Medicare services and by extending the life of Medicare for years to come. Instead of making Medicare better, House Republicans want to decimate the program and force seniors to pay much more and give private health insurance companies and other special interests the authority to raid the Medicare trust fund, which they will do in order to pad their bottom line, which they would love to do. This would take us exactly in the wrong direction. Every single senior in America should be outraged.

You can even get simple things like better information about private health insurance by just going to the Web site healthcare.gov. The information is out there to help people shop for better coverage today.

There is so much more that has already happened and more to come, such as the nearly $70 million in grants West Virginia has already received for things like community health centers. We put aside $10 billion in the bill for maybe up to 1,000 new rural health care clinics across America. As the Presiding Officer knows, in places such as Lincoln County in West Virginia, people don't want to go to hospitals, but they will go to clinics happily because they are on the first floor, tend to be in buildings that used to be stores or whatever, and they get good medical care right there.

In closing, why would we want to throw this law out the window knowing just these facts? Think about it. The reforms here are the most significant reforms in health care in several generations. It is an effort that 50 years from now history will record the same way we do Social Security or Medicare Programs—as an essential part of the implicit promise to care for its citizens, to allow people to age with dignity, and to find ways to make our society a better place.

So as we mark the 2-year anniversary of the health care reform law becoming the law of the land—and the folks across the street will decide if that stands up or not, but I think they will—I, for one, am proud of my role in its passage and grateful that Congress came together on such a historic issue.

I thank the Presiding Officer.

I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TESTER). Without objection, it is so ordered.

Mr. KYL. I ask unanimous consent to speak in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX SUBSIDIES REPEAL

Mr. KYL. Mr. President, I will address the bill that will be before us later today.

The title of the bill is ''Repeal Big Oil Tax Subsidies Act.'' I think that title begs the question: What is a tax subsidy? Most Americans would define a tax subsidy as a payment of cash, such as through a tax credit, from the government to a particular industry. Does this bill address subsidies? The answer is, absolutely. But instead of repealing tax subsidies, it actually creates more of them.

Under this bill, the government would subsidize particular industries or activities through a host of tax credits. These subsidies range from tax credits for energy-efficient homes, alternative fuel vehicles, plug-in electric vehicles, cellulosic biofuels, wind energy production, biodiesel and renewable diesel, and the list goes on and on. In other words, the Tax Code would be providing special tax breaks for specific industries, and the one thing that is common to all these is that they are the so-called green energies. They are the ones that would receive the special tax treatment, to the tune of $12 billion. There are even direct cash grants from the Treasury Department for industries that invest in green energy so companies don't have to worry about whether they have a tax liability to take advantage—direct cash grants. These are clearly subsidies aimed at particular industries, the very thing the President himself has said we should avoid if we want a simpler Tax Code with lower rates that doesn't pick winners and losers.

So, yes, this bill deals with tax subsidies. It creates a bunch of them, and they are in a very specific area—$12 billion worth.

What about oil and gas? It turns out there are no special tax provisions for oil and gas. There is no special oil and gas loophole or giveaway, as somebody called it. Oil and gas companies use the same IRS Code other kinds of companies use. They pay taxes under those provisions. They get deductions or credits under some other of those provisions but nothing that doesn't apply to other industries the same way. In fact, what this bill does is to take away the rights of oil and gas companies under some of these provisions and leave those provisions intact for others. In other words, it discriminates against specific companies within a specific industry.

There are four particular areas. The first is section 199 of the Tax Code. This is the basic code under which all producers—people who manufacture things, who produce things—are allowed to take what is called a manufacturing deduction of 9 percent, except we have already discriminated against the oil companies. They can only take a deduction of 6 percent, but it is the same for the other industries; otherwise, it is 9 percent. But this bill would eliminate that deduction altogether for the larger oil and gas companies—the so-called integrated companies—but not for other domestic producers. So it is discriminatory twice over. Remarkably, therefore, companies such as the Venezuelan company, CITGO—a large oil and gas producer—could continue to take the deduction, but U.S.-based companies could not.

How is that for double discrimination. First, all other companies in the country get to deduct 9 percent, big oil companies only get to deduct 6 percent, and this bill would eliminate that deduction for some of the American oil producers.

How about intangible drilling costs. This is part of the so-called R&D—or research and development—tax treatment. Research and development is something many businesses do, and when they do it, they get to deduct those costs as against their tax liability. For the oil and gas industry, the research and development is called intangible drilling costs. Those are part of the R&D exploration for energy.

Again, the oil companies are actually already discriminated against; whereas, other businesses can expense 100 percent of these R&D costs; large oil and gas companies, as I have said, can only expense 70 percent. So they are already being discriminated against, to some extent. This bill would further discriminate against them by eliminating the expensing altogether. In other words, whereas most companies can expense 100 percent and smaller oil and gas companies could still expense 100 percent, these larger companies could no longer expense any of it. Their current-year deduction would be gone.

The third area is for businesses that have operations abroad that pay both taxes and royalties. They are called dual capacity companies. There are a lot of dual capacity kinds of businesses. Oil and gas is one of them because they pay both taxes and royalties; casino operators are another, to give another example. In order to prevent double taxation for American companies that pay both foreign taxes and American taxes—and obviously they are competing against companies that only pay taxes once—in order to mitigate that, every American company, whether it is an oil company or any other kind of company, is allowed to take a foreign tax credit for foreign taxes paid. So whatever their American tax liability is, they get to take a credit against that for what they have already paid to another country in tax liability there.

If they owe $100 in taxes and they have already paid Great Britain $70 in taxes, then they get to take a credit of that $70 against the $100 American liability. That is the way it works for all businesses abroad, including the dual capacity taxpayers.

This bill would eliminate part of the foreign tax credit for the large integrated oil and gas companies; therefore, putting our companies at a severe disadvantage with other oil and gas companies doing business around the world. Of course, oil and gas business is all around the world. They go where the oil or the gas is and extract it and then ship it to the user. Why would we deliberately give foreign competitors an even greater advantage in foreign markets than they already enjoy? As I said, this bill singles out oil and gas companies and would not extend the same discriminatory treatment to other dual capacity taxpayers such as, as I mentioned before, casinos. Again, it is a double discrimination against oil and gas companies.

Finally, we have what is called percentage depletion. Every company, including oil and gas companies, that extracts minerals from the Earth or other substances from the Earth is allowed to use the percentage depletion method for calculating their taxes. But, again, for the last 30 years, the large integrated oil and gas companies can't do it. So they are already prohibited from using this method. This bill repeals it again, so we are going to repeal something that has already been repealed. I guess that is OK. It is not necessary. I guess it is a way to further kick somebody in the rear end if we don't like them.

The question is, therefore, why should we be doing this to oil and gas companies? The Wall Street Journal pointed out in a recent editorial—by the way, the title is ''Big Oil, Bigger Taxes''—that the oil and gas industry is subsidizing the government, not the other way around. Because of the amount of taxes oil companies pay—far more than other companies—they are actually subsidizing the U.S. Government. Oil and gas companies paid almost $36 billion in taxes in 2009 alone. That is just one industry—the oil and gas companies—$36 billion. According to American Petroleum Institute figures, oil and gas companies had an average effective tax rate of 41 percent in 2010 and paid more in total taxes than any other industry.

For those folks who somehow suggest oil and gas is getting some big break, that they are not paying their fair share in taxes, this evidence clearly refutes that. We will remember the President's Buffet rule: Everybody should pay at least 30 percent in taxes. Oil and gas companies already pay at the rate of 41 percent, so it is not as if they are getting off with some kind of special break.

Generally, our Tax Code allows companies to recover their expenses. It allows businesses, including oil and gas businesses, to recover their costs of doing business. As I said before, the oil and gas industry is already discriminated against. They can't recover all their costs. Under section 199, for example, other companies get to deduct 9 percent; they can only deduct 6 percent. This bill would also remove provisions that allow them to expense. So the code which already treats them the same or worse than other industries would now treat them substantially worse.

Yes, of course, oil and gas companies have profits and, in some cases, they are large profits. But they are large in scale—their businesses are large in scale—because they have to be in order to compete. It costs billions of dollars just to invest in one oil rig out in the Gulf of Mexico, for example. According to industry estimates, it costs between $1.3 billion and $5.7 billion to produce oil in one deepwater platform in the Gulf of Mexico. Think about it: If someone is making $200 a year, obviously, they can't do that. It takes companies that make an enormous amount of money to spend $5 billion on one oil platform to try to find oil and gas. Don't we want companies such as that to find oil and gas so we can get more of it on the market so we don't have to pay as much when we try to fill our car at the pump?

What would happen if we used the Tax Code to further penalize oil and gas companies with these massive tax increases? Does anybody think the costs aren't going to be passed on?

According to the Congressional Research Service, tax increases such as the ones in the bill ''would make oil and natural gas more expensive for U.S. consumers and likely increase foreign dependence.''

Everybody talks about reducing the price of gas at the pump and reducing U.S. dependence. What these tax increases would do is to further that dependence and increase the prices at the pump. This isn't like shooting ourselves in the foot; it is like shooting ourselves in the head. Why would we do this? We would have less domestic energy production. Obviously, taxing an activity more means we will get less of it.

How about jobs? The oil and gas industry supports more than 9 million American jobs. The American Petroleum Institute estimates that 1 million new jobs could be created in the next 7 years if punitive new tax increases and unnecessary new regulations are avoided. We desperately need to create jobs. These are good American jobs. Why would we want to destroy jobs by imposing an unfair tax on an industry which is producing something we desperately need?

Foreign oil companies, such as those based in Russia and China and Venezuela, would have an even greater competitive advantage over American companies in these overseas markets if we impose these taxes on American companies.

Finally, we would hurt tens of millions of Americans who invest in these companies through pension funds, retirement accounts, and mutual funds. In other words, this bill would eliminate tax provisions that are not giveaways or subsidies to producers in the United States in order to pay for tax subsidies that would be given to specially chosen industries—so-called green industries. In the process, we would get higher fuel prices for consumers, less domestic oil and gas production, more dependence on foreign oil, fewer jobs, less American competitiveness, and less retirement saving. This does not sound like a deal worth making.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. HELLER. Mr. President, here we go again. Once again, Washington is doing its old familiar song and dance: pushing another measure that is big on talking points but very light on solutions.

The truth is, the measure we are debating will not help anyone struggling with rising gas prices. It is past time for Congress to get to work on solving our Nation's most pressing issues.

Nevadans have already been hit hard by this economic downturn. Gas prices are only making a tough situation worse. Congress should do everything within its power to provide relief to Americans who are already struggling to make ends meet.

In Las Vegas, the average price of gas is $3.93 a gallon. Up north in Reno, gas prices are already more than $4 a gallon. In the rural town of Elko, the local newspaper recently reported that gas prices have increased by 48 cents in the last month.

I received a text message recently from a prominent businessman in my State. He wrote:

> Regular gas at $4.56 per gallon in southern California—beginning to really affect our businesses.

This is an issue Congress has ignored for far too long. Instead of addressing gas prices, my colleagues on the other side of the aisle are retreating to failed policy in hopes of distracting Americans from the dramatic price and rise of prices at the pump. They are merely following the lead of this administration, whose own Secretary of Energy statements before Congress indicated that their overall energy goal is not to lower gas prices.

Unfortunately, my colleagues fail to understand what the American people have understood all along; that is, to have a healthy economy, we need affordable energy. Developing domestic energy resources and building the infrastructure to get it to market will not only create jobs, but it will bring more energy resources to market.

Nevada still has the unfortunate distinction of leading the Nation in both unemployment and foreclosures. Whether you live in the vast expanse of rural Nevada or in urban Las Vegas, high gasoline prices disproportionately impact my home State.

The current state of our economy and the rising gas prices represent an extreme blow to many sectors of Nevada's economy, tourism in particular. Tourism and the jobs dependent on that industry will be further devastated as gas prices increase at a time when Nevadans are hurting most.

Additionally, Nevada is roughly 110,000 square miles. High gas prices mean more vacant hotel rooms. It means more empty restaurants. It means more closed small businesses. Many of my constituents must travel great distances to work or for basic goods and services. At a time when middle-class families across Nevada have already been forced to tighten their belts, the last thing they need is to feel the squeeze of higher gas prices.

In Nevada we need jobs, not policies that make job creation more difficult. I believe continuing to develop renewable and alternative sources is important to Nevada for the clean energy and job creation it brings. The development of renewable energy is something I have long advocated. However, our Nation must have a diverse energy strategy.

A truly comprehensive approach to our domestic energy security will create jobs and improve our economy. We must develop all of our resources, and I would argue that the positive impact increased domestic production would have on our economy in terms of jobs and revenue would actually facilitate the development of the technologies of the future.

There is no doubt alternative sources of energy are our future. While we work to develop and perfect those technologies, we need to secure our economy now by having an energy policy that respects the cause of the problem; that is, supply and demand.

What concerns me is we are not debating a bill that today provides solutions. Today's debate is about a bill that is merely two failed policies repackaged as a political stunt. Congress should not double down on failed stimulus programs that have put Nevadans out of work and have done little to salvage our economy. Americans do not want more political gimmicks. They want solutions. What Congress needs to focus on are policies that will lower gas prices for Americans and fuel job creation.

For this reason, I have authored an amendment to this legislation that is truly a compromise containing solutions to the issues we are facing today. My amendment, the Gas Price Relief Act, would relieve gas prices at the pump, increase domestic energy production, and close tax loopholes.

Under the Gas Price Relief Act, every American who drives a car will reap the benefit of tax relief. My legislation closes tax loopholes for the major integrated oil companies and cuts the gas tax while ensuring revenue is still being delivered to the highway trust fund.

My amendment also provides for domestic energy production and infrastructure, which will create jobs and at the same time increase supply. It is truly a commonsense ''all of the above'' strategy to provide for the development of our domestic energy resources in order to meet our energy needs.

It is imperative Washington takes on our Nation's most pressing issues, not simply instigate partisan fights. Washington should not continue to play politics with America's paychecks. The longer Congress delays making tough decisions the more people in Nevada and across our Nation suffer.

In my home State of Nevada, gas prices have more than doubled since 2009. Higher energy costs impact every aspect of life: from the cost of food and clothing to virtually every good and service on which we rely.

Expanding domestic energy production, improving our energy infrastructure, and passing savings along to the American people are the right objectives to meet our Nation's immediate and future energy needs.

Let's move beyond the partisan fights of today and start producing the results Nevadans and all Americans are asking for.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PAUL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PAUL. Mr. President, I rise today to discuss gas prices. Gas prices have doubled under this President, so today this body will consider new legislation which the other side, I assume, thinks will make the situation better. But their solution is to raise taxes on oil companies—raise taxes by $25 billion.

Any of you who have a business know when we raise taxes on a business, it simply is a cost to doing business. When your costs increase for making your product, what do you do? You charge your consumer more.

So I am not sure what person is advising the other side, but I do not quite understand how raising $25 billion worth of cost on the oil industry is going to help gas prices. In fact, I think it is going to send gas prices even higher.

Some on the other side say: Oh, this is a matter of fairness; everybody needs to pay their fair share. Well, oil companies actually pay $86 million a day in taxes. In the last 10 years the oil companies have paid over $100 billion in taxes. And the people who say, well, we must punish them; they are making too much money; let's punish them, well, the oil companies employ 9.2 million people. They are 8 percent of our GDP. Do we want to punish the people who are creating jobs, the people who are trying to make us energy independent in our country? It makes absolutely no sense.

Some will argue, well, we need to make the Tax Code fair, and the oil companies have special exemptions. Well, guess what. These exemptions and business deductions apply to other businesses. But they just want to take them away from one of our successful industries. It seems to me, if an industry is successful and creates 9.2 million jobs, instead of punishing them we should want to encourage them. I would think we would want to say to the oil companies: What obstacles are there to you making more money and hiring more people? Instead they say: No, we must punish them. We must tax them more to make things fair.

This whole debate about fairness is so misguided and it has gotten out of hand. The rich in our society do pay the vast majority of our taxes. Do not let them tell you otherwise. Those who make over $200,000 a year pay 70 percent of the income tax. Those who make more than $70,000 a year pay about 96 percent of the income tax. And 47 percent of our public do not pay an income tax. So those who are saying the rich are not paying their fair share are trying to use envy and class warfare to get people stirred up. But it makes absolutely no sense.

We as a society need to glorify those who make a profit and those who employ people. We need to encourage more business in this country. The oil companies employ 9.2 million people. We do not need to heap punishment on them. We need to give them encouragement to employ more people.

I will have two amendments to this bill that I think would actually make it better. While the President talks about people not paying their fair share, he is actually giving more than their fair share to his friends. I do not think the government should be used as a loan agency to give money to contributors. This is unseemly. I think the conflict of interest is undeniable.

We have companies such as Solyndra. This is a company that received $500 million of your money and went bankrupt. It just so happened that the owner of the company is the 20th richest man in the United States and a big donor of the President. It just so happens that this company, Solyndra, the person who approved their loan was related, was the husband, of a woman who worked for Solyndra.

Another company, a company called BrightSource out of Massachusetts, is owned by a member of the Kennedy family. They got $1.8 billion. Guess who approved their loan. A guy who used to work for the Kennedys who is now in President Obama's administration. It does not pass the smell test. What we have is crony capitalism or crony governmentalism where the government is picking out their friends and giving money to their friends.

So we come here today to raise taxes on Big Oil. Meanwhile, we are giving money to millionaires and billionaires, and it does not seem right that your tax dollars should be sent to companies simply because they were big contributors.

Another company, Fisker Karma, got $500 million supposedly to make an electric car in the United States. Guess where they are making it. In Finland. We sent money to Solyndra through international banks, through the Ex-

Im Bank. We sent money to First Solar through the Ex-Im Bank. Do you know what their money was for? Their money was given to them so they could buy their own products. The company bought a subsidiary in Canada. We gave money to the company in the United States and let them buy their own products with your money. It makes absolutely no sense. So I have two proposals.

One amendment to this bill would say. Look, if you think some companies are getting unfair deductions, let's get rid of all deductions. Let's just have a flat tax. Let's make the corporate income tax 17 percent. Currently it is 35 percent.

So if we want to encourage business, if we want to encourage employment, lower taxes; do not raise taxes. Canada has an income tax for their corporations of 17 percent. Most of Europe is in the low 20s, and we are at 35 percent. We wonder why we cannot get business started in this country. We wonder why there is billions, even trillions of dollars, left overseas that will not come home because we want to charge them a 35-percent tax when it comes home.

Our bill would also say: If you have already paid taxes overseas once, you do not have to pay again when you come home. So a 17-percent flat tax. We would see a boom in this country like we have not seen in a generation. We would see millions of jobs being created if we would just learn the basic facts of economics. If we punish a company, we will have less jobs. If we encourage a company by giving them more tax breaks, we will have more jobs. Taxes are a cost.

If this bill passes, not only will our gas prices continue to rise—they have already doubled—but we will see our gas prices going through the roof. But then again there are people in this administration who do not even drive a car. They do not understand the price of gas because they do not have to drive a car. Someone picks them up in a limousine. The thing is, they need to go to the pump. They need to see how much we are spending on gas. They need to see what they are doing to this country and what they are doing to the job market.

I have a second amendment to this bill that would take all of this money, all of these loans they are giving to their buddies—the Solyndra loans, the Fisker Karma loans, the First Solar loan—all of this money that is being dispensed to people who are large contributors of the President, we would take that loan program and eliminate it. When we eliminate that loan program, we would save nearly $30 billion. The GAO has said as much as $6 billion is at risk for loss now. If we were to eliminate that money, we could put half toward the debt and then put half toward rebuilding our infrastructure.

The President says he wants to rebuild our bridges. He came to my State. I stood on a bridge with him and said I would help. But the way to help is by not passing out dollars to friends that are being lost by the billions of dollars. We cannot simply create the money; let's find the money.

So I propose to end the Department of Energy loans and take that money, put half of it against the debt, and put half of that into repairing or replacing our bridges. This is how government should work. We should pick priorities. There is not an unlimited amount of money. So let's take it from an area where it is prone to corruption and where it is prone to a conflict of interest—these alternative energy loans that seem to be going mostly to the President's friends and political campaign contributors, let's take that money and use it to repair the bridges and to pay down the debt. This is what responsible government should do. But what we are doing in this body, what will happen in the next 24 hours as we discuss this bill is—and everybody in America needs to be very clear about this—when they go to the gas pump and pay more every day for gasoline, they need to realize where the responsibility lies.

The responsibility lies with those who are running up the debt, and as we pay for the debt we print new money. So gas prices rising means the value of the dollar is shrinking. That is why prices are rising. We need to realize who is to blame for the gas prices. It is those who are running up the debt. But we also have to realize it is even worse than that. It is not just the running up of the debt, we have to realize these people today now want to add $25 billion to the gas prices. That is what happens.

When we raise the taxes on the oil companies we will add $25 billion in taxes, but we will increase their cost by $25 billion. Any business that sells products simply passes that on to the consumer.

So what we are here about—and they should retitle their bill—since they are willing to, by this legislation, increase gas prices, it should be called ''the bill to raise your gas prices.''

So what I would ask this body to do is to consider two amendments that would actually lower the debt and take money away from crony capitalism and another one that would reform the Tax Code to eliminate deductions and discrepancies within the Tax Code, but to do it by lowering the tax rate, flattening the tax rate, and allowing businesses to succeed in our country.

It gets down to whom do you want to represent you in Washington, DC? Do you want a party that basically wants to punish business, those who are creating jobs, or do you want a party that wants to encourage business?

We are in the midst of a great recession. Until we understand this fundamental fact, we are not going to recover as a nation.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess subject to the call of the chair.

The Senate, at 12:43 p.m., recessed until 2:43 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

REPEAL BIG OIL TAX SUBSIDIES ACT—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 2204, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to S. 2204, a bill to eliminate unnecessary tax subsidies and promote renewable energy and energy conservation.

Mr. REID. Mr. President, I ask unanimous consent the time until 3:30 today be equally divided between the two leaders or their designees; that at 3:30 p.m. today the Senate adopt the motion to proceed to S. 2204, and then the Senate vote on the motion to invoke cloture on the motion to proceed to Calendar No. 296, S. 1789.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida.

(The remarks of Mr. NELSON of Florida are printed in today's RECORD under ''Morning Business.'')

Mr. NELSON of Florida.

I yield the floor.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, what we are seeing in the Senate this week is exhibit A in what the American people just don't like about Congress. Gas prices have more than doubled under President Obama and the Democratic control of the Senate. This is an issue that affects every single American and drives up the cost of everything from commuting to groceries.

What is the Democratic response? Well, it is legislation that even they admit won't do a thing to lower the price of gas at the pump. We have seven Democratic Senators on record saying this bill doesn't do a thing to lower gas prices. One of them has actually called it laughable. Yet that is what they are proposing here this week