



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

July 10, 2014
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 4718 -- Permanent Extension of Bonus Depreciation

(Rep. Tiberi, R-Ohio, and 26 cosponsors)

The Administration strongly opposes House passage of H.R. 4718, which would permanently extend "bonus depreciation" rules that allow corporations to speed up deductions for certain investments and thereby delay tax payments. This provision was enacted in 2009 to provide short-term stimulus to the economy, and it was never intended to be a permanent corporate giveaway. Moreover, H.R. 4718 includes no offsets and would add \$287 billion to the deficit over the next 10 years, wiping out more than one third of the deficit reduction achieved by the American Taxpayer Relief Act of 2013.

The deficit increase in H.R. 4718 is more than twenty times the cost of the proposed extension of emergency unemployment benefits, which Republicans are insisting be offset, and more than triple the discretionary funding increases for defense and non-defense priorities enacted 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 26 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 the Congress to make progress on measures that strengthen the economy and help middle-class families, including pro-growth business tax reform. However, making costly business tax cuts permanent without offsets represents the wrong approach.

If the President were presented with H.R. 4718, his senior advisors would recommend that he veto the bill.

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