make significant investments in property, plant, and equipment. These are the types of businesses that create good jobs here in our country.

In contrast to the majority's mistaken bill, very little, if any, benefit would go to lawyers, lobbyists, hedge fund managers, and entertainers, to mention just a few. These service professionals simply do not make large investments in depreciable property.

Second, bonus depreciation is only available for property used in our country. So a business that builds a new factory only gets the deduction if the factory is built in this country.

In contrast, the majority's bill provides a benefit to businesses regardless of where they're expanding or investing. Businesses that cut jobs in the U.S. and expand overseas could get the benefit of H.R. 9. In practice, they would get no benefit from this amendment.

Third, the incentive to purchase depreciable property provides a benefit to all of the businesses that produce the property. The result is a more general and widespread economic stimulus.

Fourth, and finally, bonus depreciation is a proposal that has had bipartisan support, unlike H.R. 9. H.R. 9 is going nowhere—nowhere—and it should not.

Vote for and pass this substitute. It is sound policy and can become the law of the land.

I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I rise to claim the time in opposition.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) is recognized for 12½ minutes.

Mr. CAMP. I yield such time as he may consume to a distinguished member of the Ways and Means Committee, the gentleman from Illinois (Mr. SCHOCK).

Mr. SCHOCK. Mr. Speaker, I appreciate my distinguished chairman yielding time.

I can understand why the American people are frustrated. We have a President who, from day one, campaigned on raising taxes, raising taxes, then became the President of the United States, and his party in the House and his party in the Senate, they've talked about raising taxes. All the while, we've had a down economy. All the while, we've had unemployment above 8 percent. Yet the interesting thing is that, when the same Democratic Party controlled the House of Representatives and controlled the United States Senate for 2 years, they decided not to implement the Buffett tax.

□ 1230

They decided not to increase taxes on Americans.

Why? Because they know what we know and they know the truth, and that is that raising taxes will hurt the economy, that raising taxes is not what you do when you want to put people back to work. It's bad policy. It's why a year ago, despite all the rhetoric against the Bush tax cuts, despite all the rhetoric against the '01 and '03 rates, this same majority in the United States Senate and this same President said—what? President Obama said, Now is not the time to increase taxes on any American. A year ago.

If that were good policy a year ago, I might submit to you that it's good policy today. I don't know many Americans who believed a year ago that the economy was in any worse of a situation than it is in today. Raising taxes is not good policy on any American. If ever there were a starker contrast between the two visions for America, if ever there were a starker contrast between the Republican Party and the Democratic Party's visions on how to get the economy going, it is what's happening today in Washington, D.C.

Across this hallway, in the United States Senate, they are attempting to raise taxes on America's small businesses—yes, pass-through entities that pay a rate and take that capital away from them and their ability to invest in capital, in their ability to hire workers. Here in the House of Representatives, we are trying to do the opposite. We're saying that we're listening to these job creators, that we're listening to these people who actually do the hiring.

Do you know what they're saying? Their access to capital is drying up, and the cash in their bank accounts doesn't quite meet their needs each month. They need more capital to be able to go out and hire people. They need more capital to be able to go out and buy equipment.

So that's what this targeted tax cut is. It's not for the big corporations. It's targeted at people who have fewer than 500 employees. And guess what? You can have whatever opinion you want on the political ideology. You can't have your own facts, and the facts are these:

Over the last 2 years, seven out of 10 jobs created in this country were created by people who employ fewer than 500 people, the very people this tax bill is targeted at. Second, you can't throw up your hands and wonder why America's job creators are not hiring, why unemployment continues to be above 8 percent for the longest time in our country's history while at the same time advocating policies that will drive a stake into the heart of our economy and our small businesses.

This tax policy targeted at America's small businesses will give them the capital they need to stay in business, to hire those additional workers, to invest in additional capital, and maybe even to prevent layoffs, maybe even to prevent somebody from having to go on the unemployment line. It is the right policy. I wish that our friends on the other side of the aisle would embrace the policy that they had a year ago, which is that tax increases on any American is a bad policy in a down economy.

Mr. LEVIN. I yield myself 30 seconds.

The gentleman is correct in that the contrast is very stark. They've tried to raise taxes on millionaires in the Senate so they pay like the people who work for them. This bill would provide a tax break of $58,000 to those who make over $1 million, which are 125,000 taxpayers. That is a stark contrast. Have people very wealthy pay a fair share on the one side, and have this House give them a big break.

I now yield 2 minutes to another distinguished member of our committee, the gentlelady from Nevada, SHELLEY BERKLEY.

Ms. BERKLEY. I thank the gentleman for yielding.

I rise in support of the Levin substitute and on behalf of the middle class families of Nevada, who are struggling to make ends meet. I'm talking about the housekeepers and the card dealers, the teachers, the nurses, the cops on the beat, the ones who work hard to take care of their families—to put food on the tables, to fill their cars with gas, to buy new sneakers for their kids, and to make the mortgage payments on time.

Yet, in spite of these challenges, Washington asks them to give a little more. Washington Republicans ask them to make additional sacrifices and ask them to carry the extra burden for wealthy Wall Street millionaires who are not paying their fair share. Why on Earth should a waitress in Nevada pay a higher tax rate than a yacht owner? Why should a janitor pick up the slack for a Big Oil executive? Why should a card dealer sacrifice more than a Wall Street hedge fund manager? That doesn't make sense. It's not fair. Wall Street corporations shipping American jobs overseas and big oil companies making record profits don't need our help. Working men and women in this country do.

This piece of legislation would be destructive to them, their futures, and their families. It is time we started siding with middle class families, who most definitely do need our help, and that starts by passing the Buffett rule.

Mr. CAMP. I yield 2 minutes to the distinguished gentleman from Oregon (Mr. WALDEN).

Mr. WALDEN. Thank you, Mr. Chairman.

Mr. Speaker, I am intrigued by my colleague's comments a few minutes ago about how we need to support this substitute to help small businesses and all.

Yet what troubles me is, first of all, it's highly complicated. It further complicates the Tax Code. The real beneficiary will be your accountant because you've got to go through all of these machinations to figure out which side of this you qualify for. At the end of the day, according to the Joint Committee on Taxation, because of the imposition of the additional restrictions called for by the Democrats in their substitute, which we're debating at this moment, the entire relief would be something on the order of $287 million nationwide to small businesses.

So there is your alternative.

You've got the Democrats saying, boy, according to Joint Tax, $287 million. Oh, that's going to solve the problem this year. That's really going to help. We're saying, no, we want to do something that really affects small businesses, middle class small businesses—people like my wife and me when we were in small business and worked with other small businesses in small communities. They are small businesses that want to keep some of their cash flow home, where they can invest it in their businesses, in their employees, chase these ever-rising costs of health insurance and all of these other things that you do in small business—the added government costs of regulation, all of the things that drive up your costs you need cash to pay for.

We want to help those small businesses because that is the heartbeat, the growth of where innovation comes from—from jobs in America. It is small business. This is targeted specifically at small businesses in America that can keep some of their money.

By the way, it's not the government's money first. The government wasn't your best business partner. You went out and you earned it. You ought to be able to keep more of it. That's the difference in philosophy working out here on the floor; and those of us who have met payrolls, who have paid bills, who have dealt with government regulation get that. Those who haven't have a hard time understanding why, at the beginning, this is the business's money, the individual's money, the individual who has worked hard. It is not the government's money. It is the individual's money.

I urge the defeat of the substitute.

Mr. LEVIN. I yield 1½ minutes to the gentleman from Virginia (Mr. CONNOLLY).

Mr. CONNOLLY of Virginia. Mr. Speaker, I support the substitute amendment, and I oppose the underlying bill.

I think my Democratic friends actually have it all wrong about this bill. I could be mistaken, but I think there was a drafting error in this legislation. When introducing this bill, the sponsor said, It will put more money into the hands of small business owners to reinvest those funds in order to retain, create jobs and grow their businesses, plain and simple.

This bill does nothing of the sort.

For starters, it does not target small businesses as the title claims. Rather than maximizing assistance for those employers who need it most, fewer than half the tax cuts go to legitimate small businesses. What's more, there is no requirement that this taxpayer subsidy should be used to hire new workers or expand facilities to grow the economy. I am also puzzled, Mr. Speaker, when looking at the bill before us today and previous drafts. You see, earlier drafts excluded certain businesses like liquor stores, casinos and strip clubs from receiving any tax relief; but the current draft does not have such exclusions. Further, this bill is not offset and would actually increase the deficit by $46 billion, which I know runs contrary to the intent of the sponsor, who believes that even in emergencies Federal assistance should be offset.

So you see, Mr. Speaker, I know my colleagues are very busy and are, perhaps, distracted with issues like compromising women's reproductive health rights, which is why I can only assume that these simple drafting errors have come to characterize this bill. I urge its rejection. Let's start over.

□ 1240

Mr. CAMP. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore. There are 6½ minutes remaining on both sides.

Mr. CAMP. Thank you.

At this time, I yield 2 minutes to the distinguished gentleman from Illinois, a Member of the Ways and Means Committee, Mr. ROSKAM.

Mr. ROSKAM. Mr. Speaker, I thank the gentleman for yielding.

I want to speak for just a minute on the substitute.

Speaking of drafting errors, you can only assume that there was a drafting error on the substitute. Look, that happens. If it was a drafting error, the best thing to do is take the bill out of the record and start again. I think the notion of comparing $287 million in tax relief to $47 billion in tax relief is simply a nonstarter. It's as if the minority is saying, We sort of accept part of the premise of this tax cut, but we're going to cut it down. And then we're going to cut down the tax relief a little more. And then we're going to cut down the tax relief a little more and a little more and a little more and a little more until finally it's this obscure little bit of nonsense that isn't going to do anything.

Here's what we need to do. We need to give relief to the small business in my district. I was touring a plant, and the owner/entrepreneur who started the company said, Look, the smart move for me, Congressman, is to put three-quarters of a million dollars into this new production line. It would mean that I would expand production, bring in more people, and so forth, and have a very simple ripple effect, but I'm not going to do it. The reason I'm not going to do it is because Washington, D.C., tells me I'm rich. I'm not rich. I'm just a prudent businessman who's built a successful business.

What we need to do, Mr. Speaker, is to create an environment where that business owner, that entrepreneur says to himself or herself, I'm willing to invest.

They need relief. They're begging for relief in suburban Chicago from their tax liability, and this is an opportunity now with this language that is authored by the majority leader and that is on the House floor.

I urge its passage, and I urge rejection of the substitute.

Mr. LEVIN. I yield 2 minutes to another distinguished member of our committee, the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. I want to thank the ranking member for yielding me this time.

Mr. Speaker, just to set the record straight, the amendment that was offered by Mr. MCDERMOTT at the Rules Committee, and what our Ranking Member LEVIN and we Democrats in the Ways and Means Committee supported, offered immediate expenses, a bonus depreciation for capital investment for small businesses that was fully offset and fully paid for by eliminating the tax breaks that large oil companies are receiving today, who are sitting on record profits, with record high prices. And it wouldn't add a nickel to the deficit.

That's why I adamantly oppose the underlying bill before us today. It's the here-we-go-again syndrome around here. How deep are we going to create this hole? It's a $46 billion tax cut that's not offset, that's not paid for, will go straight to deficit, close to half of it going to millionaires. An average tax savings of over $58,000 is not the way to get this economy out of the hole that it's in. In fact, when the Joint Committee on Taxation and the Congressional Budget Office analyzed the Republican underlying bill, they said this is probably the worst thing for the buck that we can invest in the economy to create the jobs that we need today. Yet, this is a syndrome that happens over and over again from the other side. They support huge tax cuts without paying for them, driving our Nation deeper into debt.

If they think it's worthwhile enough and important enough to invest in, then pay for it. Find offsets in the spending, and let's have that discussion as far as our priorities. But don't go down the easy route of trying to offer this illusion of tax relief to all Americans, especially the iconic small business owner out there, without paying a nickel for it and adding to the budget deficits that are accumulating today.

I tried to explain to folks back home how we got into this hole. Certainly, the most important driving factor is the underperforming economy and the huge recession that we're trying to climb out of right now. But you can also look back at previous policies not so long ago supported by the other side: two huge tax cuts that weren't paid for; two wars that weren't paid for; the largest expansion of entitlement spending in the prescription drug bill that wasn't paid for. It's little wonder we're facing huge deficits.

I reject the underlying bill and support the Levin amendment.

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

Mr. LEVIN. I yield 1½ minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Speaker, I think it needs to be reiterated once again that the sponsor of the underlying bill, the gentleman from Virginia (Mr. CANTOR), believes that we need to find payfors. We need to pay for it and not add to the deficit when it comes to disaster relief.

Let's put that in perspective. A hurricane hits, wipes out a town. The American government cannot go and rescue and help those people and pay for that without finding a pay-for in order to substitute for that payment.

When tornados hit middle America and peoples' lives are destroyed, their homes are destroyed, and cities and towns are eviscerated, the Congress has to come up with pay-fors in order to help in that disaster relief, but not when it comes to a tax break for companies that will offshore American jobs.

Those tax breaks we don't have to pay for. Mr. CANTOR doesn't believe you have to pay for those. But for disasters that hit America and cities and towns that are annihilated, they must be paid for. I just think that needs to be pointed out to the American people.

The Levin bill is a far superior bill. It incentivizes growth within small businesses without burdening the American taxpayer at the same time.

Whose money are we talking about? This is not the small business person's money. This is money that otherwise would be revenue to the country. This is the American taxpayer's money that we're just giving back to millionaires, hardworking Americans who work and toil every day to give a tax break to millionaires.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would again ask Members to heed the gavel.

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

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

Mr. LEVIN. Does the gentleman from Michigan have any other speakers?

Mr. CAMP. No.

Mr. LEVIN. I now yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I heard my good friend from Chicago talking about people begging for investment. Well, business is looking for our assistance, but nobody has come seeking an inefficient effort like this that will dig ourselves deeper into debt and not have impact. We have offered alternatives that would not have added to the deficit and would have helped business right away.

I'm honored to be joined on the floor by a young friend, Johnny Hammer, who in looking at this assessment, said, This is going to be adding to the deficit. That's right, and we didn't need to do that. Instead, we should be focusing on things that are deficit neutral that will give American business things that will add productivity right now.

I strongly urge my colleagues to reject this proposal and think about the young Johnny Hammers of this world investing in our future in a way that is responsible and sustainable.

Mr. CAMP. Mr. Speaker, I am prepared to close.

I believe the gentleman from Michigan (Mr. LEVIN) has the right to close.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) has the right to close. It is Mr. LEVIN's amendment, and Mr. CAMP is a manager in opposition.

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

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

The SPEAKER pro tempore. The gentleman is recognized for 2 minutes.

Mr. LEVIN. There is a criticism that the bonus depreciation provision doesn't go far enough. My answer to that is: let's pass this and then join together. You have supported bonus depreciation in the past. You haven't acted on it. We do.

Let me just say what's at stake. This bill isn't going anywhere—it's going nowhere, but it says everything about the majority's priorities.

They oppose raising taxes on the very wealthy, they take a pledge that applies to the very wealthy, and they end up with a bill they won't pay for. They make empty rhetoric about the deficit. Essentially what they're coming here today to do is to make it worse, by giving a tax break to the very wealthy through this bill.

□ 1250

We've said it many times, nobody refutes it. You're stuck on a pledge not to raise taxes even for the very wealthy, and you come today with a proposal for a tax break for 125,000 taxpayers making more than a million dollars with a tax break of 58,000. Then to make it still worse, you cut necessary programs for lower- and middle-income families, from child care and Meals On Wheels. Where's your conscience?

The SPEAKER pro tempore. The time of the gentleman from Michigan (Mr. LEVIN) has expired, and the gentleman from Michigan (Mr. CAMP) has 4½ minutes remaining.

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

I appreciate at least hearing some of the new-found fiscal responsibility from my friends on the other side, since the Obama administration has come into office with help from Democrats on the other side of the aisle who increased the debt by $5 trillion, with a ''t.''

Let me just comment on this substitute. It's not that the bonus depreciation in this legislation doesn't go far enough. It's that it doesn't provide bonus depreciation. It does limit the bill based on the concept of bonus depreciation, but this bill has been analyzed by the Joint Committee on Taxation.

Rather than providing the $46 billion of tax relief, this bill only provides a small fraction of that, 6 percent. Under the underlying legislation, millions of small businesses would be able to make investments, be able to buy equipment, would be able to hire workers. This substitute guts the bill and will result in no economic impact in this country.

I would urge a ''no'' vote on the substitute. I would urge support for the underlying bill, and I yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would note that it is not in order during debate to refer to persons on the floor of the House as guests of the House.

Pursuant to the rule, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentleman from Michigan (Mr. LEVIN).

The question is on the amendment offered by the gentleman from Michigan (Mr. LEVIN).

The question was taken; and the Speaker pro tempore announced that the noes 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 175, nays 236, not voting 20, as follows:

[Roll No. 175]

YEAS—175

Ackerman
Altmire
Andrews
Baca
Baldwin
Bass (CA)
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Bonamici
Boswell
Brady (PA)
Brown (FL)
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Chu
Cicilline
Clarke (MI)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Critz
Crowley
Cuellar
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutch
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Edwards
Ellison
Engel
Eshoo
Farr
Fattah
Frank (MA)
Fudge
Garamendi
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hahn
Hanabusa
Hastings (FL)
Heinrich
Higgins
Himes
Hinchey
Hinojosa
Hirono
Hochul
Holden
Holt
Honda
Hoyer
Israel
Jackson (IL)
Jackson Lee (TX)
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kildee
Kind
Kissell
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maloney
Markey
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McNerney
Meeks
Michaud
Miller (NC)
Miller, George
Moore
Moran
Murphy (CT)
Nadler
Neal
Olver
Owens
Pallone
Pascrell
Pastor (AZ)
Pelosi
Perlmutter
Peters
Pingree (ME)
Polis
Price (NC)
Quigley
Rahall
Reyes
Richardson
Richmond
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell
Sherman
Sires
Smith (WA)
Speier
Stark
Sutton
Thompson (CA)
Tierney
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Watt
Waxman
Welch
Wilson (FL)
Woolsey
Yarmuth

NAYS—236

Adams
Aderholt
Akin
Alexander
Amash
Amodei
Austria
Bachmann
Bachus
Barletta
Barrow
Bartlett

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

NOT VOTING—20

Bass (NH)
Bishop (UT)
Braley (IA)
Burton (IN)
Filner
Flake
Gosar
Guinta
Manzullo
Marino
Napolitano
Nunes
Paul
Rangel
Schrader
Slaughter
Thompson (MS)
Walsh (IL)
Waters
Young (FL)

□ 1317

Mrs. ROBY and Messrs. McCARTHY of California and REICHERT changed their vote from ''yea'' to ''nay.''

Messrs. CARSON of Indiana, COURTNEY, and CAPUANO changed their vote from ''nay'' to ''yea.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NAPOLITANO. Mr. Speaker, on Thursday, April 19, 2012, I was absent during rollcall vote No. 175 due to a family medical emergency. Had I been present, I would have voted "yea" on agreeing to the Levin Substitute Amendment to H.R. 9, Small Business Tax Cut Act.

Mr. FILNER. Mr. Speaker, on rollcall 175, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted "yea."

□ 1320

The SPEAKER pro tempore (Mr. WOMACK). The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT

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

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

Mr. DEUTCH. I am opposed.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Deutch moves to recommit the bill H.R. 9 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:

At the end of paragraph (2) of section 200(c) of the Internal Revenue Code of 1986, as proposed to be added by section 2 of the bill, add the following:

''(C) DENIAL OF DEDUCTION FOR CERTAIN BUSINESSES.—The term 'domestic business gross receipts' shall not include any gross receipts attributable to any of the following:

''(i) ILLEGAL ACTIVITIES.—Any illegal activity, including trafficking in illegal drugs and prostitution.

''(ii) PORNOGRAPHY.—Any property with respect to which records are required to be maintained under section 2257 of title 18, United States Code.

''(iii) DISCRIMINATORY GOLF COURSES AND CLUBS.—Golf courses or clubs that discriminatorily restrict membership on the basis of sex or race.

''(iv) LOBBYING.—Activities described in section 162(e)(1).

''(v) BUSINESS ACTIVITIES OF PERSONS IN VIOLATION OF THE IRAN SANCTIONS ACT OF 1996.—Any activity of any person (including any successor, assign, affiliate, member, or joint venturer with an ownership interest in any property or project any portion of which is owned by such person) that is in violation of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) or the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.).

''(D) DISCLOSURE BY MEMBERS OF CONGRESS.—No amount shall be taken into account as domestic business gross receipts by any Member of Congress unless the amount of the deduction allowed under this section and a description of the business activities giving rise to such deduction are publicly disclosed (in such manner and form as the Secretary may prescribe) not later than the date on which the return of tax is filed.''.

Add at the end of the bill the following:

SEC. 3. DENIAL OF DEDUCTION FOR MOVING UNITED STATES JOBS OVERSEAS.

(a) IN GENERAL.—Subsection (e) of section 200 of the Internal Revenue Code of 1986, as added by section 2 of this Act, is amended by adding at the end the following new paragraph:

''(4) DENIAL OF DEDUCTION FOR MOVING UNITED STATES JOBS OVERSEAS.—

''(A) IN GENERAL.—No deduction shall be allowed under this section with respect to any employer—

''(i) which has fewer full-time equivalent employees in the United States for the taxable year beginning in calendar year 2012 as compared to the preceding taxable year, and

''(ii) which has more full-time equivalent employees outside the United States for the taxable year beginning in calendar year 2012 as compared to the preceding taxable year.

''(B) EMPLOYEES OUTSIDE THE UNITED STATES.—For purposes of this paragraph, an employee shall be treated as employed by the employer outside the United States whether employed directly or indirectly through a controlled foreign corporation (as defined in section 957) or a pass-through entity in which the taxpayer holds at least 50 percent of the capital or profits interest.

''(C) EXCEPTION FOR EMPLOYEES SEPARATED VOLUNTARILY OR FOR CAUSE.—For purposes of this paragraph, the number of full-time equivalent employees shall be determined without regard to any employee separated from employment voluntarily or for cause.

''(D) AGGREGATION RULE.—Subsection (d)(5)(A) shall apply for purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

Mr. DEUTCH (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading of the amendment.

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

Mr. CAMP. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

The Clerk continued to read.

Mr. CAMP (during the reading). Mr. Speaker, I ask unanimous consent to suspend the reading.

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

Mr. CROWLEY. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

The Clerk continued to read.

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

Mr. DEUTCH. Mr. Speaker, this debate has revealed deep differences between the majority and minority when it comes to how to grow our economy. We object to how Leader CANTOR's bill borrows $47 billion from China for tax cuts designed to benefit millionaires. That's why the CBO ranked this proposal second to dead last in a long list of things we could do to create jobs.

Now, Americans have learned by now that there is no such thing as a temporary Republican tax cut for the wealthy. They're all permanent. Let's acknowledge the real price tag here, a half a trillion dollars in deficit spending over the next decade—not for education, not for infrastructure, another $500 billion in windfall for the wealthy.

As I said before, our disagreements run deep. The fact that we are outnumbered means that this misguided legislation will likely pass. Given that reality, we should at least be able to come together and agree on which businesses should be excluded from this new windfall. That's what my amendment aims to do.

My changes are relatively small. In fact, Leader CANTOR's legislation remains largely the same. For example, pass my amendment, and H.R. 9 will still uphold the GOP plan to take $46 billion from China and give half of it to millionaires. H.R. 9 will still count oil speculators, professional sports teams, and corporate lobbyists as small businesses. H.R. 9 will still pick and choose winners and losers by arbitrarily adding new loopholes to our already overcomplicated Tax Code. And, of course, Leader CANTOR's massive tax cut will remain available to businesses even if they create no jobs at all.

So let me be crystal clear about what my bill changes. It better safeguards our taxpayer dollars.

First, my amendment will stop businesses engaging in illegal activity, from drug trafficking to prostitution, from receiving this deduction. This is a no-brainer, and I have no idea why it's not in the bill already. We should all agree, given the recent news from South America, that there is no such thing as being too careful with American tax dollars.

Second, this amendment ensures that no company that outsources American jobs will qualify for this windfall. Certainly our constituents don't want us borrowing money from China to give to companies that outsource jobs to China. Certainly we can all agree that cutting taxes for businesses that are American in name only, that choose foreign workers over American workers, do not deserve another giveaway.

Third, my amendment prevents companies that do business with Iran from being eligible for this tax cut. As Iran pursues an illicit nuclear weapons program, we should not reward businesses that threaten the security of the United States and our treasured ally Israel.

Mr. Speaker, my amendment also stops this bill from cutting taxes for pornographic empires that somehow qualify as small businesses under this bill. It also requires Members of Congress who are owners of small businesses to disclose any benefits that they get under this bill. It excludes golf courses that discriminate based on race and gender. Finally, my amendment bans lobbyists from cashing in on this deduction.

Now, look, I know as soon as I sit down a colleague from the other side of the aisle will come forward and claim that I'm pursuing some procedural ploy and attempting to kill the bill. That's simply not true. Adopt these changes so we can vote on the final bill right here and right now.

Join me and prevent Americans' hard-earned tax dollars from subsidizing Iranian nucs, cutting costs for criminals, and padding the pockets of pornographers. And let's make sure that this bill does not reward companies that ship jobs overseas. It is the right thing to do. It's up to us to make these changes. We can make them right here and right now.

I ask all of my colleagues to protect the American taxpayers and support these final protections to the bill.

I yield back the balance of my time.

□ 1330

Mr. CAMP. Mr. Speaker, I seek time in opposition to the motion.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 5 minutes.

Mr. CAMP. I would just say to my friend that I'm not going to stand up and say that this is a procedural ploy. But I will stand up and say it is a political ploy.

We should not be picking winners and losers. The fact is small businesses are hurting because of the failed policies of the Obama administration. It's time to stand up for small business and the people they employ.

Let's get America back to work. I urge defeat of this motion to recommit and support for H.R. 9, the Small Business Tax Cut Act.

I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

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

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

RECORDED VOTE

Mr. DEUTCH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on passage.

The vote was taken by electronic device, and there were—ayes 179, noes 229, not voting 23, as follows:

[Roll No. 176]

AYES—179

Ackerman
Altmire
Andrews
Baca
Baldwin
Bass (CA)
Becerra
Berkley
Berman
Bishop (GA)
Bishop (NY)
Blumenauer
Bonamici
Boren
Boswell
Brady (PA)
Brown (FL)
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Chu
Cicilline
Clarke (MI)
Clarke (NY)
Clay
Cleaver
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Critz
Crowley
Cuellar
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutch
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Edwards
Ellison
Engel
Eshoo
Farr
Fattah
Frank (MA)
Fudge
Garamendi
Gonzalez
Green, Al
Grijalva
Gutierrez
Hahn
Hanabusa
Hastings (FL)
Heinrich
Higgins
Himes
Hinchey
Hinojosa
Hirono
Hochul
Holden
Holt
Honda
Hoyer
Israel
Jackson (IL)
Jackson Lee (TX)
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kildee
Kind
Kissell
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maloney
Markey
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNerney
Meeks
Michaud
Miller (NC)
Miller, George
Moore
Moran
Murphy (CT)
Nadler
Neal
Olver
Owens
Pallone
Pascrell
Pastor (AZ)
Pelosi
Perlmutter
Peters
Pingree (ME)
Polis
Price (NC)
Quigley
Rahall
Reyes
Richardson
Richmond
Ross (AR)
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schrader
Schwartz
Scott (VA)
Scott, David
Serrano
Shuler
Sires
Smith (WA)
Speier
Stark
Sutton
Thompson (CA)
Tierney
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Woolsey
Yarmuth

NOES—229

Adams
Aderholt
Akin
Alexander
Amash
Amodei
Austria
Bachmann
Bachus
Barletta
Barrow
Bartlett
Barton (TX)
Benishek
Berg
Biggert
Bilbray
Bilirakis
Black
Blackburn
Bonner
Bono Mack
Boustany
Brady (TX)
Brooks
Broun (GA)
Buchanan
Bucshon
Buerkle
Burgess
Calvert
Camp
Campbell
Canseco
Cantor
Capito
Carter
Cassidy
Chabot
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Cravaack
Crawford
Crenshaw
Culberson
Davis (KY)
Denham
Dent
DesJarlais
Diaz-Balart
Dold
Dreier
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Emerson
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gingrey (GA)
Gohmert
Goodlatte
Gowdy
Granger
Graves (GA)
Graves (MO)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Hayworth
Heck
Hensarling
Herger
Herrera Beutler
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (IL)
Johnson (OH)
Johnson, Sam
Jordan
Kelly
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kline
Labrador
Lamborn
Lance
Lankford
Latham
LaTourette
Latta
Lewis (CA)
LoBiondo
Long
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McKeon
McKinley
McMorris Rodgers
Meehan
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mulvaney
Murphy (PA)
Myrick
Neugebauer
Noem
Nugent
Nunnelee
Olson
Palazzo
Paulsen
Pearce
Pence
Peterson
Petri
Pitts
Platts
Poe (TX)
Pompeo
Posey
Price (GA)
Quayle
Reed
Rehberg
Reichert
Renacci
Ribble
Rigell
Rivera
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross (FL)

Royce
Runyan
Ryan (WI)
Scalise
Schilling
Schmidt
Schock
Schweikert
Scott (SC)
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stearns
Stivers
Stutzman
Sullivan
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner (NY)
Turner (OH)
Upton
Walberg
Walden
Webster
West
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Yoder
Young (AK)
Young (IN)

NOT VOTING—23

Bass (NH)
Bishop (UT)
Braley (IA)
Burton (IN)
Clyburn
Filner
Flake
Gosar
Green, Gene
Guinta
Landry
Manzullo
Marino
Napolitano
Nunes
Paul
Rangel
Sewell
Sherman
Slaughter
Thompson (MS)
Walsh (IL)
Young (FL)

□ 1345

Mrs. EMERSON changed her vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mrs. NAPOLITANO. Mr. Speaker, on Thursday, April 19, 2012, I was absent during rollcall vote No. 176 due a family medical emergency. Had I been present, I would have voted "aye" on the Motion to Recommit to H.R. 9, Small Business Tax Cut Act.

Mr. GENE GREEN of Texas. Mr. Speaker, on rollcall No. 176, the Democratic Motion to Recommit H.R. 9, had I been present, I would have voted "aye."

Mr. FILNER. Mr. Speaker, on rollcall 176, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted "aye."

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 noes appeared to have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 235, nays 173, answered ''present'' 1, not voting 22, as follows:

[Roll No. 177]

YEAS—235

Adams
Aderholt
Akin
Alexander
Amodei
Austria
Bachmann
Bachus
Barletta
Barrow
Bartlett
Barton (TX)
Benishek
Berg
Biggert
Bilbray
Bilirakis
Bishop (NY)
Black
Blackburn
Bonner
Bono Mack
Boren
Boswell
Boustany
Brady (TX)
Brooks
Buchanan
Bucshon
Buerkle
Burgess
Calvert
Camp
Campbell
Canseco
Cantor
Capito
Carter
Cassidy
Chabot
Chaffetz
Chandler
Coble
Coffman (CO)
Cole
Conaway
Cravaack
Crawford
Crenshaw
Cuellar
Culberson
Davis (KY)
Denham
Dent
DesJarlais
Diaz-Balart
Dold
Donnelly (IN)
Dreier
Duffy
Duncan (SC)
Duncan (TN)
Ellmers
Emerson
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garamendi
Gardner
Garrett
Gerlach
Gibbs
Gibson
Gingrey (GA)
Gohmert
Goodlatte
Gowdy
Granger
Graves (GA)
Graves (MO)
Griffin (AR)
Griffith (VA)
Grimm
Guthrie
Hall
Hanna
Harper
Harris
Hartzler
Hastings (WA)
Hayworth
Heck
Hensarling
Herger
Herrera Beutler
Hochul
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurt
Issa
Jenkins
Johnson (IL)
Johnson (OH)
Johnson, Sam
Jones
Jordan
Kelly
King (IA)
King (NY)
Kingston
Kinzinger (IL)
Kissell
Kline
Lamborn
Lance
Lankford
Latham
Latta
Lewis (CA)
LoBiondo
Loebsack
Long
Lucas
Luetkemeyer
Lungren, Daniel E.
Mack
Marchant
Matheson
McCarthy (CA)
McCaul
McCotter
McHenry
McIntyre
McKeon
McKinley
McMorris Rodgers
Meehan
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Murphy (PA)
Myrick
Neugebauer
Noem
Nugent
Nunnelee
Olson
Owens
Palazzo
Paulsen
Pearce
Pence
Petri
Pitts
Platts
Poe (TX)
Pompeo
Posey
Price (GA)
Quayle
Reed
Rehberg
Reichert
Renacci
Rigell
Rivera
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rokita
Rooney
Ros-Lehtinen
Roskam
Ross (AR)
Ross (FL)
Royce
Runyan
Ruppersberger
Ryan (WI)
Scalise
Schilling
Schmidt
Schock
Schweikert
Scott (SC)
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Southerland
Stearns
Stivers
Stutzman
Sullivan
Sutton
Terry
Thompson (PA)
Thornberry
Tiberi
Tipton
Turner (NY)
Turner (OH)
Upton
Walberg
Walden
Walz (MN)
Webster
West
Westmoreland
Whitfield
Wilson (SC)
Wittman
Womack
Yoder
Young (AK)
Young (IN)

NAYS—173

Ackerman
Altmire
Amash
Andrews
Baca
Baldwin
Bass (CA)
Becerra
Berkley
Berman
Bishop (GA)
Blumenauer
Bonamici
Brady (PA)
Braun (GA)
Brown (FL)
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chu
Cicilline
Clarke (MI)
Clarke (NY)
Clay
Cleaver
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Critz
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutch
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Engel
Eshoo
Farr
Fattah
Fortenberry
Frank (MA)
Fudge
Gonzalez
Green, Al
Grijalva
Gutierrez
Hahn
Hanabusa
Hastings (FL)
Heinrich
Higgins
Himes
Hinchey
Hinojosa
Hirono
Holden
Holt
Honda
Hoyer
Israel
Jackson (IL)
Jackson Lee (TX)
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kildee
Kind
Kucinich
Labrador
Langevin
Larsen (WA)
Larson (CT)
LaTourette
Lee (CA)
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Luján
Lummis
Lynch
Maloney
Markey
Matsui
McCarthy (NY)
McClintock
McCollum
McDermott
McGovern
McNerney
Meeks
Michaud
Miller (NC)
Miller, George
Moore
Moran
Mulvaney
Murphy (CT)
Nadler
Neal
Olver
Pallone
Pascrell
Pastor (AZ)
Pelosi
Peters
Peterson
Pingree (ME)
Polis
Price (NC)
Quigley
Rahall
Reyes
Ribble
Richardson
Richmond
Rothman (NJ)
Roybal-Allard
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schrader
Schwartz
Scott (VA)
Scott, David
Serrano
Sewell
Sherman
Shuler
Sires
Smith (WA)
Speier
Stark
Thompson (CA)
Tierney
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watt
Waxman
Welch
Wilson (FL)
Woodall
Woolsey
Yarmuth

ANSWERED ''PRESENT''—1

Wolf

NOT VOTING—22

Bass (NH)
Bishop (UT)
Braley (IA)
Burton (IN)
Clyburn
Filner
Flake
Gosar
Green, Gene
Guinta
Landry
Manzullo
Marino
Napolitano
Nunes
Paul
Perlmutter
Rangel
Slaughter
Thompson (MS)
Walsh (IL)
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1355

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 against:

Mr. GENE GREEN of Texas. Mr. Speaker, on rollcall No. 177, final passage of H.R. 9, had I been present, I would have voted "nay."

Mrs. NAPOLITANO. Mr. Speaker, on Thursday, April 19, 2012, I was absent during rollcall vote No. 177 due to a family medical emergency. Had I been present, I would have voted "nay" on final passage of H.R. 9, Small Business Tax Cut Act.

Mr. FILNER. Mr. Speaker, on rollcall 177, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted "nay."

PERSONAL EXPLANATION

Mr. MANZULLO. Mr. Speaker, I missed votes today to attend to official government business in Illinois. If I had been here, I would have voted "yea" on rollcall No. 172; "yea" on rollcall No. 173; "yea" on rollcall No. 174; "no" on rollcall No. 175; "no" on rollcall No. 176; and "yea" on rollcall No. 177.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2341

Mr. LANGEVIN. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor of H.R. 2341.

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

There was no objection.

□ 1400

LEGISLATIVE PROGRAM

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Mr. Speaker, I yield to the majority leader, the gentleman