school students to promote healthy eating choices through developmentally appropriate lessons and activities integrated into the school day; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RISCH (for himself and Mr. CRAPO):

S. 275. A bill to reinstate and extend the deadline for commencement of construction of a hydroelectric project involving the Little Wood River Ranch; to the Committee on Energy and Natural Resources.

By Mr. RISCH (for himself and Mr. CRAPO):

S. 276. A bill to reinstate and extend the deadline for commencement of construction of a hydroelectric project involving the American Falls Reservoir; to the Committee on Energy and Natural Resources.

By Mr. WHITEHOUSE (for himself, Mr. HARKIN, Mr. SANDERS, and Mr. LEVIN):

S. 277. A bill to replace the Budget Control Act sequester by eliminating tax loopholes, and for other purposes; to the Committee on Finance.

By Mr. WHITEHOUSE (for himself, Mr. HARKIN, Mr. SANDERS, Mr. LEVIN, and Mr. MERKLEY):

S. 278. A bill to replace the Budget Control Act sequester for fiscal year 2013 by eliminating tax loopholes; to the Committee on Finance.

By Mr. TESTER (for himself, Mr. HELLER, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. RISCH, Mr. HEINRICH, Mr. BAUCUS, and Mr. BENNET):

S. 279. A bill to promote the development of renewable energy on public land, and for other purposes; to the Committee on Energy and Natural Resources.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PAUL:

S. Res. 28. A resolution to provide sufficient time for legislation to be read; to the Committee on Rules and Administration.

## ADDITIONAL COSPONSORS

S. 116

At the request of Mr. REED, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. 116, a bill to revise and extend provisions under the Garrett Lee Smith Memorial Act.

S. 174

At the request of Mr. BLUMENTHAL, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 174, a bill to appropriately restrict sales of ammunition.

S. 183

At the request of Mrs. MCCASKILL, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 183, a bill to amend title XVIII of the Social Security Act to provide for fairness in hospital payments under the Medicare program.

S. 192

At the request of Mr. BARRASSO, the name of the Senator from Missouri (Mr. BLUNT) was added as a cosponsor of S. 192, a bill to enhance the energy security of United States allies, and for other purposes.

S. 209

At the request of Mr. PAUL, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 209, a bill to require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States, and for other purposes.

S. 232

At the request of Mr. HATCH, the names of the Senator from North Dakota (Mr. HOEVEN) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 232, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices.

S. 234

At the request of Mr. REID, the names of the Senator from Rhode Island (Mr. WHITEHOUSE), the Senator from Hawaii (Mr. SCHATZ) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 234, a bill to amend title 10, United States Code, to permit certain retired members of the uniformed services who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation, and for other purposes.

S. 240

At the request of Mr. TESTER, the names of the Senator from Rhode Island (Mr. WHITEHOUSE), the Senator from Washington (Mrs. MURRAY) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 240, a bill to amend title 10, United States Code, to modify the per-fiscal year calculation of days of certain active duty or active service used to reduce the minimum age at which a member of a reserve component of the uniformed services may retire for nonregular service.

S. 242

At the request of Mr. BURR, the names of the Senator from Massachusetts (Ms. WARREN) and the Senator from Colorado (Mr. BENNET) were added as cosponsors of S. 242, a bill to reauthorize certain programs under the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act with respect to public health security and all-hazards preparedness and response, and for other purposes.

S. 249

At the request of Mr. MENENDEZ, the names of the Senator from Hawaii (Ms. HIRONO) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 249, a bill to provide for the expansion of affordable refinancing of mortgages held by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

S. 252

At the request of Mr. ALEXANDER, the name of the Senator from Delaware (Mr. COONS) was added as a cosponsor of S. 252, a bill to reduce preterm labor and delivery and the risk of pregnancy-related deaths and complications due to pregnancy, and to reduce infant mortality caused by prematurity.

S. RES. 26

At the request of Mr. MORAN, the name of the Senator from Indiana (Mr. DONNELLY) was added as a cosponsor of S. Res. 26, a resolution recognizing that access to hospitals and other health care providers for patients in rural areas of the United States is essential to the survival and success of communities in the United States.

AMENDMENT NO. 10

At the request of Mr. PORTMAN, the names of the Senator from Ohio (Mr. BROWN), the Senator from New York (Mrs. GILLIBRAND) and the Senator from Tennessee (Mr. ALEXANDER) were added as cosponsors of amendment No. 10 intended to be proposed to S. 47, a bill to reauthorize the Violence Against Women Act of 1994.

AMENDMENT NO. 15

At the request of Mr. CORNYN, his name was added as a cosponsor of amendment No. 15 proposed to S. 47, a bill to reauthorize the Violence Against Women Act of 1994.

AMENDMENT NO. 19

At the request of Mr. CORNYN, the names of the Senator from Tennessee (Mr. ALEXANDER) and the Senator from North Dakota (Mr. HOEVEN) were added as cosponsors of amendment No. 19 intended to be proposed to S. 47, a bill to reauthorize the Violence Against Women Act of 1994.

AMENDMENT NO. 21

At the request of Mr. LEAHY, the names of the Senator from Connecticut (Mr. BLUMENTHAL), the Senator from Ohio (Mr. PORTMAN), the Senator from New York (Mrs. GILLIBRAND), the Senator from Delaware (Mr. COONS) and the Senator from Oregon (Mr. MERKLEY) were added as cosponsors of amendment No. 21 intended to be proposed to S. 47, a bill to reauthorize the Violence Against Women Act of 1994.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself and Mr. WHITEHOUSE):

S. 268. A bill to reduce the deficit and protect important programs by ending tax loopholes; to the Committee on Finance.

Mr. WHITEHOUSE. Mr. President, I am going to be joined fairly soon by the distinguished chairman of the Armed Services Committee, Senator LEVIN, to discuss the upcoming sequester and the impact the sequester will have on this country if it is allowed to go forward. Chairman LEVIN has been pretty clear about this, as have our national security officials on the defense side. It is equally harsh on the nondefense side. But most important, it will be a real blow to the economy. The economists now are saying if we let the sequester kick in as scheduled, it will cost us 1 million jobs. One million Americans will lose their jobs because we let the sequester hit.

Other things—cuts to education; 70,000 young children kicked off of Head Start; 10,000 teacher jobs at risk; funding for up to 7,200 special education teachers and aides and staff could be cut. Food safety—2,100 fewer food inspectors. Research—several thousands of our researchers who are doing cutting-edge research in all sorts of areas from electronics to finding cures for diseases could lose their jobs. Up to 373,000 seriously mentally ill adults and seriously emotionally disturbed children could go untreated at a time when we are talking about the need for more treatment in the wake of the terrible tragedy in Newtown, CT. In law enforcement we could see a lowering of capacity equivalent to more than 1,000 Federal agents. Nutrition assistance—600,000 women and children would be dropped from the Department of Agriculture's nutrition programs. More than 100,000 formerly homeless people, including veterans, would be removed from their current housing and emergency shelter programs because they would no longer be funded under these cuts.

It is a deadly serious thing, the sequester that is coming at us. There are much better alternatives. What I am doing today is filing two pieces of legislation that would completely eliminate the sequester and pay for the elimination of the sequester, not by running up the debt or the deficit, but by repealing tax giveaways, giveaways in the Tax Code. One of the bills would put in enough tax giveaways that we could get rid of the sequester for about a year, which would allow the budget process we are embarked on now to conclude and then we would be ready to go with the new budget and go forward in the regular order that way, letting the budget process drive the decision.

The other way is simply to get rid of the sequester for the full 10 years, just get rid of it for once and for all; do it now and the other bill I proposed would do that. Both bills do this without raising taxes, by going after tax giveaways, and by avoiding these kinds of Draconian defense and nondefense cuts that have been now—I guess ''estimated'' is probably the right word but I think they are pretty confident would cost America a million jobs. A million American families would lose their paychecks because we did this.

The first point I want to make as I go about this is these tax expenditures are no small thing. Here is what we collect through the income tax every year from individuals: $1.09 trillion; round numbers, $1 trillion. Here is what we give away in tax deductions, loopholes, different expenditures and deductions: $1.02 trillion. So on the individual side what we pass through the Tax Code and back to people is almost as big as what we actually collect.

When you look at the corporate income tax revenue, the corporate income tax revenue is $181 billion in 2011. Here is what went back through to corporations in tax expenditures: $157 billion.

Another way to look at it is there is $2.1 trillion of tax liability in this country. One trillion dollars of it comes back to the government in the form of actual revenues and another trillion of it gets distributed through the gimmicks and loopholes and deductions and tricks and so forth in the Tax Code. On the corporate side there is a total of $338 billion in tax liability, of which only $181 billion actually appears as revenue to the government, and the other $157 billion gets distributed again because of tricks and gimmicks and loopholes and provisions in the Tax Code.

What some of our colleagues want us to do is say: Well, we raised tax rates once—just now. We raised them on only the wealthiest families in America. We only raised them back to where they were under President Clinton when the economy was booming, but we did that and we should look no further.

The problem with that analysis is that only looks at the revenue that is actually collected. It doesn't look at the loopholes. It doesn't look at the tax expenditures either on the individual side or on the corporate side.

It is also worth noting that if we add these two up and we get $2.1 trillion or, more likely on the corporate side, if we add these up and we get $338 billion, there is more money out there which that doesn't count. That is the money that never shows up for taxation in the first place because it has been hidden in offshore tax refuges. People have pretended their income is in funds in the Cayman Islands, and they have pretended their intellectual property is in a five-person office in Ireland. There are a lot of gimmicks by which a lot of the money never even gets into this calculation. When we look at the pain the sequester is going to cause, it makes a lot of sense to look at the tax expenditures, which amount to a total of $1.17 trillion, and use that to offset.

Another thing worth looking at, just to remember where we are, is that in the last 2 years on this question of reducing the deficit, we have reduced the deficit by $2.4 trillion, and $1.7 trillion of that came in spending cuts and $700 billion came in the form of new revenues. In terms of a balanced approach to deficit reduction that looks at both spending cuts and revenues, we are not balanced yet. We are nearly $1 trillion ahead on the spending cut side. So when Republicans say we are only going to look at spending cuts going forward, they are not just saying that all those goodies in the Tax Code that go to wealthy individuals and corporations as tax deductions, loopholes, and expenditures are off limits, they are also saying that we are going to make it even more unbalanced than it is now.

By the way, the way I get to $1.7 trillion is by taking $1.46 trillion, which is the actual cuts, and then adding the interest savings that are associated with it. And I take the same interest savings on the revenue side, so it is even, the way we have allocated the interest.

I see Chairman LEVIN is here, so I am going to yield to him when he returns.

Let's look at one more graph while we are here. As we saw here, a lot of this is corporate tax expenditures. Every year there is $157 billion in corporate tax expenditures, which calls to mind, how are we doing in terms of a fair balance between individuals and corporations in the American tax system? Well, we have done some research, and it turns out that corporations are providing less and less of our revenues.

When we go back to 1935, this chart shows that for every $1 of revenue the U.S. Government got from an individual, it got $1 from corporations. It was 1 to 1—individuals $1, corporations $1. By 1948 it became 2 to 1. For every $1 that a corporation contributed to our Nation's revenues, individuals had to kick in $2. In 1971 we had 3 to 1—$1 from corporate America, $3 from individuals, regular Americans. By 1984 that was up to 4 to 1—$1 from corporate, $4 from individuals. The ratio as of 2011 is 6 to 1, which means the amount of tax burden individuals in this country bear has climbed sixfold compared to corporations meeting their responsibilities. One of the reasons is that so many American corporations are hiding money offshore and away from the taxman. Now, whether these are the kinds of accounts we heard about during the Presidential campaign, such as in the Cayman Islands and so forth, or whether it is locating intellectual property in some faraway country and using internal transactions to move revenue to avoid the taxman over and over, Chairman LEVIN and his committee on investigations have looked into this and over and over again, and they have shown this is a really strong area in which an enormous amount of money can be raised.

The problem with doing it the other way—going after Americans again and asking them to kick in even more in spending cuts rather than going after the corporate high jinks in the Tax Code—is that leads us down this path of austerity that Republicans have championed. The problem with that austerity path is that when we get into a recession—as we have been in—we should try to cut our way out of it. The problem with that is it has not worked. We argued against that theory from the beginning because it seems wrong, it doesn't make logical sense, and it runs against a lot of principles of economics.

Over and over again, our colleagues said: No, no, no. We just need to cut our way out of this, and that will be our solution. When we get in trouble with the economy, we cut spending.

That has proven to be a disaster. Where they have gone to austerity in Spain, the unemployment rate is 26.6 percent, and GDP growth is negative. Their economy is actually shrinking. Greece has an unemployment rate of 26.8 percent, and their GDP growth is negative 6 percent. Their economy is shrinking even more rapidly. In Portugal, the unemployment rate is 16.3 percent, and the GDP growth is negative 3 percent. By comparison, the United States, although things are not right yet, is doing much better.

I see that the distinguished chairman of the Armed Services Committee is here on the Senate floor, so I will yield at this point.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I thank my good friend from Rhode Island, who has done good work in trying to increase revenues, to close some of the egregious loopholes which have allowed the draining of revenues to the Treasury.

A few moments ago, the Senator made reference to the offshore tax havens as a way to avoid paying taxes. There was an article in the Wall Street Journal—I don't know if my friend saw this article—about pharmaceutical companies that were transferring intellectual property to Ireland to avoid paying taxes.

There was an earnings call by the chairman or the CEO of the Gilead company. He was telling investors and stockholders that there is a significant reduction in their tax liability because they had transferred the intellectual property rights to a compound to deal with hepatitis C. He announced that the rights of the hepatitis C compound are now domiciled in Ireland. It is not that his company is domiciled in Ireland, it is that the intellectual property has been transferred to a company they own in Ireland. The intellectual property they used to own—it is still owned by them, of course, and is now a wholly owned subsidiary, but the hepatitis C compound is now domiciled in Ireland. So intellectual property is now shipped around the world to various domiciles.

We have had hearings in our Permanent Subcommittee on Investigations on the way in which tax revenue is lost to the Treasury and tax responsibility is avoided by these transfers of intellectual property to those wholly owned shell companies that perform no economic function except tax avoidance. We have to end it, and we can end it. If we do end it, it will provide a significant amount of revenues for our Treasury.

Today, with Senator WHITEHOUSE, I am introducing the Cut Unjustified Tax Loopholes Act, or CUT Loopholes Act, which is S. 268. This bill outlines what I believe is a crucial element to the solution to our fiscal problems. It would raise revenues to reduce our deficits and preserve critical programs by cutting loopholes in our Tax Code that allow multinational corporations and wealthy individuals to avoid paying their fair share of the tax burden.

Now, we are just a few weeks away from sequestration, and the Presiding Officer has spoken very eloquently about what would happen if sequestration hits. This collection of mindless, across-the-board cuts is going to severely hurt our economy, it is going to undermine our national security, and it is going to threaten programs vital to seniors, children, middle-class families, workers, and businesses. These cuts, if they occur, will hurt every single American.

I have said repeatedly for more than 2 years that any deficit reduction effort must pass the test of balance. Balanced deficit reduction requires three elements: cuts to discretionary spending, additional revenues, and entitlement reforms. As the Senator from Rhode Island has pointed out, we have enacted $2.4 trillion in deficit reductions. The vast majority of the deficit reduction achieved so far—more than $1.7 trillion—has come from spending cuts. So while further cuts may be necessary, we must renew our focus on the other two categories: additional revenues and entitlement reforms. The CUT Loopholes Act can help us produce the required revenue. According to estimates in the Joint Committee on Taxation, this legislation would yield at least $189 billion in deficit relief.

I hope no Member of this body doubts the damage sequestration would do to our Nation and to our people. The Congressional Budget Office warned us just last month that the enactment of these cuts would likely reduce GDP growth by 1.25 percent. George Mason University economist Stephen Fuller has estimated that these cuts in this year alone would reduce GDP by $215 billion and cost the jobs of over 2 million American workers.

Tomorrow the Armed Services Committee is going to meet to hear from Defense Department officials and members of the Joint Chiefs of Staff on the potential effects of sequestration on our national security. Just last week, in his final appearance before our committee as Secretary of Defense, Secretary Panetta warned us of a ''readiness crisis'' that would impair our forces' ability to respond to crises. Sequestration will also prevent investments needed to protect us in emerging areas of concern, such as cyber security. It will threaten our ability to keep faith with the most important national security asset we possess: the men and women of our military and their families.

Secretary Panetta has pointed out that sequestration's ills will not be limited to defense. In a speech last week, he said:

> It is not just defense, it's education, loss of teachers, it's child care . . . It's about health care, 700,000 women and children will no longer receive nutritional assistance. It's about food safety, it's about law enforcement, it's about airport safety.

Today we are introducing the CUT Loopholes Act to protect those and other important priorities.

Over the last 50 years, Federal revenues have averaged approximately 18 percent of GDP. Over that time, our budget has been balanced only a handful of years. Each of those years that had a balanced budget, revenues exceeded 19.5 percent of GDP, but in recent years revenues have fallen off to about 15 percent of GDP.

One significant factor in our revenue shortfall is a massive plunge in the share of the stocks burden borne by corporations. Corporate tax revenue amounted to as much as 7 percent of GDP in the 1950s, 2.7 percent of GDP just 7 years ago, and in 2012 it amounted to just 1.2 percent of GDP. Corporations today pay an average tax rate—a real effective tax rate—of 12 percent. How is that possible when the statutory tax rate on corporations is 35 percent? Through loopholes in the Tax Code is how it is possible.

One of the key abuses is when companies use these various gimmicks and tax loopholes to shift their assets offshore. The Permanent Subcommittee on Investigations, which I chair, has spent more than a decade investigating offshore tax loopholes. We have shown how companies such as Enron used offshore schemes to avoid billions of dollars in taxes. Just last year we showed how companies such as Microsoft and Hewlett Packard used tax rules to avoid taxes on billions of dollars in income. These gimmicks cost us that much income even on products developed in the United States and sold in the United States to U.S. customers. They often do this by transferring intellectual property rights and other intangible property developed in the United States to wholly owned subsidiaries and tax havens, thereby avoiding U.S. tax.

How big is the problem? According to the Congressional Research Service, American multinationals in 2008 claimed to have earned profits in Bermuda amounting to 1,000 percent of Bermuda's GDP. Multinationals reported earning more than 40 percent of their offshore profits in five tax haven countries, despite the fact that just 4 percent of their overseas workforces and 7 percent of offshore investments were located in those five tax havens.

The CUT Loopholes Act will end abuse of so-called ''transfer pricing'' agreements. It will allow companies to transfer revenue for products developed in the United States to tax haven countries. It would strengthen enforcement tools so our tax authorities can investigate and rectify tax avoidance offshore. It would end the taxpayer-funded subsidy to corporations for expenses in moving jobs and operating facilities overseas.

It would stop corporations from manipulating rules on foreign tax credits to avoid taxes. It would end the ''check the box'' loophole that allows multinationals, by a stroke of a pen, to cloak offshore income from taxation.

Here at home, the CUT Loopholes Act would eliminate a loophole that allows large corporations to exploit what is in effect a Federal subsidy that helps pay for the compensation awarded to their executives. When companies award stock options to their top executives, they are allowed under law to record that expense in two totally different ways—one for their books and one for tax purposes. They report one amount to their investors on their annual financial reports, but they can report a much larger expense—often orders of magnitude larger—to the IRS and claim a tax deduction for that much larger claimed expense.

One company, Facebook, used this loophole as part of its initial public offering last year. Facebook will use this loophole to claim a $16 billion tax deduction. It would then seek a $½ billion tax refund for taxes paid in past years, and then avoid taxes for up to as many years into the future. That is just one company. The amount it showed in its books for that same cost for executive compensation was about 5 percent of what it told Uncle Sam the cost was, and then it was able to deduct a much larger cost—20 times as much of its income taxes. So this legislation would end that. By the way, that was just one company.

This legislation would also end two Wall Street tax loopholes. It would end the derivatives blended rate loophole, which gives preferential tax treatment in the form of long-term capital gains rate for speculative trades in certain derivatives—derivatives sometimes bought and sold in fractions of a second.

Now, we have to understand the amazing part of that is these derivatives that are sometimes sold in one-millionth of a second—bought and sold in one-millionth of a second—are given long-term capital gains treatment. We can imagine the amount of money that is involved in that and the loss to the Treasury.

Another loophole the CUT Loopholes Act would address is in the energy sector. Because of a three-decade-old IRS decision, oil produced from tar sands, as opposed to traditional oil extraction, is not subject to the tax that funds the Oil Spill Liability Trust Fund. If spilled into the environment, oil produced from tar sands is just as damaging as oil produced by other means, as residents along the Kalamazoo River in Michigan learned in 2010. Cleanup of that oil spill is still underway nearly 3 years later. Surely producers of oil from tar sands should help contribute to the costs of cleaning up these spills—ust like producers of other oil must do.

The CUT Loopholes Act also would tighten rules that combat tax-shelter promoters, stiffen penalties on those who aid companies or individuals who seek to shirk their fair share of the tax burden, strengthen our ability to collect taxes from tax avoiders when we catch them, and modernize the IRS tax lien process.

I know these issues can be complicated. But the American people are seeing through that complexity.

Americans support these reforms not just because of the great fiscal challenges before us. People recognize that these loopholes are not fair. They are wrong in every sense that a policy can be wrong—wrong fiscally, wrong economically, wrong ethically.

Even if one disagrees with the American people, and sees these egregious loopholes as somehow justified, how can one argue that preserving them is more important than avoiding the damage of sequestration? How are these loopholes more important than preventing a recession caused not by the ups and downs of the economic cycle or by the reckless behavior of financial speculators, but by sequestration?

I offer these ideas in the genuine belief that they can help bridge the gap, and in the urgent belief that we cannot leave that gap unbridged. I urge my colleagues to adopt them for the good of the millions of Americans whose prospects will dim if we cannot reach agreement.

I will close with this: There was a survey completed last month which shows that two-thirds of Americans believe corporations need to bear a larger share of the tax burden. Eight in ten say closing corporate tax loopholes should be an important priority for Congress. Seventy-three percent approves of efforts to stop corporations and individuals from avoiding taxes by shifting income offshore.

So this is what the survey shows:

Do you approve or disapprove of the following policies? Prevent corporations from avoiding taxes when they award executives millions in stock options: That is 73 percent. In terms of closing loopholes, allowing corporations or the wealthy to avoid U.S. taxes by shifting income overseas: That is 63 percent.

By the way, that percentage applies across the board. Americans of all political persuasions agree with these points. Mr. President, 8 out of 10 Republicans—8 out of 10 Republicans—agree the amount of revenue which will be saved by ending these kinds of loopholes should go to either deficit reduction or to public investments, and only 11 percent believe the revenue should be used to reduce tax rates on corporations.

So I think we have to act to avoid sequestration. Senator WHITEHOUSE's bill is directly aimed at that. Our bill, if we can get this passed and get some of these loopholes closed, will clearly help to avoid sequestration. There is some overlap between the bills, but the point is the same.

These loopholes are draining our Treasury. This is not like increasing tax rates, to say we ought to close these kinds of egregious loopholes. These loopholes shouldn't be there. If we had a surplus, we ought to close these loopholes. These loopholes have helped to shift the burden in this country to middle-income families from corporations, and these corporations that avoid these taxes, in many cases, are extremely profitable corporations. It is an absurdity that we allow money to be drained from our Treasury to go to these offshore tax havens where no or little taxes are paid.

We can end it. We can end that kind of loophole. We can close it, and we can do a lot of good for our country, both in terms of avoiding sequestration in the short term, as well as to help reduce our deficits in the long term.

I wish to thank Senator WHITEHOUSE again for the leadership he has shown and continues to show in this area. Some of these issues are extremely complex. We know that. One of the reasons they are difficult to end is that these loopholes are very difficult to explain. So we just hope our colleagues will follow the instincts of the American people who know these tax havens are wrong.

We should put them out of business in terms of their drain on the American Treasury, and we can do so. In fact, then-Senator Obama was a cosponsor of much of this legislation when he was in the Senate.

So I am going to close here, but I will again thank the Senator from Rhode Island for the leadership he is showing for his bill, which I am proud to cosponsor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I thank the distinguished Senator from Michigan. I appreciate very much that he has signed on as a cosponsor of both my 1-year and full 10-year—9 now—sequestration alternatives that avoid a calamity for our economy, the potential crash of 1 million jobs, by looking exactly where Senator LEVIN suggests—at the tax loopholes.

As I showed a moment ago, it used to be, back in 1935, a ratio of 1 to 1 of dollars paid by individual Americans in taxes compared to dollars paid by corporations in taxes. Now it is 6 to 1—$6 out of a family's pocket for every $1. What has allowed America's corporate world to lower their tax liability by so much—down to one-sixth of what it used to be relative to what regular Americans pay? Well, the biggest chunk of it is all the money that flows out through the Tax Code. We have virtually the same amount flowing out through the Tax Code as we actually keep our hands on as revenue. So for $2 trillion in tax eligibility, half of that goes right back, on the personal side, and out here, it is $338 billion, and $157 billion that goes back. It never sees the tax man. It goes straight back through the Tax Code.

Lobbyists have been here for years working on those loopholes and making sure different industries and interests get those benefits. That is where it all goes. That is why we are in a situation in which we have what the distinguished Senator from Michigan has talked about—all of these disgraceful loopholes.

I echo his point of view. Now is an important time to do this because the alternative, which is more spending cuts, pushes us down the austerity path that has failed in Europe and that is projected by the Bipartisan Policy Center to cost us 1 million jobs. There is an alternative: to go after all of these tax loopholes which, as the chairman said—as Senator LEVIN said—we should be going after those anyway. They are just plain wrong on their own.

If we had a balanced budget, we should be going after them. It is simply not fair. These are relics of power and lobbying and special influence and special pleading in the Tax Code, and we need to be rid of them. Now is a very good time to be rid of them to avoid pitching the economy into recession.

I know my two pieces of legislation are not going to pass. We are not going to pass a bill that has the sequester 100 percent paid for by new revenues from closing tax loopholes. I wish we would, but I know we are not going to. My point in filing the legislation is to prove that it could be done. It could readily be done. It could be done with pieces of legislation that Senators in this body have supported over and over and over again. So it is not necessary to walk into the fiscal band saw of sequestration: to have our national defense take the hit it is going to take; to have regular American families take the hit they are going to take; to have the economy, with 1 million jobs lost, take the hit it is going to take, all for what? To protect the big oil companies so they can keep getting subsidies from the American people? Is that the choice we want to make? So that a billionaire who puts his name on a museum gets more charitable tax bang for his charitable buck than a regular family when they just give money to their church every week? Is that the stuff we want to protect at that cost?

That is the question we will have to answer. I am very grateful to the chairman, Senator LEVIN. He has been working on this for years. His Subcommittee on Investigations has been looking into this in detail. His legislation is a part of what I am proposing as one of the pay-fors. I look forward to continuing to work with him.

The American people have our back on this one. This is a starker contrast between where the American people want to go and how to protect them and our economy versus special interest politics in this town that has carved out all of these loopholes that allow corporations to effectively cheat on their taxes. Effectively. It is not technically cheating because they have gotten the law written so it allows that practice. But if a person is a regular American who doesn't have a lobbyist to get them that same sort of treatment, it looks an awful lot like cheating.

Let me close by saying if we go the other path—if we follow this austerity route we have seen to be so calamitous in Europe—here are some quotes:

> If the full sequester takes place as scheduled, 1 million jobs may be lost.

That is the Bipartisan Policy Center.

Paraphrasing: Growth in real GDP would be about 1¼ percentage points different, depending on which path we choose.

We lose 1.25 percentage points GDP growth by hitting this sequester. That is from the Congressional Budget Office.

If we look at the American Enterprise Institute, hardly a leftwing group:

> An abrupt spending sequester at a rate of about $110 billion per year—

Which is what we are looking at—

> scheduled to begin March 1 could cause a U.S. recession.

Robert Frank, a very well regarded economics professor at Cornell, has said:

> The cuts scheduled are not a way to run a rational government. Cuts of any kind at this time are not a good idea. It is recessionary. It would slow growth for sure and put people out of work.

Another organization not known for its leftwing views, the Wall Street Journal, says this austerity method ''threatens to create a vicious cycle, as mass layoffs to meet budget targets spark a deeper contraction, reducing tax revenue and increasing welfare costs as well as damping consumption.''

That is exactly what has happened in other places.

Look at what they say in England where they have done this. The conservative Daily Telegraph's Jeremy Warner describes what is going on over there. ''This is a truly desperate state of affairs. . . . We seem to have the worst of all possible worlds, with nil growth, some very obvious cuts in the quantity and quality of public services, but pretty much zero progress in getting on top of the country's debts.''

That is not the way we want to go. That is the wrong way to go. There is another way, and it is to look at that vast part of the Tax Code both for corporations and, primarily, for wealthy individuals that allows literally nearly half of what would be tax revenue to flow back through the loopholes. That is where we should be doing our work. That is where we should be looking. I applaud and appreciate Senator LEVIN for his long and expert leadership in this area.

With that, I yield the floor.

## SUBMITTED RESOLUTIONS

### SENATE RESOLUTION 28—TO PROVIDE SUFFICIENT TIME FOR LEGISLATION TO BE READ

Mr. PAUL submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 28

*Resolved,* That (a) it shall not be in order for the Senate to consider any bill, resolution, message, conference report, amendment, treaty, or any other measure or matter until 1 session day has passed since introduction for every 20 pages included in the measure or matter in the usual form plus 1 session day for any number of remaining pages less than 20 in the usual form.

(b)(1) Any Senator may raise a point of order that consideration of any bill, resolution, message, conference report, amendment, treaty, or any other measure or matter is not in order under subsection (a). No motion to table the point of order shall be in order.

(2) Any Senator may move to waive a point of order raised under paragraph (1) by an affirmative yea and nay vote of two-thirds of the Senators duly chosen and sworn. All motions to waive under this paragraph shall be debatable collectively for not to exceed 3 hours equally divided between the Senator raising the point for order and the Senator moving to waive the point of order or their designees. A motion to waive the point of order shall not be amendable.

(3) This resolution is enacted pursuant to the power granted to each House of Congress to determine the Rules of its Proceedings in clause 2 of section 5 of Article I of the Constitution of the United States.

## NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. SCHUMER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, February 13, 2013, at 10:00 a.m., to conduct its organizational meeting for the 113th Congress.

For further information regarding this meeting, please contact Lynden Armstrong at the Rules and Administration Committee on (202) 224–6352.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. HARKIN. Mr. President, I wish to announce that the Committee on Health, Education, Labor, and Pensions will meet in executive session on Wednesday, February 13, 2013, at 10:00 a.m. in room 430 of the Dirksen Senate Office Building to mark up the Committee Funding Resolution for the 113th Congress; the Adoption of Committee Rules for the 113th Congress; the Adoption of Committee Rules for the 113th Congress; H.R. 307, the Pandemic and All-Hazards Preparedness Reauthorization Act of 2013; and the Prematurity Research Expansion and Education for Mothers who deliver Infants Early (PREEMIE) Act.

For further information regarding this meeting, please contact the Committee on (202) 224–5375.

## PRIVILEGES

Mr. CORNYN. Mr. President, as a preliminary matter, I ask unanimous consent that Michael Lotus, a fellow on Senator GRASSLEY's staff, and Angela Sheldon, a fellow on the staff of Senator HATCH, be allowed privileges of the floor during debate and votes while the Senate considers S. 47.

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