

over to charity. It is a win for the taxpayer, and it is a win for the charitable organizations because there is an incentive there to give that money to charitable organizations.

If we don't pass this tax extenders bill, that is not available for all of this year of 2014. Think what that is going to do to some charities and what it is going to be doing to taxpayers who have been planning on that deduction and suddenly find it is not available.

Another example is there are a few States—maybe half a dozen—that do not have a State income tax, but often the State government is in fact funded by the State sales tax. My State of Florida is one of those States. The State of Washington is another, and the State of Texas is another. There are about three others.

Therefore, if someone is in a State that has a State income tax, and they are calculating their Federal income tax, they can deduct the State income tax in the deduction of the Federal income tax.

What about the poor people in the States that don't have the income tax? They should be able to deduct the similar tax that we pay in our States, the State sales tax, and that provision has been there in the Tax Code, but it is not in there for 2014 because it lapsed, and we need to reenact it.

This is not a way to run a railroad and tax policy, but unfortunately, because it seems to have the word "tax" to it, it seems to be radioactive and, as a result, we have to wait until the eleventh hour and the fifty-ninth minute to pass it.

I certainly hope we will pass it this week.

Let me give you another example—the deduction for mortgage insurance premiums. When you want to buy a home, the bank negotiates and sets up a mortgage so you can buy the home. Most banks will require you to take out an insurance policy should you fail to pay on that mortgage. We have always had the deductibility of that insurance premium in calculating Federal income taxes, and it particularly helps low- and middle-income people deduct the amount they pay for private mortgage insurance. So, therefore, what does that do? That helps those low- and middle-income folks buy a home.

Isn't home ownership something that is desirable in America? I think so. Well, we better pass this tax extenders bill.

I will give another example—excluding forgiven mortgage debt from income. It allows people to exclude forgiven mortgage debt from their income. Why am I raising this? Well, haven't we just gone through the worst recession since the Great Depression? Didn't some people get so upside down in their mortgage—with their mortgage being at this level, but the value of their home dropping to this level—so that they owed a much greater amount on their mortgage than the value of

their home? What they tried to do was work with the purchaser and the bank that holds the mortgage. That is called a short sale. The bank forgives part of that debt—the difference between the mortgage amount and the value of the home.

The poor taxpayer, the homeowner, instead of treating what they have been forgiven as income—they have just had to take a shellacking because of the value of their home dropping below the value of the mortgage. Lo and behold, when they get a break and sell in a short sale, they end up having to pay income tax on that amount of debt that was forgiven.

I don't think we want to do that. That is why we have this provision to exclude that debt forgiveness from the income tax. But for all of the last 12 months it is not going to be forgiven if we can't pass this tax extenders bill. I think we better get serious about it. We are talking about looking at this as the last piece of legislation this week to pass before we leave. We better get serious about it.

And lastly, let me say that every one of us wants to treat teachers the right way. Teachers haven't been treated the right way. As a matter of fact, a lot of teachers are pulling money out of their own pockets because their school districts are not providing enough money for school supplies for those little children. Those unselfish teachers are going into their own pockets to bring out money to provide the supplies so the kids can learn. Now if a courageous and unselfish teacher does that, should we not at least give them a deduction of that amount they paid for those school supplies for their children? Shouldn't we let them deduct that in calculating their income tax?

We have in the past. But we haven't for calendar year 2014—this present year. And that is another one of the deductions that I hope the Congress will pass this week in order to take care of our people.

But as we go through this in the future, why do we have to keep waiting until the last minute so people can't plan, so people get nervous, so people don't know what to do, so people don't know how to invest, so people don't know how to preserve their land, their business, and the future for their families? This is no way to run a railroad.

Let us at least salvage some kind of victory from the jaws of defeat. I hope we will pass this bill in short order.

I yield the floor.

THE PRESIDING OFFICER (Mr. WALSH). The Senator from Vermont.

SOCIAL SECURITY

Mr. SANDERS. Mr. President, it is no secret to anyone in America that the middle class of our country today is struggling; that while millions of American workers are now working longer hours for lower wages than they did in some cases 30 or 40 years ago—we are looking at a 40-year decline of the middle class—that almost all of the new income being generated today is

going to the top 1 percent. Tragically, the United States has the most unequal distribution of income and wealth of any major country on Earth.

But the issue is not just for the middle class right now or for working families. The issue of the economic crisis we are in significantly impacts senior citizens and children, the most vulnerable people in this country. My hope always has been that as a great nation we will not turn our backs on the children of America. But year after year that is exactly what we do. We continue to have millions of children living in poverty. In fact, we have the highest rate of childhood poverty of any major country on Earth. Almost 20 percent of our kids live in poverty. We have about one out of four children in America who gets their nutrition from the food stamp program.

I worry very much about the future of this country if we cannot stand with the children of America; if we cannot make sure that working parents all over this country have high quality, affordable childcare. That is certainly not the case right now, despite the fact that virtually all psychologists recognize that the most important years of a human being's life are zero to four. But our childcare system is a disaster.

It is not only the children we have turned our backs on. Increasingly we are turning our backs on senior citizens as well. It has distressed me for a number of years to be hearing many of my Republican friends and some Democrats talking about the need to cut Social Security—to cut Social Security. There are various schemes out there—some of them have to do with the so-called chained CPI—which would reformulate how we determine cost-of-living adjustments for seniors. This means, in fact, over a period of years significant reductions in what seniors and disabled veterans would get.

We have worked, I have worked, in opposition to that concept for years. I think we have beaten it back, but I have no doubt that it will surface again. There are folks who want to cut Social Security, and, in my view, we have to do everything we can not only to defeat that proposal but we have to begin talking about how we expand Social Security benefits. Because today the kind of benefits that millions of seniors get are simply not adequate for them in terms of giving them the income they need to purchase the medicine they require, the food they need, the fuel to heat their homes in the wintertime, and other basic necessities.

In terms of Social Security, let me be very clear. Despite what folks on TV may be saying, and some politicians may be saying, Social Security is not going broke. Let me repeat: Social Security is not going broke. Today Social Security has a surplus in the trust fund of \$2.76 trillion—a surplus of \$2.76 trillion—and can pay out benefits to every eligible American for the next 19 years, to the year 2033. So anyone who comes forward and says Social Security is

going broke, that is just factually not true. Social Security can pay out every benefit owed to every eligible American for the next 19 years.

We also hear the argument: Well, we have a large deficit, and Social Security is one of the causes of our deficit and our national debt. That is absolutely inaccurate. Social Security has not contributed one nickel to our deficit or our national debt, because Social Security, as every worker in America knows, is independently funded through payroll tax contributions from workers and employers—6.2 percent from each—and it does not receive funding from the Federal Treasury.

So, a, Social Security is not going broke; and, b, it is not contributing to the deficit. But I will say this about Social Security. In an incredibly volatile economy, the stock market goes up, the stock market goes down. Social Security, from its inception 79 years ago, through good economic times and bad economic times, has paid out every nickel owed to every eligible beneficiary with minimal administrative cost.

Social Security is not an investment program. You can invest money on Wall Street, and sometimes you do well. You can invest money on Wall Street, and sometimes you lose your shirt. Social Security is a social insurance program. It has never failed 1 American in 79 years. That is a pretty good record.

But even with Social Security being strong and solvent for the next 19 years, we have to recognize we do have a retirement crisis in America today. I fear very much that the appropriations bill just passed the other day, which will allow pensions for millions of workers to be cut, is only going to exacerbate that problem. Today in America only one in five workers has a traditional defined benefit that guarantees income in retirement.

Amazingly enough, when we talk about anxiety among the American people, stress among the American people, and why people are angry, why they are fearful, over half of all Americans have less than \$10,000 in savings. Stop and think about that. If you have less than \$10,000 in savings, an automobile accident or needing a new car can wipe you out; an illness can wipe you out; a divorce can wipe you out. So we have millions and millions of Americans sitting there wondering how they are going to retire with dignity when they have \$5,000, \$8,000 or less in savings.

Here is the importance of Social Security: Two-thirds of senior citizens today depend upon Social Security for more than half of their income; one-third of all seniors depend upon Social Security for at least 90 percent of their income.

So when we talk about cutting Social Security, understand that a third of seniors depend upon Social Security for at least 90 percent of their income. This is not extra money; this is not fun

money; this is life-and-death money. This is money that people need to buy medicine, food, and to keep their homes warm in the wintertime.

I wish I could say otherwise, but the truth is that the percentage of seniors living in poverty in America is going up. In 2011, the official senior poverty rate was 8.7 percent. Last year the official senior poverty rate was 9.5 percent. That is a pretty significant increase in senior poverty.

But if we look at the Census Bureau's more comprehensive measure of poverty, which takes a careful look at the out-of-pocket medical costs for seniors, the poverty rate for seniors is even worse. According to this supplemental poverty measure from the Census Bureau, the real senior poverty rate in America is actually 14.6 percent. What that means is that one out of seven seniors living in America last year could not afford to meet their most basic needs.

The average Social Security benefit today is just \$14,000 a year. As someone who will be the next ranking member of the Budget Committee, I intend to do everything I can not only to oppose vigorously any efforts to cut Social Security, I am going to do everything I can to expand Social Security benefits.

In fact, the best way to expand Social Security is to ask the wealthiest people in our country to pay more into the system by scrapping the cap on income that is subject to the Social Security payroll tax. As the Presiding Officer knows, right now a billionaire pays the same amount into Social Security as someone who makes \$117,000 a year. So if there is a multimillionaire here—somebody who is making \$50 million—and somebody who is making \$117,000, they both contribute the same amount into the Social Security trust fund. This is regressive. This is unfair. This is absurd. If we lifted this cap and applied the Social Security payroll tax to income above \$250,000—not \$117,000, but \$250,000 a year, we could not only extend the solvency of Social Security for decades to come—which is what we want to do—but we could also provide the resources necessary to expand Social Security benefits. That is exactly what we should be doing, and that in fact is what the American people want us to do.

In August 2014, a poll by Lake Research Partners asked likely voters if they support the idea of:

... increasing Social Security benefits and paying for that increase by having wealthy Americans pay the same rate into Social Security as everybody else.

Interestingly, the poll found that 90 percent of Democratic voters said they support the idea, and 75 percent strongly support that idea of lifting the cap; 73 percent of Independent voters support that idea, 55 percent strongly support it; 73 percent of Republican voters support that idea, 47 percent strongly support it.

So there is for that idea enormously strong support across the political

spectrum, Democrats, Independents, Republicans.

Sadly, despite this overwhelming support for expanding Social Security, the CEOs at the Business Roundtable—the organization representing the largest corporations in America—came out with a plan last year which does exactly what the American people do not want to do. The American people want to expand Social Security and the Business Roundtable came out with a plan that would increase the Social Security retirement age from 67 to 70 and severely cut the COLA of senior citizens and disabled veterans.

The Congress and the Senate here have got to make a very fundamental decision, and that is: Do we listen to the American people who are hurting today—the seniors who have worked their whole lives but who cannot get by in what in many cases are meager and inadequate Social Security benefits—do we listen to them? Do we stand up for and with the people who helped build this country—who worked the farms, who worked in our factories, who served us in our Armed Forces? Do we stand with them and expand Social Security, or do we listen to those on Wall Street and corporate America who want to cut Social Security benefits and in some cases want to privatize Social Security?

This is a huge issue for tens of millions of Americans. I intend to do everything I can not only to resist cuts to Social Security but to do everything we can to expand Social Security benefits for those seniors and disabled vets who desperately need that expansion.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

#### BOUGH NOMINATION

Mr. GRASSLEY. Mr. President, Members of the Senate, in a few hours, maybe within this day or tomorrow, the Senate will be voting on several nominees to be district judges. I come to the floor to speak about one of these, Stephen Bough, of Missouri, for a seat on the District Court of the Western District of Missouri.

As I do with every nominee, I thoroughly examined Mr. Bough's record with an eye at giving him and others the benefit of the doubt if problematic issues arose. After full consideration of that record, I am regrettably unable to support this nominee. There are just too many data points—red flags, if you will—which tell me that Mr. Bough doesn't have what it takes to serve in a lifetime appointment on the Missouri District Court.

These red flags all relate to one troubling question the nominee's record raises: whether Mr. Bough has the temperament to be a Federal judge. I have come to the conclusion that he doesn't have that type of temperament. So I would explain my conclusion.

First, there is the issue of this nominee's professional conduct. A specific incident from last year demonstrates how Mr. Bough has engaged in what I