



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 31, 2012
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 6169 – Pathway to Job Creation Through a Simpler, Fairer Tax Code Act of 2012 (Rep. Dreier, R-CA, and 23 cosponsors)

The Administration strongly opposes House passage of H.R. 6169, which would provide for expedited consideration of tax reform legislation only on the condition that it include additional massive tax cuts for high-income households and corporations.

The President is strongly in favor of both individual and business tax reform. The President has repeatedly called for bipartisan individual income tax reform that would lower tax rates, cut inefficient and unfair tax breaks, cut the deficit, increase job creation and growth in the United States, and make the tax code more fair. He has also released a comprehensive framework for fiscally responsible business tax reform that would cut the corporate rate and pay for the rate cut by eliminating tax loopholes and reforming the tax base.

Under H.R. 6169, however, tax reform legislation would receive expedited consideration only if it included another large tax cut for high-income households, over and above the tax cuts these households would receive under Republican proposals to extend the high-income 2001 and 2003 tax cuts. For example, under the House Republican proposal to extend all of these tax cuts (H.R. 8), households with incomes over \$1 million would receive tax cuts averaging \$160,000 per year. But the individual and corporate tax reductions required under H.R. 6169 could provide these households with additional tax cuts averaging as much as \$265,000, for a total tax cut of over \$400,000 per household.

The tax cuts required by H.R. 6169 carry a price tag of about \$5 trillion over ten years. This revenue shortfall would either explode the deficit or have to be paid for. If the tax cuts were financed with reductions in tax benefits, as proposed in the House-passed Republican Budget Resolution, the result would be a large tax cut for the wealthy paid for by substantial tax increases on middle-class families.

The President believes that tax reform presents an opportunity to make the tax code fairer, simpler, and more pro-growth and that it should contribute to balanced deficit reduction, not provide another expensive give-away to the wealthiest at the expense of the middle class.

If the President were presented with H.R. 6169, his senior advisors would recommend that he veto the bill.

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