



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

June 10, 2014
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 4453 – S Corporation Permanent Tax Relief Act of 2014

(Rep. Reichert, R-WA, and two cosponsors)

The Administration strongly opposes House passage of H.R. 4453, which would permanently extend two current provisions of law that offer tax breaks for S-corporations without offsetting the cost, adding to long-run deficits.

If this unprecedented approach of making certain traditional tax extenders permanent without offsets were followed for the other traditional tax extenders, it would add \$500 billion or more to deficits over the next ten years, wiping out most of the deficit reduction achieved through the American Taxpayer Relief Act of 2013. Just two months ago, House Republicans passed a budget resolution that required offsetting any tax extenders that were made permanent with other revenue measures. This bill violates that standard.

With this legislation, Republicans are imposing a double standard by adding to the deficit to fund tax breaks for businesses, while insisting on offsetting the cost of measures that help middle-class and working Americans, such as the proposed extension of emergency unemployment benefits. House Republicans also are making clear their priorities by rushing to make business tax cuts permanent without offsets even as the House Republican budget resolution calls for raising taxes on 25 million working families and students by letting important improvements to the Earned Income Tax Credit, Child Tax Credit, and education tax credits expire.

The Administration wants to work with Congress to make progress on measures that strengthen the economy and help middle-class families, including pro-growth business tax reform. However, making traditional tax extenders permanent without offsets represents the wrong approach.

If the President were presented with H.R. 4453, his senior advisors would recommend that he veto the bill.

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