



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Sen. Chuck Grassley, chairman of the Committee on Finance, delivered this speech on the Senate floor this afternoon.

Floor Speech of Sen. Chuck Grassley on the JOBS Act April 6, 2004

Mr. President, we all know that we are likely to pass only a few major tax bills this election year, and we know that one important tax bill is the JOBS bill that comes up for a cloture vote tomorrow. We know that the only way the JOBS bill can pass is by a yes vote for cloture tomorrow. But once again we must ask, will the Democrats say no to cloture?

Will they go on record opposing the provisions that are in this bill?

Keep in mind, Mr. President, that the JOBS bill could be the last train out of town this year. It has to get done to end sanctions against U.S. exports.

Each time a member votes against cloture, it lessens the chance of moving this bill forward, and kills off the many good measures in the JOBS bill.

The JOBS bill was, from the very beginning, constructed on a bipartisan basis. A no vote on cloture is an obstruction to the bipartisanship that is in this bill.

Let's talk about the measures that are in the JOBS bill. Many members asked for their inclusion.

Let's go over what is in this bill and then ask why the Democrat leadership is telling its members to kill the bill by voting no on cloture.

This bill will end \$4 billion a year of sanctions against U.S. exports. As of March 1st, those sanctions are being imposed against U.S. exports of grain, timber, paper, and manufactured goods.

You will hear my comments on the products that are being hit right now by sanctions.

We can end the sanctions with this bill, but will the Democrats say no on cloture? Will they continue to allow the sanctions to stay in place?

This bill provides \$75 billion of tax relief to our U.S.-based manufacturing sector to promote factory hiring in the United States. But will the Democrats say no?

The JOBS bill extends the R&D tax credit through the end of 2005. This is a domestic tax benefit that generates research and development in the United States. That translates to good, high-paying jobs for workers here in America -- not overseas.

But will the Democrats again say no?

The JOBS bill extends for two years many tax provisions that expired in 2003 and 2004.

This includes items such as the work opportunity tax credit and the welfare-to-work tax credits, and make the merger of those credits permanent. Sen. Bayh and Sen. Santorum asked for these provisions, and we put them in.

Sen. Breaux and Sen. Snowe asked for a provision that allows naval shipbuilders to use a method of accounting which results in more favorable income tax treatment. We included that in this bill.

There are enhanced depreciation provisions to help the ailing airline industry. Sen. Lincoln, Sen. Brownback, and Sen. Roberts asked for these provisions.

There are New Homestead provisions requested by Sen. Dorgan, Sen. Baucus, Sen. Thomas, Sen. Enzi, and Sen. Crapo.

These are rural development provisions to create businesses in counties that are losing population. For example, they provide incentives for starting or expanding a rural business in a rural high out-migration county.

At the request of Sen. Dorgan, we also included a New Markets Tax Credit for High Out-Migration Counties. These credits help economic development in rural counties that have lost over 10 percent of their population.

There is only one way the Homestead and New Market provisions can become law this year, and that is to vote yes on cloture.

The JOBS bill includes Brownfields Revitalization that was requested by Sen. Lautenberg, Sen. Dole, and Sen. Inhofe. The bill helps tax-exempt investors that invest in the clean-up and remediation of qualified brownfield sites.

Sen. Bob Graham, Sen. Breaux, and Sen. Hatch asked us to include the Mortgage Revenue Bonds measure. It would repeal the current rule that doesn't allow mortgage revenue bond payments to be used for issuing new mortgages. There are 70 Senate co-sponsors on this bill.

We allow deductions for private mortgage insurance. This was asked for by Sen. Lincoln and Sen. Smith. It benefits people struggling to afford a home. I hope no one votes against this idea. A vote

against cloture will be a vote against this deduction.

The bill includes a tax credit to employers for wages paid to reservists who have been called to active duty. Sen. Landrieu and Sen. Allen asked for this provision.

At the request of Sen. Schumer and Sen. Clinton, we have extended and enhanced the Liberty Zone Bonds provided for the rebuilding of lower Manhattan.

We also include \$200 million in new tax credits to be used on rail infrastructure projects in the New York Liberty Zone.

We even included Renewal Communities provisions that were requested by Sen. Clinton and Schumer.

Will the Senate Democrat leadership ask their members to vote against Liberty Zone funding and community renewal by voting no on cloture?

We should not deny funding for the Liberty Zone just to prove a political point on a proposed labor regulation that may never be finalized. Even if it is finalized, Congress can always overturn it under the Congressional Review Act.

Hundreds of regulations are proposed in Washington every week. Very few make it to the finish line. So why is the Democrat leadership holding up funding for the Liberty Zone over a proposed regulation?

This is not responsible governance. It is political grandstanding and obstruction for election year politics.

The Liberty Zone needs our help, and we need behave like adults and get this bill done.

In the JOBS Act, we increase small business industrial development bond levels to spur economic development in rural areas. This was requested by Sen. Pryor and Sen. Thomas.

We have bonds for rebuilding school infrastructure, so-called QZABs. QZABs were requested by Sen. Conrad.

We have included Tribal Bonds in the JOBS bill, which were requested by Sen. Campbell and Sen. Johnson. I am sure this is supported by Sen. Daschle as well.

These bonds allow the same rules that apply to tax-exempt bonds for states and local governments to also apply to Native American tribes issuing tax-exempt bonds to finance facilities on a reservation.

We have included Tribal School Bonds, again at the request of Sen. Johnson and Sen. Campbell. Under current law, there is no class of bonds designated for the purpose of encouraging school

construction on Indian reservations. These bonds fill that void.

We have a new Tribal New Markets Tax Credit, which was added at the request of Sen. Daschle and Sen. Campbell. This amendment would add \$50 million a year in economic development on reservation land.

But will the Democrat leadership tell Democrats to vote against cloture and kill these Native American measures?

We have included the Civil Rights Tax Fairness Act. Sen. Bingaman, Sen. Collins, and I all wanted this provision included.

Sen. Conrad, Sen. Santorum, and Sen. Bunning asked that we add a change to section 815. The provision suspends application of the rules imposing income tax on certain distributions to shareholders from the policyholder's surplus account of a life insurance company. This is in the bill.

We have a special dividend allocation rule that benefits farm co-ops. Sen. Lincoln and Sen. Coleman asked for it, and we included it in the bill.

We have other farm provisions that give cattlemen tax-free treatment if they replace livestock with because of drought, flood, or other weather-related conditions. Sen. Daschle and Sen. Thomas asked for this provision.

At the request of Sen. Cantwell and Sen. Thomas, we included a provision that allows payments under the National Health Service Corps loan repayment program to be exempt from tax. This is an important measure to enhance the delivery of medical services to rural areas.

We included Passenger Rail Infrastructure Tax Credits, at the request of Sen. Carper. It provides \$500 million for intercity passenger rail capital projects.

We also include the Short-Line credits requested by Sen. Smith and Sen. Brownback.

At the request of Sen. Rockefeller and Sen. Hatch, we have added a provision to allow taxpayers to apply their bonus depreciation against AMT credits. This measure is important to the steel mills of West Virginia.

A provision benefiting Oldsmobile dealers was included at the request of Sen. Baucus and Sen. Bingaman. The proposal will provide tax-free treatment to Oldsmobile dealers for termination of franchises.

How many times have we heard members talk about the need to make broadband available to rural communities? We know it is essential to the economic competitiveness of rural American. We know many Democrat senators support this and it is in the bill.

Sen. Murray and Sen. Smith asked for the Forestry Bond provisions in this bill. That proposal allows nonprofits to use tax-exempt bond financing to acquire forest land to achieve better balance between the goals of conservationists and the timber industry. Up to \$1.5 billion in bonds may be issued under this program. That is a lot of conservation money.

At the request of Sen. Boxer, we have included a proposal that would allow employers to take a 50% tax credit against their FICA taxes for wages paid to first responders who are called to active duty.

We added a second measure at Sen. Boxer's request. This proposal would allow farmers and ranchers to take a 30% credit for the installation of irrigation equipment which reduces water use. The credit would be limited to land that has received drought assistance during the past three years.

Anyone who votes against cloture is voting to kill all of the items I just listed.

All of the beneficial provisions I have just listed are being held hostage because the Democrat leadership is pushing for a vote on an issue that is not even in this bill.

The vote is an attempt to embarrass the Administration in an election about a proposed Labor regulation on overtime.

The Democrats said the regulation was going final and they had to add it to the JOBS bill or otherwise they would block the JOBS bill.

Well, that was 2 weeks ago and the regulation is still not final, and it may never be made final.

It is all politics, all the time, from the Democrat leadership. It is nothing but obstruction.

That is inexcusable because we have worked hard throughout this process to make sure that everyone's concerns, both Republican and Democrat, were incorporated into this bill.

You see that effort in the amendments I just listed.

But if it wasn't overtime, it would be something else to obstruct this bill, like minimum wage, TAA for services, some kind of health care issue – anything in order to block the JOBS bill.

It is all about the Democrat leadership keeping the EU sanctions in place in order to drive down the economy for the fall elections.

This is especially outrageous when you consider the bipartisan history of the JOBS bill.

The JOBS bill is a completely bipartisan bill. Construction of the JOBS bill began when Sen. Baucus was Chairman of the Finance Committee.

Sen. Baucus and I have always worked with our Finance Committee colleagues on the bipartisan development of this FSC-ETI repeal and international tax reform package.

Let me emphasize that there is not one provision in this JOBS bill that was not agreed to by both Republicans and Democrats.

We have acted in good faith to produce a bill that protects American manufacturing jobs and makes our companies globally competitive.

Let's get on with the business at hand and finish this bill. Vote for cloture tomorrow. Put the bipartisan JOBS bill ahead of partisan politics.

Let's put the adults back in charge, and get the JOBS bill voted out of the Senate.