

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 19, 2007 (Senate)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2 – Fair Minimum Wage Act of 2007

(Rep. Miller (D) CA and 222 cosponsors)

The Administration supports Senate passage of legislation which increases the minimum wage by \$2.10 over two years and pairs it with tax relief for small businesses, which are creating most of the new jobs in the United States. Such an approach will help maintain a strong and flexible labor market, assisting both workers and small businesses.

The Administration appreciates the Senate Finance Committee's willingness to respond in a bipartisan fashion to the President's call to enact a minimum wage increase matched with tax relief for small businesses. The Administration does not think it is necessary to tie this small business tax relief to other revenue increases.

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