



For Immediate Release
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**Floor Statement of Senator Max Baucus (D-Mont.) Regarding the
Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010**

Mr. President, about two years ago, our economy was on the brink.

So one of the first things that we did, with our new President, was to enact the American Recovery and Reinvestment Act. We did so to jump-start our economy. We did so to create jobs.

In the two years since, our economy created and sustained more than 3.5 million more jobs – 3.5 million more than would have been available had we not taken action.

The economy is starting to move in the right direction. But we still have a long way to go.

The positive momentum in the economy is fragile. We need to work tirelessly to protect it. Our first priority must be to create more jobs.

The lower tax rates enacted in 2001 and 2003, along with a number of other tax provisions, are set to expire at the end of this year. If we do not act, taxes will go up.

In addition, last month, the emergency Federal unemployment insurance programs expired. If we don't act, then by the end of next month, two million Americans will be without the critical assistance that they'll need. That's help they'll need to put food on the table and keep a roof over their heads.

The tax cuts and unemployment insurance both have a critical effect on the middle-class families, our economy, and jobs.

A little more than a week ago, the Senate voted on two amendments that would have extended these tax cuts for the middle class and unemployment insurance. Our amendments would have focused those extensions on the most effective ways to create jobs.

The amendments that we voted on that Saturday would have given critical relief to middle-class families. They would have provided unemployment insurance to millions of Americans who lost their jobs through no fault of their own.

These two amendments — the Baucus amendment and the Schumer amendment — would have extended tax cuts that would have benefited all taxpayers.

Those amendments would have extended critical tax cuts like the college tuition tax deduction. They would have made the child tax credit permanent. And they would have cut taxes for employers, freeing up cash for them to expand and hire new workers.

Those amendments focused on providing middle-class families the tax relief that they need. They focused on creating the jobs that our economy needs. And they focused on getting the biggest bang for our buck in creating those jobs.

Cutting taxes for middle-class families and extending unemployment insurance stimulate our economy. They do so because the families who benefit from those policies are the families most likely to spend that extra money. Spending that money injects it directly into our economy. And that helps the economy to grow and create jobs.

The best way to extend these expiring tax provisions is to focus on the middle class. That's what my amendment did. And that remains my strong preference.

There are some in this body, however, who want to extend tax breaks for the wealthiest, as well. Those folks have held tax cuts for the middle class hostage to get these tax breaks for millionaires and billionaires.

Tax breaks for millionaires and billionaires are not the best way to create jobs. The nation's wealthiest are more likely to save their money, rather than spend it and put it back into the economy.

And permanently extending tax cuts for the richest Americans would cost our economy \$700 billion over the next 10 years. That's too great a cost for a budget already burdened by deficits and debt.

But despite this disagreement, creating jobs needs to remain our first priority.

If we do not extend unemployment insurance, then by the end of next month, two million Americans who lost jobs through no fault of their own would lose their unemployment benefits.

If we allow those benefits to expire, families who currently receive them would lose much of their income. Emergency unemployment insurance has benefited about 40 million people. That has included 10.5 million children.

Emergency unemployment benefits particularly help middle-class families. Middle-class families received 70 percent of total UI benefits.

These are folks with a work history. They lost their jobs through no fault of their own. Unemployment benefits are the only lifeline that many workers in Montana and across the nation have left in this tough economy. These benefits support Americans who have worked, who are looking for work, and who will work again.

And if we do not extend unemployment insurance, we take some of the most stimulative dollars out of our economy. That would just hurt the economy's ability to create jobs.

The nonpartisan Congressional Budget Office says that unemployment benefits have one of the largest effects on economic output and employment per dollar spent of any policy. And the Department of Labor reports that for every dollar spent on unemployment insurance, two dollars are reinvested in the economy.

The Council of Economic Advisors estimates that, as of September, emergency unemployment insurance benefits have increased the level of employment by nearly 800,000 jobs.

Unemployment insurance goes to people who will spend it immediately. That increases economic demand. It's critical to extend unemployment insurance to support our fragile economic recovery and to help create jobs.

And if we don't extend the lower tax rates enacted in 2001 and 2003 and the other tax provisions expiring at the end of this year, millions of middle-class families will pay higher taxes next year.

Middle-class families are the backbone of our economy. And this recession has hit middle-class families hardest. Too many middle-class folks, who have worked hard all their lives, have been knocked off their feet by this Great Recession. Too many middle-class families are still struggling.

If we don't act, individual taxes will go up. If we don't act, the child tax credit will shrink and the college tuition tax deduction will end. So will the state and local property tax deduction, and the property tax deduction, and a host of other tax breaks critical to middle-class families. Now is certainly not the time to raise taxes on middle-class families.

And if we don't act, taxes will go up on employers. Taxes will go up on employers engaged in critical research and development. That's R&D that our economy needs to stay competitive in the global market, to grow and to create jobs.

And if we don't act, taxes will go up on employers working to develop new types of sustainable energy sources, like wind power. Sustainable energy is an industry that could create hundreds of thousands of jobs. Now is not the time to raise taxes on employers with the potential to create the jobs that we need.

So, we must act. Because if we fail to extend these critical provisions, we place our economy at risk. If we fail to act, we place middle-class families at risk.

So while I strongly prefer acting in a way that focuses on the middle class, that focuses on creating jobs, and that gets us the most bang for our buck, inaction is not an option. For that reason, I will support the bipartisan compromise that the President has proposed.

Plain and simple, this bipartisan compromise is about creating jobs. Extending middle-class tax cuts will help create jobs. Not extending them would cost jobs. And we just cannot afford to lose jobs. Job-creation needs to be our number one priority.

Our economy has come a long way in the last two years. But the growth is still fragile.

Let us keep the focus on creating jobs. Let us keep moving our economy forward. And let us pass this important legislation.

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