



AMERICANS *for* TAX REFORM

December 12, 2011

The Honorable John Boehner
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner:

On behalf of Americans for Tax Reform, I am pleased to support the tax cut extension package you unveiled on Friday. It cuts taxes and cuts spending. I urge all Members of Congress to support this common sense legislation.

Under your bill, workers would get to keep more of their own money for another year. By extending the 2 percentage point payroll tax holiday, a worker making \$50,000 will keep \$1000 of his own money, rather than pay it into a failed Social Security system. Over the longer run, workers should be able to choose every year between the payroll tax holiday and a later retirement age. This is the idea behind H.R. 3551, the SSPICE Act, sponsored by Congressman Jeff Landry (R-La.)

In addition, your bill extends for another year the ability of businesses to fully-expense (rather than slowly depreciate) capital investment purchases. This provision of law should be made permanent, since businesses should be able to account for all costs in the first year on their taxes. Extending it by another year is an acceptable alternative in this political environment.

Unlike the Senate Democrat payroll tax proposal, which offered temporary tax relief in exchange for permanent tax hikes, this bill's spending is offset solely with spending cuts. These commonsense spending cuts include freezing federal worker pay, means-testing benefits programs and implementing modest reforms to entitlement spending.

The bill will take a necessary step towards economic recovery by reducing the unending stream of unemployment payments, bringing the maximum length of benefits back in line with historical precedence. Importantly, the bill revises eligibility requirements to restrict the abuse of taxpayer funds.

While the bill continues the misguided practice of delaying scheduled Medicare payment reductions, it takes the unprecedented step of offsetting this with other spending cuts. It does so by rescinding funds in an Obamacare slush fund established to advocate for state tax increases under the guise of public health. This ensures taxpayers are not continuing to get hit twice by poor health care policy, stopping the massive tax hikes in Obamacare from fueling unlawful lobbying for higher taxes at the state and local level.

On energy, the bill requires President Obama to decide whether or not he wants oil producers and transporters to create thousands of blue-collar construction jobs via the Keystone Pipeline, or to appease the radical wing of his party. Also, this legislation replaces the onerous, job killing EPA "Boiler MACT" regulation with a commonsense alternative already passed by the House.

Taken in total, this bill cuts taxes and cuts spending. It should be supported by any Member of Congress fighting for taxpayers.

Sincerely,

Grover Norquist

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