July 9, 2012

Obama Wants To Do "The Last Thing You Want To Do"

After A Third Straight Weak Jobs Report Showing The Economy Stalling, Obama's Solution Is To Call For Higher Taxes

---

FLASHBACK - President Obama: "The Last Thing You Want To Do Is Raise Taxes In The Middle Of A Recession." (President Obama, Remarks During An Interview With NBC, Elkhart, IN, 8/5/09)

OBAMA'S SOLUTION FOR THE 23 MILLION AMERICANS STRUGGLING TO FIND WORK IS TO RAISE TAXES ON JOB CREATORS AND SMALL BUSINESSES

The Joint Committee On Taxation Found President Obama's Tax Hike Would Raise Taxes On Nearly One Million Households And Small Businesses. "According to JCT, next year 940,000 households within the top 2 percent will report net positive business income and will face marginal tax rates that would be 36 percent or 39.6 percent under Obama's plan, up from 33 percent and 35 percent now. That represents 3.5 percent of taxpayers who have business income and 53 percent of net positive business income, the analysis said." (Richard Rubin, "Obama Plan Means Higher Taxes On Business Profits: Study," *Bloomberg*, 6/19/12)

- **Obama's Tax Hikes Would Hit Businesses That Account For 53 Percent Of All Business Income.** "President Barack Obama's plan to raise tax rates for the top 2 percent of U.S. households would mean higher taxes on the people who report 53 percent of business income reported on individual returns, according to the Joint Committee on Taxation." (Richard Rubin, "Obama Plan Means Higher Taxes On Business Profits: Study," *Bloomberg*, 6/19/12)

***The Wall Street Journal:* "Those Are The Businesses That Aren't Hiring People As They Wait Out The Tax And Other Policy Uncertainties."** "The prospect of a nearly 60% increase in the capital gains tax and a tripling of the dividend tax only heightens investor worry and accelerates the flight into Treasurys or the financial sidelines. That's good for financing the government's record deficits but bad for a private economy that needs a revival of animal spirits. Two weeks ago Congress's Joint Committee on Taxation reported that 53% of the income tax increases that Mr. Obama would extract starting next year comes from business. Those are the businesses that aren't hiring people as they wait out the tax and other policy uncertainties." (Editorial, "Democrats And The Tax Cliff," *The Wall Street Journal*, 7/8/12)

Paid for by the Republican National Committee.
310 First Street SE - Washington, D.C. 20003 - (202) 863-8500 - www.gop.com
Not authorized by any candidate or candidate's committee.

- ***WSJ:* "Senate Democrats Have To Decide If They Want To Vote Before Election Day To Wallop An Already Weak Economy With A Giant Tax Increase."** "The question for Senate Democrats is whether they want to jeopardize their personal futures, and their majority, by jumping off the same tax cliff. With the House poised to pass an extension of the tax rates for at least one year, Senate Democrats have to decide if they want to vote before Election Day to wallop an already weak economy with a giant tax increase." (Editorial, "Democrats And The Tax Cliff," *The Wall Street Journal*, 7/8/12)

Obama Is Even "Intrigued" By The "Elegance" Of Letting All Of The Bush Tax Cuts Expire

President Obama Is "Intrigued By [The] Elegance" Of Allowing All Of The Bush Tax Cuts To Expire. "In November 2009, Orszag would tout an idea that divided the economic team and inspired contempt in the political shop: extending for one or two years George W. Bush's middle class cuts, which were scheduled to expire in 2011, then letting them lapse unless Congress found a way to offset their costs. During a meeting with Obama in the Oval Office, he casually outlined the proposal. The obvious defect was that it would be likely to break the president's campaign pledge to oppose tax increases on the middle class. Nevertheless, Obama was intrigued by its elegance as a deficit-cutting maneuver, according to two people in the room. He also liked the idea of forcing Republicans to grapple with the costs of Bush's policies. Only later did the politicos revolt—the vice president, for one, was apoplectic—and the president lost interest." (Noam Scheiber, *The Escape Artists,* 2012, p. 154-155)

- **Several White House Officials Have Said Obama Would Allow All Of The Bush Tax Cuts To Expire If A Deal Is Not Reached By The End Of The Year.** "Several White House officials I talked to made it clear that if a deal, or at least the framework for a deal, is not reached before December 31st Obama would allow all the Bush tax cuts to expire—a tactic that would achieve huge deficit reduction, but in a particularly painful and ill-conceived fashion." (Ryan Lizza, "The Second Term," *The New Yorker*, 6/11/12)

"Obama Would Block Extension Of The Reductions, Either As A Final Act In Office After Losing The November 2012 Election Or After Winning A Second Term." "A White House official argued Sunday that the president had another trump card to play: the scheduled expiration of the George W. Bush tax cuts at the end of 2012. Obama would block extension of the reductions, either as a final act in office after losing the November 2012 election or after winning a second term." (Peter Wallsten and David Nakamura, "Did Obama Capitulate – Or Is This A Cagey Move?" *The Washington Post*, 7/31/11)

- **"Without Any Extensions, The Expiration Would Raise Taxes Next Year By $221 Billion."** (Jennifer Steinhauer, "An Often Procrastinating Congress Is Raring At The Gate On Tax Cuts," *The New York Times*, 5/24/12)

OBAMA'S CALLS FOR TAX HIKES ON THE MIDDLE CLASS PUT HIM TO THE LEFT OF PELOSI AND SCHUMER

"President Obama And Key Congressional Democrats Remain At Odds" Over The Extension Of The Bush Tax Cuts. "With five months to go before the election, President Obama and key congressional Democrats remain at odds on whether the threshold for extending the George W. Bush-era rates for families should be $250,000 per year or $1 million annually." (Alexander Bolton, "Democrats Paralyzed On Tax Cuts," *The Hill*, 6/8/12)

The Obama Administration Continues To Push For Them To Extended Only For Incomes Below $250,000. "A White House spokeswoman, Amy Brundage, sought to raise pressure on Republicans, while sticking with the administration's $250,000 threshold. 'The president has been clear that Congress must

Paid for by the Republican National Committee.
310 First Street SE - Washington, D.C. 20003 - (202) 863-8500 - www.gop.com
Not authorized by any candidate or candidate's committee.

extend the tax rates for all families making less than $250,000 a year and let the rates for the very wealthiest expire at the end of the year,' Ms. Brundage said." (John D. McKinnon, "Pelosi Pushes Tax Hike For Those Making $1 Million Or More," *The Wall Street Journal*, 5/23/12)

- **"In Fact, The President's Push For Higher Taxes For People Making Over $250,000 Has Been Basically Moribund Since Late 2010, When It Failed To Pass A More-Democratic Senate Than The Current Lineup."** (John D. McKinnon, "Pelosi Pushes Tax Hike For Those Making $1 Million Or More," *The Wall Street Journal*, 5/23/12)

Rep. Nancy Pelosi (D-CA) Asked For The Bush Tax Cuts To Be Extended For Incomes Below $1 Million. "Is House Democratic Leader Nancy Pelosi abandoning President Barack Obama in his effort to raise taxes on households making more than $250,000? It sure sounded that way on Wednesday. In a letter to House Speaker John Boehner, Ms. Pelosi called on Republicans to pass a permanent extension of Bush-era tax levels for the middle class. The only group Ms. Pelosi singled out for a tax increase was people earning $1 million or more." (John D. McKinnon, "Pelosi Pushes Tax Hike For Those Making $1 Million Or More," *The Wall Street Journal*, 5/23/12)

- **Rep. Pelosi: "Democrats Believe That Tax Cuts For Those Earning Over A Million Dollars A Year Should Expire And That We Should Use The Resulting Revenues To Pay Down The Deficit."** (Rep. Nancy Pelosi, Letter To Speaker John Boehner, 5/23/12)

Sen. Chuck Schumer (D-NY) Does Not Support Obama's Tax On Incomes Over $250,000 Because That Is "Firmly In The Middle Class" And "Not Rich." "But the president also wanted to raise taxes on families making more than $250,000 a year by limiting income-tax deductions they can take. That didn't sit well with rank-and-file Democrats. Schumer said families that earn $250,000 or $300,000 a year aren't rich enough to deserve extra taxes. He described them as 'firmly in the middle class. They are not rich, and in large parts of the country, that kind of income does not get you a big home or lots of vacations or anything else that's associated with wealth in America,' he said." (S.A. Miller, "Million-Dollar Idea," *The New York Post*, 10/6/11)

- **Sen. Schumer: Taxing Over $250,000 "Fuzzies The Picture."** "Democrats have long argued that, in addition to cutting government spending, lawmakers should ask people at the top of the income spectrum to pay more in taxes to help tame the national debt. But setting the dividing line at $250,000, as Obama did during the 2008 campaign, 'fuzzies the picture,' said Sen. Charles E. Schumer (D-N.Y.), the leading architect of the surtax proposal." (Lori Montgomery, "Democrats Shift The Definition Of 'Rich' In Battle Over Taxes," *The Washington Post*, 10/5/11)

OBAMA'S INSISTENCE ON HIGHER TAXES PUTS HIM AT ODDS WITH FELLOW DEMOCRATS

#11 - Sen. Bob Casey (D-PA) Says That Congress May Have Little Choice But To Extend The Bush Tax Cuts At The End Of The Year. "Congress likely will have little choice but to extend Bush-era tax cuts and delay a year-end deadline that would trigger deep, automatic spending cuts, to avoid another recession, Sen. Bob Casey Jr. said on Friday. Since public confidence in Congress 'took a really big, devastating hit because of the debt ceiling (arguments), you'll have a lot of people — investors, taxpayers, markets — that'll start to get worried in September' that Democrats and Republicans won't agree on how to avoid the cuts, Casey told Tribune-Review editors and reporters." (Jeremy Boren and Mike Wereschagin, "Casey: Congress Likely To Keep Tax Cuts, Spending," *The Pittsburgh Tribune-Review*, 6/23/12)

#10 - Member Of President's Fiscal Commission And Clinton OMB Director Alice Rivlin Said The Tax Increases Should Be Postponed. RIVLIN: "Well, I think you have to postpone the tax increases, but

with a requirement to fold it into tax reform and entitlement reform in the next session that has some teeth in it. And that wouldn't be easy to design. But if there is a sense of urgency, which we feel there ought to be, then everybody's got to be committed to do that." (Alice Rivlin, Testimony Before The Senate Committee On Finance, Washington D.C., 6/19/12)

#8 & 9 - Sen. Jon Tester (D-MT) And Sen. Joe Machin (D-WV) Have Declined To Endorse Democrats' Call For Repealing The Bush Tax Cuts. "Democrats running for reelection, such as Sens. Jon Tester (D-Mont.) and Joe Manchin (D-W.Va.), have declined to endorse their leadership's call for a tax increase on wealthy families." (Alexander Bolton, "Senate Dems Balk At Ending Bush-Era Tax Rates On Wealthy Without A Deficit Deal," *The Hill*, 6/19/12)

#6 & 7 - Sen. Jim Webb (D-VA) And Sen. Ben Nelson (D-NE) Are Against Raising Taxes On Any Income Brackets. "Retiring Sen. Jim Webb (D-Va.) is holding fast to his position that tax rates should not be raised on any income brackets, and retiring Sen. Ben Nelson (D-Neb.) says that is his position as well, though he appears more flexible on the issue." (Alexander Bolton, "Senate Dems Balk At Ending Bush-Era Tax Rates On Wealthy Without A Deficit Deal," *The Hill*, 6/19/12)

#5 - Rep. Jim Matheson (D-UT) Will Vote For Temporary Extension Of All Bush Tax Cuts. "U.S. Rep. Jim Matheson said Monday that he would vote for a temporary extension of the Bush-era tax cuts before they expire at year's end. 'I'm going to vote to extend them,' the Utah Democrat said. 'In a tough economy, you want to be careful about significantly reducing spending or increasing taxes.' Matheson's position puts him at odds with President Barack Obama." (Robert Gehrke, "Matheson Backes Extending Bush Tax Cuts," *The Salt Lake Tribune*, 6/11/12)

#3 & 4 - Sen. Claire McCaskill (D-MO) And Sen. Bill Nelson (D-FL) Have Refused To Rule Out An Extension Of All Of The Bush Tax Cuts. "Democratic leaders maintain they are content to play defense, but are worried that some vulnerable Democrats might defect and support a temporary extension of all the Bush-era rates, which would undercut their negotiating position. Sens. Claire McCaskill (Mo.) and Bill Nelson (Fla.), two Democrats facing tough races this year, on Thursday declined to rule out support for an across-the-board extension of the rates." (Alexander Bolton, "Democrats Paralyzed On Tax Cuts," *The Hill*, 6/8/12)

#2 - Sen. Mark Pryor (D-AR) Is Undecided On Full Extension Of Bush Tax Cuts. "Sen. Mark Pryor (D-Ark.), who is up for reelection in 2014, said he is undecided about whether to support another temporary extension of the Bush tax rates for all income brackets." (Alexander Bolton, "Democrats Paralyzed On Tax Cuts," *The Hill*, 6/8/12)

#1 - President Bill Clinton: "They Will Probably Have To Put Everything Off Until Early Next Year. That's Probably The Best Thing To Do Right Now." CLINTON: "Well, I think what it means is they will have to extend – they will probably have to put everything off until early next year. That's probably the best thing to do right now." (CNBC's "Closing Bell," 6/5/12)

- **"Former President Bill Clinton Broke Sharply With President Obama Over The Bush-Era Tax Cuts …"** "Former President Bill Clinton broke sharply with President Obama over the Bush-era tax cuts, calling on Congress to renew them temporarily in the face of ongoing economic malaise. 'That's probably the best thing to do right now,' Clinton said Tuesday in an interview with CNBC." (Byron Tau, "Clinton Breaks With Obama Over Bush Tax Cuts," *Politico*, 6/5/12)

Paid for by the Republican National Committee.
310 First Street SE - Washington, D.C. 20003 - (202) 863-8500 - www.gop.com
Not authorized by any candidate or candidate's committee.