provided me that ''if you don't miss at least two or three planes a year, you're spending too much time in airports.'' If the regulators aren't a little behind the market in a few areas at any given time, they would be stifling innovation and evolution. The regulators' task is to promote investor protection, while ensuring that prudential and supervisory activities do not stifle efficiency gains. For effective regulation, the regulators must work with the markets.

I am not sure where to start on picking that apart. More importantly, it is showing that someone who says that shouldn't be in charge of financial regulation at the Federal Reserve.

He said at his Senate nomination hearing: ''That is probably the most unfortunate use of language that I ever made, and I do not stand behind that statement.'' That is what he said when presented with these words at his confirmation hearing. He made other similarly unfortunate statements in the years leading up to the financial crisis.

In 2006, as Under Secretary for Domestic Finance, he discussed the prospects for an impending financial crisis. This was before things looked really, really bad. He said:

How would our current financial system stand up to this sort of canonical crisis? On the whole, I would say that the U.S. economy is well positioned to weather such a retrenchment in risk-taking.

This was about a year and a half before the economy began to implode. He was in a high position in the Treasury Department, and he had access to all of the information he might possibly want, and he said that the ''economy is well positioned to weather such a retrenchment.''

In the same speech, on the potential harm posed by increases in mortgage payments for families with exotic mortgages he said:

While that is certainly a large number, it represents only a small hit to aggregate personal income. Moreover, market reports indicate that borrowers using such non-traditional mortgages tend to be upper income individuals that can manage a sizable increase in their mortgage payment.

He concluded by saying, again, in 2006:

Fundamentally, the economy is strong, the financial sector is healthy, and our future looks bright. We will surely face challenges in the future, but we can take comfort in the knowledge that our economy and financial system have proven remarkably resilient to all manner of adverse shocks in the past.

That was a lot of comfort to the millions of Americans afflicted by the financial crisis.

My wife and I live in Cleveland, in ZIP Code 44105. The year after Mr. Quarles made that statement and the economy started to really tank, my ZIP Code had more foreclosures than any other ZIP Code in the United States. I know what that does to a neighborhood.

I am not confident Mr. Quarles took to heart the costly lessons of the financial crisis. He seems far too ready to relax the rules for Wall Street and those who protect consumers. He is another example that this administration, which said it wants to drain the swamp, instead looks like a retreat for Goldman Sachs executives. The number of people on Wall Street who have influence on our government is just far and away worse than we have ever seen it.

Putting Mr. Quarles—who should know better but apparently doesn't, from his statements—at the Federal Reserve, in charge of financial regulation, is just the wrong thing. In 2015, when asked about Dodd-Frank, he said:

The macro issue is that the government should not be a player in the financial sector. It should be a referee. And the practice, and the policy, and the legislation that resulted from the financial crisis tended to make the government a player. They put it on the field as opposed to simply reffing the game.

How could he think that, when he was part of the government when it didn't do its job and didn't do the job that regulators are supposed to do? In response to questions for the record at his nomination hearing, he stated: ''My approach to policy making, and particularly to regulation, has been that the discretion of policy makers, and particularly of regulators, should be as constrained as possible.''

He is really saying: Let Wall Street do what it wants to do; let Wall Street run the financial sector of our economy, and government regulators should sort of step aside.

As vice chair for supervision and as a Member of the Federal Reserve Board of Governors, Mr. Quarles will be making decisions about risk-based capital, leverage and liquidity requirements, resolution plans, concentration limits, risk committees, stress tests, and other important safeguards put into place after the crisis for the Nation's largest banks. The crisis showed we need strong financial watchdogs, not, as he said, ''constrained'' ones. If confirmed, I am not sure who Mr. Quarles will be working for, taxpayers and working families or Wall Street.

Let me close by reminding my colleagues that, last Congress, the Banking Committee refused to consider President Obama's nominees to the Federal Reserve Board. Mr. Quarles is the first nominee President Trump has chosen. There are currently three other vacancies. The term for Chair of the Federal Reserve expires early next year. Because of that, President Trump will likely fill at least five of the seven Federal Reserve Board seats, which are 14-year terms.

Again, if the first one is someone who is so close to Wall Street, what does that tell you about who is in the White House? What does it tell you about the advisers in the White House? What does it tell you about that executive retreat for Goldman Sachs I talked about in the White House?

If all the nominees to the Federal Reserve are like Mr. Quarles, average Americans may once again pay the price. We can't return to a time when financial watchdogs are asleep on the job.

There seems to be a collective amnesia in this body, in the White House, and in the Banking Committee about what people in our country went through in 2008, 2009, 2010, 2011, and 2012, which was, in large part, because of the influence of Wall Street in our government. We can't let that happen. That is why I urge my colleagues to oppose the nomination of Mr. Quarles to the Federal Reserve.

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

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

TAX REFORM

Mr. BLUNT. Mr. President, I am not aware of any Missouri constituents, for whom I work, who wouldn't like to see a tax code that was simpler, fairer, that did more to create jobs, that was better for individuals, and one that they understood. I don't have anybody come up to me and say: What can we do to complicate the Tax Code further, or what can we do to make us less competitive, or how much more of my money would you like to have to do what you think the government ought to do? I don't have anybody say that to me.

We are now at a time when we have the tools available. We have the focus available that will allow us to move in the right direction. For almost a decade now, hard-working families and hard-working individuals have had to deal with a below-average economy and with below-average wage growth in that below-average economy. Surely, we don't want that to be the new normal.

I kept hearing the last 3 or 4 years that 2 percent growth is what we should expect now. The growth since World War II has averaged 3.4 percent for over 70 years. Suddenly, we were told: No, 2 percent is the best we can do.

I understand that, even counting the Great Depression, growth in the entire 20th century was over 3 percent. What do we need to do to get our economy growing in a way that creates better opportunities and better jobs?

Why would it create better jobs? Because you have people who are looking for workers who are more eager to pay and keep a workforce in a growing economy than you do in an economy that is not growing. You have people who understand they can compete better if they have a workforce that is the workforce they want rather than the workforce they just happen to get and that there is competition for that workforce. So our goal here in tax reduction and tax reform should be to help families and individuals keep more of their hard-earned money, to empower people to invest in their own future in ways that we currently are not encouraging or just simply not allowing because we don't let them take enough of their money home from work that they make at work, and to make it easier for families to see a pathway toward success and not to penalize people when they make the right decisions.

The tradition has always been this: If you want more of something, you don't tax it. You don't regulate it. You encourage it.

We need a tax code that encourages more success, that encourages higher take-home pay and better jobs. Most people don't realize that the individual income tax is still the biggest source of Federal money. More than half of all Federal taxes collected come from the income tax.

One of our goals should be how do we get more taxpayers and not how do we make more from the taxpayers we have. Perhaps the greatest voluntary compliance in the history of the world is how Americans have complied with the income tax system.

The more Americans think the system is fair and understandable and everybody else is being treated the same way they are being treated, they are much more likely to comply with that system than a system where they hear: Well, some company made a lot of profit, but because of the complexity of the Tax Code, they paid zero taxes, or this neighbor has figured out that and that neighbor has figured out that, and because of the Tax Code, you work just as hard as they did, but the Federal Government somehow got a lot of your money because you hadn't set up your tax planning in the right way.

Tax planning doesn't need to be that difficult. Right now the Tax Code has seven individual rates. We are proposing three individual rates, which maybe could go to four, but that would still be barely half the number we have, even if it got to four. There are seven individual rates, and there are more than 100 deductions, credits, and exclusions that people use when they fill out their tax form. American people collectively pay billions and billions of dollars just to figure out how much of their money the Federal Government is going to get.

Most people would like to have the certainty of a postcard form that you fill out, but instead they see this system that has gotten increasingly complex, often not indexed for inflation. So you start with something that you think is only going to apply to a few people, and, before you know it, it applies to a whole lot of people.

I think that when the alternative minimum tax was added to the Tax Code, there had been 155 wealthy individuals who hadn't paid any income tax. So the Federal Government decided, and Congress decided, that we are going to put the alternative minimal tax in to be sure those 155 people, who are clearly wealthy people, are going to pay income tax. No matter how much they have gamed the tax system, they are still going to pay an alternative minimum tax. This was just a few years ago.

By 2015, the 155 had gone to 4.4 million people who paid the alternative minimum tax. It is unbelievably successful if you are trying to collect people's money in a way they don't understand. It is not very successful if all you were trying to do was to prevent 155 wealthy people a couple of decades ago from being able to not pay any tax at all. They took a shot at 155 people and wound up hitting 5 million.

That is unacceptable. That is not what the Tax Code is supposed to do. We need to work hard to simplify that. There are 14 pages of instructions that tell you or, more likely, your tax preparer how to comply with the alternative minimum tax guidelines.

I don't have the one page with me, but I was handed the one page of instructions for the Tax Code from 1913. By the way, the estimate was that not only not many people would pay it, but nobody would ever pay it because you didn't pay anything unless you made at least $3,000, which in 1913 was a lot of money. But it was one page of instructions. Now we have 1 page of index to the 100 pages of instructions, and 14 of those pages are just for the alternative minimum tax. When you fill the form out, there are 64 different lines that you use to calculate now how almost 5 million people are impacted by a part of the Tax Code that was designed for 155 people.

We can do a better job. We can do a better job of being sure that hard-working families get to take home more of the money they have earned with that hard work. We can also do a better job with the rest of the Tax Code to make sure we are creating the kind of opportunity for us to compete as a country, for us to compete as a nation, for us to be more fairly aligned with the other countries in the world that we compete with, and to make sure those hard-working families have better jobs with more take-home pay to start with.

If you are working hard for a living—and Americans do; we are a working country—the best of all circumstances is that you have a better job than you used to have and less money comes out of every dollar you make than used to come out of every dollar you make, and that needs to be our goal. Whatever we do on the individual side needs to be focused on that. Whatever we do on the job-creating side needs to be focused on that. If we do that, we will not have the people we work for come in complaining: What have you done? The Tax Code is too simple now. It is too easy to fill out my tax form. I am walking out on Friday with more money than I used to walk away with, and, oh, by the way, they tell me there is a better job about to develop that I can apply for.

That is what we ought to do. I hope we keep focused on that and get this tax bill passed this year.

I think the Senator from Georgia has come to talk about this same topic, along with Senator BARRASSO from Wyoming.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. ISAKSON. Mr. President, I thank the Senator from Missouri. I make the point that I have enjoyed the last 19 years serving with him in the Congress of the United States. He was elected 2 years before me to the House of Representatives. I came a little bit later, but I preceded him in the Senate in 2004. He has been great to work with.

The Show Me State of Missouri is an awful lot like my State of Georgia. They are proud of their country. They are proud to be Americans. They are proud of the chance to have an opportunity to make an honest living and want to be a part of a country that continues to grow and have prosperity for the future.

We had a hearing in the Finance Committee yesterday where there was an interesting study I had not seen before. It had been done by a Harvard student, who I assume was correct. Ninety percent of the people born in the 1940s ended up making more than their parents did when they went to work. But only about 40 percent of the people born in the 1980s will end up making more than their parents did, meaning that as we have gone along the way since World War II, we have taken more and more away from the opportunity in the earning level and more money has gone to different places, like taxation.

Personally, I think the Finance Committee and the leadership of the Big 6, so to speak, have done us a great favor to open the debate on tax reform in America. Unlike some of the debates we have had recently, this debate is open-ended. We are starting with a framework, not an absolute dictate but a framework. We are talking about an opportunity we have to see if we can lower the burden of taxes on the American people, while incentivizing the American people to work more, to make more, and to earn more.

There are two ways to increase revenue to the government. First, you can increase the rate of taxation. But then you are not necessarily taking in any more money. You might incentivize somebody to go somewhere else. The other way is to improve the opportunity to make money and the atmosphere in which people make money so they invest their time and effort and they grow their revenue, which grows the revenue of the United States of America.

The proposal in the framework before us has any number of outlines and any number of targets. The four things I want to focus on are these. One is the middle class. I have gotten tired of hearing this reference to dividing us as Americans by class. We are all Americans. Regardless of our station in life, we are all important. The code ought to be important to every single person who is an American and, if they can come to this country, to improve their life, raise their children, and live a good life.

I am not into a class society. I am into an opportunity society. If you take a look at this proposal, for those people you put in the middle class today, it proposes lower rates, less brackets, and more opportunity to gain wealth in the future through work, through investment, and through earnings.

Second, this framework encourages job creation. I know that people are always demonizing the rich. Most people who are rich are people providing people who aren't rich with jobs. I don't think it is bad to provide people with jobs. I think it is good to provide them with jobs. We need a Tax Code that incentivizes the creation of jobs.

The focus on the passthrough rate, which is talked about by the Big 6, may lower the passthrough rate to 25 percent. It is a job-creating proposal that works.

I have run a sub-S corporation. I have been a partner in limited partnerships. I have known people who have had sole proprietorships. I have known people who have had independent operations. They all pay their taxes at the regular, ordinary tax rate on the individual. They don't pay at the corporate rate. They pay at what is called the passthrough rate, where the profits at the end of the year of the partnership or the LLC or the sub-S corporation flow in a K–1 to the individual and are taxed at the ordinary income tax rate; whereas, corporations in C-corps, or stock-held companies, pay a top rate of 35 percent.

That rate is being proposed to go to 25 percent conceptually. If that goes to 20 percent and the 25 percent rate is applied to passthroughs, we will have a good environment in which companies can form investments, form new companies, make investments of those companies, build opportunity, and, in turn, build jobs. So it motivates America to create more jobs. With jobs come income. With income comes money. With money comes investment. At the end of that comes profit, which ends up being taxed, which is revenue to our country, and it increases.

We also need to recognize that we are not as competitive as we used to be, in large measure because of the code we have, not because we are not competitive people. America is the most competitive environment in the world in which to do business. Americans by themselves were explorers to get here. Americans by themselves are investors and inventors. Americans by themselves are risk-takers. We want to improve in every competitive opportunity we have, but the current code we have suppresses competitiveness.

This proposal by the Big 6 takes us to a territorial tax system. We are one of the few countries in the world that taxes the old-fashioned way. The territorial system is the way in which most of the world competes, and we are the biggest competitor within the rest of the world. It is time we put an end to a company making a dollar in Delhi, India, on a product they made there and sold there, pays the Indian tax, and then brings it back into America and has to pay the differential on the American tax as well. It is time we did what the territorial tax does, which is to tax the money where it is earned; therefore, you will never have to do repatriation again, and you will never have to talk about offshore tax havens again because the Tax Code will not induce those things to happen. Instead, people will pay the tax where it is earned, bring the money back here to hire people, invest, build new products, and then take them overseas and sell them. There is nothing more important than going to the territorial tax system. I am excited about this.

Have you ever thought about this?

If you were the president of a major American corporation and it was coming to the end of the year and you were getting ready to have your stockholders' meeting for the year and you were looking at ways to show how the stock could grow and how, next year, you were going to improve the profits of the company and, in turn, the net of the company and, in turn, the dividends to the stockholders—right now, if you have a home office in America, that is your principal office, and you are taxed at 35 percent in America. If you have a competitive company that is in Ireland and it is taxed at 12½, it just might cross your mind: If I move my headquarters from America to Ireland, I could take my stockholders and put 18 percent or 20 percent—or whatever the differential is—on the bottom line for them. When your Tax Code causes people to think about things like that, you are predicting a future for a country that is not as bright, as rich, or as important as it should be.

Lastly, everybody thinks I am a city slicker because I am from Atlanta, but I did grow up working on a farm in Fitzgerald, GA, and Ocilla, GA. I love farmers and I love farms. I know one of the proposals of the Big 6 is to do away with the remainder of the estate tax that is still with us. A few years ago, we exempted all estates at $5 million or less from the estate tax. Now it is $5.49 million because the index has been used on inflation. The tax rate used to be 55 percent, and it is now 40. Yet, in my State of Georgia, with the effective application of the income tax, the tax is about 46 percent. So, for round figures and argumentative figures, for someone who dies in our State, after the first $5 million, he pays a tax closer to 50 percent.

A lot of people say that is rich people taking a benefit of the Tax Code. I don't call being dead in order to collect a tax benefit a good idea. I do not think that that is a benefit to me at all because the estate tax is on somebody's estate who passes away, who pays that tax for the people who would inherit the assets. Those are normally the children or the spouses or maybe the employees with whom they work in their companies.

Have you ever thought about this?

If somebody were taxing you at 50 percent or close thereto and you file your first estate tax return after you are dead, then if this were the value of your estate, you would be telling the government: OK, you get this half, while my children, my wife, my family get the other half. A year later, when you go back to the well—or a generation later—those kids who inherited the business will have to go back and pay taxes, and a quarter of it will be gone. So, in two generations, you took an asset that was worth a lot and reduced it to 25 percent of what it was worth. You are incentivizing people to liquidate something that was paying taxes on an ongoing basis and pay a onetime exit in terms of an estate tax. That is backward thinking.

What we should do is take those things people have worked for and striven for and tried their best to build and have an incentive for them to take that and leave it to their heirs and leave that company in a tax-paying mode or that farm in a tax-paying mode so America benefits and they benefit as well. Just because you are not taxing something does not mean you are not taking advantage of your company or the benefit of that item. By abolishing the estate tax, you will actually put more money, over time, in the Treasury of the United States of America in taxes than you ever will by taxing the one-time 50 percent.

So as we enter this debate—and I have been joined on the floor by a number of my colleagues who, I know, want to talk—let's talk about what benefits the American people, what incentivizes innovation and competition, what puts more money in the pockets of middle-class Americans today but also creates more people in the middle and upper classes in the future, not because we gave them anything except an opportunity, a fair place to compete, and that competitive drive that only people in the United States of America have, possess, and will always use to the benefit of our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. BARRASSO. Mr. President, it is always such a privilege to come to the floor and hear Senator ISAKSON, of Georgia, speak, as he speaks so eloquently. He comes here and makes perfect points. He was talking about the tax system looking to the future. What we have is a tax system that looks backward, regrettably. A number of years ago, we had a Treasury Secretary named Bill Simon, who said: ''The Nation should have a tax code that looks like someone designed it on purpose.'' That is what we are trying to do now—have a Tax Code that looks like it was designed on purpose.

The person who really understood this was Ronald Reagan. As we take a look at tax proposals, it is not about taxes; it is about much more—about a better life for the American people. Ronald Reagan said that tax reform is the door to a bigger future and, I would add, to a brighter future. He said it was the door to a future as big and hopeful and full of heart as the American dream. That is what we are talking about here today, a bright, big future, as big and bright as the American dream. That is what we are aiming at with this plan, a big and hopeful future for all Americans.

It all starts with increasing the amount of money Americans get to keep in their pockets as a result of their hard-earned paycheck dollars. That is the most important thing. That is what families are concerned about. That is what I hear about every weekend in Wyoming. Under the outline the Republicans have proposed, every working man and woman in this country will be better off. That is our goal, to make everyone better off and to make the country better off, more prosperous, with a strong, healthy economy. That is what we are hearing about today on the floor and what we heard about from the Senator from Georgia.

When we cut the amount of money people have to pay in taxes, it is essentially like giving them a raise. That is what this is about, giving people a raise. We want working people to keep more of their hard-earned money. One of the ways you can do that, which is very popular, is by doubling the standard deduction. It is easy math to do. The current standard deduction is around $12,000 for a couple who files jointly. The Republican proposal doubles it to $24,000. That means the first $24,000 of a couple's income will not be taxed at all.

Beyond that, we are going to reduce the number of tax brackets. People will like that. It is so complicated, the system we have now. We will move people into lower brackets. Isn't that what we are trying to do? Yes, it is. If you used to be in a bracket and paid 25 percent, there is a pretty good chance that a significant amount of your income is going to be moved down to the 12-percent range. For most people, that is like getting a big raise when they take a look at their paychecks at the end of the week. That is what Republican tax relief looks like.

The second thing we want to do is to actually make it a lot simpler. We talked about lowering the number of brackets, making it simpler for everyone who does their taxes. The instructions you get now from the IRS for the 1040 tax form are 106-pages long, and that is if you just limit yourself to the instructions. Remember that there are 15 different worksheets to fill out just so you can fill out your 1040 form. When more people take the standard deduction, they can save a lot of time and not have to go to the 15 worksheets and the 106 pages of instructions. They get that standard deduction, which has now doubled, making it a lot easier, with a lot less time having to be spent on taxes.

What else are we going to do?

We want to cut out a lot of the loopholes and complicated rules so most people will be able to just fill out a form on a single page. Think of the hours that is going to save families—the millions and millions of hours—when you multiply it across the country. Plus, think of the stress people will not have to be living under in their wondering if they actually followed the instructions properly. When you call the IRS help line, you get different answers from different people with whom you talk. It is hard to get a single answer because the complicated system makes it hard to get the answer right. So you end up with the expense of hiring lawyers, tax accountants, and people who can help you navigate a complicated system.

People are looking for simpler lives, more free time, and more money of their own they can keep, not complicated government forms so the government takes more of their money. There is a lot of room for us to improve the simplicity of the tax system and the actual challenges that come from filling out the forms.

The third thing we want to do with the plan, of course, is to get the economy growing faster so it is a strong and healthy economy, with more prosperity and higher take-home pay in the paychecks. With that, you will actually get an economy that creates more jobs and has more people working, which is a big part of tax reform. It is a direct benefit for American families. When you cut taxes on small businesses, they can afford to hire more people or they can use the extra money to pay their workers more. There is a lot that can be done to reach that level of prosperity—in individual paychecks as well as in having more people in the workforce.

Under the outline the Republicans released last week, the top rate for most small businesses is going to drop from almost 40 percent down to 25 percent, allowing the businesses to pass on those savings to their customers and the savings to their employees. Larger businesses are going to get a tax break too. The idea is to lower taxes for everyone.

When you take a look at it from a business owner's standpoint, 70 percent of the cost of corporate taxes actually does not get paid by a corporation; it gets paid by the people who work for those businesses. If we cut taxes, more of that money is going to go to the workers. You will have higher wages, better benefits, and more jobs, and businesses will actually be able to lower their prices. Every time there is a tax increase, a business has to raise the cost of a product to be able to collect that tax and send it to the government. I would rather have that money go into the pockets of the people who are shopping in the store or using that business rather than into the pocket of the Federal Government.

Senator ISAKSON was talking about something called repatriation and the amount of money businesses are taxed that do some business overseas. If we can cut the taxes they pay on the money they earn overseas, it means those businesses can bring back that money to the United States and spend it here. How much is it? Right now, about $2.6 trillion is sitting overseas because those businesses get taxed twice—once on the business done overseas and then once on the business done when they bring those profits back to the United States. When we get that money back, that is going to help grow the economy here as well. It makes sure the American Tax Code ought to be helping American businesses and the American economy, not helping foreign countries. We need to get that money back and put it to work in the United States.

Those are all of the things the Republicans are proposing. It means more money in the pockets of American workers, and it means simpler taxes and more jobs for American workers. Isn't that what we are looking for? Isn't that what prosperity means for America? Isn't that what a healthy economy means—job growth and the sort of things that happen when we get the kind of tax reform we have proposed?

I want to address one other thing I have heard over the past couple of days as our plan has come out. I have heard some Members on the other side of the aisle say that under the Republican plan, certain people will win more than others. Under the Republican plan, the goal is for everyone to win. The American economy will win. When we have a growing economy, people keep more of their hard-earned money. That is the goal. That is why the President and the Republicans in Congress wanted to take up tax relief right now in the first place. We need to do this to help all American families.

This gets back to Ronald Reagan, in that tax reform—tax reductions, tax relief—means a big and hopeful future for all Americans. That should be the goal. It should be the goal of every Member of the U.S. Senate. It should be the goal of every American. We want to make taxes fairer and simpler and lower for everyone.

There are too many people in Washington right now who want to use America's tax laws to punish or reward one group of Americans or another. Too many people in Washington want to use this debate over tax reform to stir up conflict and resentment. We hear it already in the Democrats' talking points. There are some Democrats in this Senate who think that is good politics. Well, it is terrible policy and terrible for the direction of our country and economy.

The tax plan the Republicans have released this last week does nothing to change who bears the burden of taxes in the country. People who are fortunate and have high incomes will pay their fair share; people who make less will pay less. That is how the Tax Code is spread today. Nothing in this plan changes that.

We have a lot of work ahead of us. We have to figure out the exact income levels for each of the tax brackets and the size of some of the tax credits families get. These are all important details. That is the kind of debate we are going to be having—the markup on the budget and the mathematics of the tax bill coming through committee.

I am so grateful to Senator HATCH and members of the Finance Committee for all of the hard work they will be putting into this over the next several weeks.

I will refer back to the quote of the Treasury Secretary, Bill Simon, who said: ''The nation should have a tax code that looks like someone designed it on purpose.'' This is our chance. We need to make sure we take full advantage of it.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ROUNDS. Mr. President, today I rise to speak about our country's need for tax reform. As our previous speakers have indicated, this is a critical time in our country, and we have an opportunity to make some good decisions that will impact our Nation for literally generations to come.

Reforming our Tax Code is a top priority not only for myself but for many of my colleagues and the President. We are committed to delivering tax reform that will provide more jobs, bigger paychecks, and a fairer tax system for the American people.

Over the 8 years of the previous administration, economic growth averaged a paltry 1.5 percent annually, which is about half of the post-World War II average. This anemic growth has led to stagnant wages and, according to the Joint Economic Committee, has cost families an average of $8,600 in income on an annual basis. It is no wonder that half of the American public says they are living paycheck to paycheck. This is simply not acceptable.

Even more concerning, the Congressional Budget Office is projecting economic growth to remain under 2 percent over the next 10 years if we do not act. If that happens, let me just share with you the real concern. If we allow economic growth to stay under 2 percent, then we will literally bring in revenue based upon the size of our economy. If we allow economic growth to move at a paltry 2 percent or less, then we won't have the revenue to pay our bills.

Today, right now, we are looking at trillion-dollar deficits. Yet, if we take a look at where the dollars are going, they go basically—looking at our entire budget, about 28 percent of the money that we spend today is found within the 12 appropriations bills that make up the defense and the nondefense discretionary side of the budget. All of the remaining items, making up 72 percent, are in areas of mandatory payments—Medicare, Medicaid, Social Security, and interest on the debt. If we don't do anything and if we continue on this same path, with the type of growth we have, then we can expect that within 9 years now, by the year 2026, our country's 250th birthday, 99 percent of all of the revenue we take in will go into Medicare, Medicaid, Social Security, and interest on the debt. That means there will be only 1 percent remaining for defense of our country, roads, bridges, research, education, and all of those other items that many people really want to see and that help us to move ahead as a country.

We have to make changes now that will allow our country's economy to grow and prosper the way it used to. The way we believe we do that is by changing our Tax Code, changing the regulatory environment in the United States, and sending the message back to the businesses that this is the place where they want to do business. They don't have to leave our shores in order to actually make a profit and be able to keep that profit.

It is our intention to deliver policies that will jolt our economy, allow hard-working families to keep more of their paychecks, and provide financial opportunities to lower and middle-class families. Tax reform is a vital component of this.

Our current overly complicated Tax Code is more than 70,000 pages in length. It takes Americans more than 8.1 billion hours each year to file their taxes. A fairer, simpler Tax Code will grow the economy, increase wages for American families, improve American competitiveness overseas, and provide much needed certainty for our business community.

It has been 30 years since our Tax Code was last reformed. The rest of the industrialized world has learned from America what it takes to be competitive. They have seen what our tax rates have become. They have lowered their tax rates. They are now inviting businesses to their shores rather than to ours. Businesses that can go anyplace in the world they want to are not choosing America as their location anymore. We have to change that because when they come back, they bring good-paying jobs with them. They keep the profits here, which are reinvested within our borders rather than overseas, and that adds to a growing economy here, which allows us more revenue through even lower tax rates.

The average corporate rate in the United States today is 39 percent, compared to 25 percent by our foreign competitors. This puts American businesses at a disadvantage right out of the gate. We must reform the tax rate to one that incentivizes businesses to remain here in America and keep good-paying jobs from going overseas. Doing so will unleash the full potential of this American economy.

One thing we can all agree on is that taxes are too high and that the tax rate, no matter who you are, should be lowered. Allowing all American families to keep more of their hard-earned dollars by taking them out of the hands of Washington and putting them back into their pocketbooks will result in a more prosperous America. That means more people investing in America long term. When our economy is healthy, every American will feel the positive effects.

I am encouraged by the ongoing discussions and progress being made to alleviate the tax burden on American businesses and American families, and I will continue to work with anyone serious about lowering taxes and reforming the code to provide a much needed boost to our sluggish economy. The American people deserve better than the uncertain growth and burdens still lingering from the previous administration.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. TILLIS. Thank you, Mr. President.

I appreciate the opportunity to speak today. Like last week, I didn't plan on speaking on this subject, so my staff is probably wondering once again what their boss is going to say. But I was thinking that maybe we could translate a little bit of what we are trying to do with tax reform, because we talk about tax rates, exemptions, exceptions, and simplification—all this stuff that is important because it gets baked into the bill—but we don't spend a lot of time explaining why we are trying to do what we are doing.

The last time we had real, meaningful, impactful tax reform was back in 1986. That is when Republicans and Democrats came together and decided that the stagnant economy that I grew up in—I graduated from high school in 1978. I didn't immediately go to college. I moved away from home when I was 17 years old, and I was working. It was an economy that was not unlike today's. In many respects, it may have been a little bit worse. The environment was the same. Iran was behaving badly, and Russia was behaving badly. We had sort of the same sort of global environment that we have today. We had the threats that we have to confront every single day, and we had the threat to the future of a generation. I mean, literally, people had no earthly idea, if they were getting an education, whether they would be able to get a job because the job-creation numbers when I was 26 years old were terrible. People were worried about whether they could pay for college.

So why are we doing tax reform? We are doing tax reform because it is time for the American economy to grow back to what it is capable of doing, what it has done in the past.

We need tax reform so we can create economic expansion that lets us pay down our debt, which many people in the military say is the single greatest threat to our national security.

We need tax reform and we need to grow the economy because we owe it to this generation to have the same opportunities that I did.

It can be done, but we have to do it probably through reconciliation because right now, even though many of the proposals that we are putting forward—the tax rate and the kinds of policies we are putting forward have been supported by our colleagues and many of my friends on the other side of the aisle. For some reason, they don't make sense anymore. They made sense back in 1986 when Democrats and Republicans joined together to do tax reform. If you were in your midtwenties then, you saw prosperity unlike anything we have seen right up to today. That was the last time we saw great growth in our economy. We need to get back to providing those same sorts of opportunities.

People will tell you that we are not giving a cut to the little guy or the working man. Well, one thing you don't see when you see the percentage rates that we are talking about on individual tax rates that we are targeting is that there will be tens of thousands of people who will pay zero taxes. There is a actually a zero tax bracket. There are people who, because of the exceptions and exemptions that we are proposing, will actually fall below having a Federal tax liability. We need to talk about that.

We need to recognize that we have to provide relief to the entire spectrum, from the businesses that hire people and create jobs to the working families and the people who don't make enough where we can take any more away from them because they need it to pay their bills. They need to pay their electric bills, their utility bills, their school tuition, and all the other things that working families are struggling to do today, just as I was struggling to do back in 1986.

So I hope this Congress will deliver on the promise we made last year to cut taxes, to get this economy moving again, and to provide the same opportunities for the generation going to school and the people who aren't in school, who are struggling to make a living—the same opportunities that I got when I was that 26-year-old back in 1986. We can do it. I know we can do it because we have done it before. It is a promise we made and a promise we need to keep.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

NATIONAL HISPANIC HERITAGE MONTH

Mr. CASEY. Mr. President, I want to speak today with regard to a month we set aside—or I should say the equivalent of a month that spans two different months—as National Hispanic Heritage Month.

As many know, the United States is home to more than 56 million people of Hispanic or Latino ethnicity, comprising over 17 percent of the Nation's total population. We set aside September 15 to October 15 to mark National Hispanic Heritage Month. This month is a reminder of the vibrant culture and substantial contributions that people of the Hispanic community have made to our Nation. Although we have only a 30-day time period as a designation, we recognize the contributions made by Latinos in this country every day, not just between September 15 and October 15.

I have held a number of meetings with Latinos and Latino leaders this past year in Pennsylvania and here in Washington and recently just a couple weeks ago, as well, to discuss issues of concern to Hispanic Americans and Latinos. The resounding theme I heard from Pennsylvanians is the strong economic drive that Latinos and Hispanic Americans share.

As the second fastest growing minority in the United States, the Hispanic community's economic power continues to grow. Small businesses are the backbone of our economy both in Pennsylvania and across the Nation. Latinos are 1.4 times more likely than the general population to become entrepreneurs. In fact, Latinos own some 3.3 million businesses in the United States, accounting for more than 40 percent of all minority-owned businesses. Together, these businesses generate almost $500 billion in economic activity. Overall, the Latino community accounts for a combined $1.3 trillion in economic activity. Their contributions are projected to top $1.7 trillion by 2020—from $1.3 to $1.7 trillion in just a few years.

Last month, I was proud to join many of my Senate colleagues in designating the week beginning September 18 as National Hispanic-Serving Institutions Week. This resolution recognizes the achievements and goals of the 472 Hispanic-serving institutions, known by the acronym HSI. These HSIs are throughout the Nation, and they improve their local communities and play a vital role in expanding access to college for students across the country. These HSIs represent 13 percent of nonprofit colleges and universities. Yet they enroll 63 percent of all Latino students. These Hispanic-serving institutions are located in 18 States and Puerto Rico. I am proud to be a cosponsor of the resolution which recognizes the important work these institutions play in expanding access to higher education for everyone.

This year, Hispanic Heritage Month has become a month of advocacy and action. I would be remiss if I didn't mention the Dream Act. This issue has been on the forefront in recent discussions, not only among the Latino community, the Hispanic-American community but with many of my constituents across the board, and I am sure that is true in every Senate office. Dreamers shared with me the hard work and struggles they have endured to be successful in this country. Ending DACA, in my judgment, is wrong. First of all, it is wrong to break a sacred promise to hundreds of thousands of people living in our country, young people who were promised by their government, if they came forward, they would be protected. Ending DACA would be breaking that sacred promise.

In Pennsylvania alone, estimates say that ending DACA would cost the Commonwealth of Pennsylvania nearly $357 million per year in GDP losses to our State, and that is according to the Center for American Progress. Ending DACA would result in the loss of $460.3 billion—not million but billion—from the Nation's GDP over the next decade, again according to the Center for American Progress.

So it would be a betrayal to violate this covenant with hundreds of thousands of young people, and it is really a bad move for the economy of my State of Pennsylvania and the economy of our Nation.

I was proud to vote for the DREAM Act in both 2007 and 2010, and I hope the Senate will have a clean vote on the Dream Act soon. We should be focused on humane and commonsense solutions that keep our Nation safe as well as allowing it to thrive. Hispanic Americans are a vital part of the fabric of American society.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

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

THE BUDGET AND TAX REFORM

Mr. MERKLEY. Mr. President, The most powerful words in our Constitution are the first three words: ''We the People.'' It sets out the mission statement for our Nation, or, as President Lincoln put it, a nation ''of the people, by the people, and for the people.'' Our Founders did not start out our Constitution with ''we the powerful'' or ''we the powerful and privileged.'' They didn't proceed to say that our form of government is all about the powerful and privileged ruling for themselves to make themselves richer at the expense of everyone else.

Thus, going back to the foundation, the vision of our Nation is appropriate because our Republican colleagues have put forward a document—a budget—with a tax plan that is all about government for the powerful. It is all about self-serving government for the privileged. There is nothing about fighting for a foundation for ordinary people to be able to thrive here in the United States of America.

Indeed, the plan put forward by my Republican colleagues is a plan fit for a king living in a gilded castle—maybe