



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. 4457 -- America's Small Business Tax Relief Act of 2014

(Rep. Tiberi, R-OH, and 17 cosponsors)

The Administration supports making permanent expanded expensing for small businesses and offsetting the cost by closing tax loopholes. Enhanced small business expensing supports small businesses in making investments and creating jobs. Small businesses employ half of the Nation's workforce and create nearly two out of every three jobs.

However, as with other similar proposals, the Administration strongly opposes House passage of H.R. 4457, which would permanently extend and expand the current expensing provisions for small businesses without offsetting the cost, adding to long-run deficits.

By making expanded expensing for small business permanent without offsets, H.R. 4457 would add \$73 billion to the deficit over the next ten years. Moreover, if this unprecedented approach of making major traditional tax extenders permanent without offsets were followed for the other traditional tax extenders, it would add \$500 billion or more to deficits, 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 offsets for any tax extenders that were made permanent with other revenue measures.

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. The cost of H.R. 4457 is many times the cost of the proposed extension of emergency unemployment benefits, which House Republicans insist be offset, and more than the discretionary funding increases for defense and non-defense priorities such as research and development in the Bipartisan Budget Act of 2013, which were offset. 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. 4457, his senior advisors would recommend that he veto the bill.

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