



November 2011

## The Jobs Through Growth Act

### Title I: Pro-Growth, Pro-Family Tax Reform

- **Taxpayer Choice Act:** Modeled on the RSC's [Taxpayer Choice Act](#) of 2007 (H.R. 3818 in the 110<sup>th</sup> Congress), the legislation gives taxpayers the choice of staying with the current tax code or switching to a simple, flatter income tax with the lowest rates in 80 years. The new optional tax system would have:
  - just *two* rates **15%** (first \$50,000 taxable income for single filers, \$100,000 for joint filers) and **25%** (taxable income above that);
  - a standard deduction of **\$12,500** for single filers and **\$25,000** for joint filers;
  - an additional deduction of **\$12,500** for each dependent; and
  - no other individual deductions or credits or exclusions.

The new tax code is more pro-family than current law by, as noted above, providing dependent deductions of \$12,500 (compared to \$3,700 in current law), and by eliminating the marriage penalty.

Regardless of whether a taxpayer opts in to the new system, the AMT is eliminated and the top tax rate on investment income is set at 15% for all taxpayers.

- **Cut the Corporate Rate to 25% and Move to a Territorial Based System:** Reduces America's top corporate tax rate from 35% to 25%. The legislation also directs the House Ways and Means Committee to identify tax deductions and credits that could be eliminated and to report legislation transitioning the U.S. to a territorial tax system.
- **Index the Capital Gains Tax for Inflation:** Eliminates the capital gains tax on inflation. *Congressman Joe Walsh's Capital Gains Inflation Relief Act (H.R. 2945).*
- **Repatriation:** To encourage businesses to bring the estimated \$1.2 trillion of capital stranded overseas back into the U.S. economy, the legislation lowers the tax on foreign-earned profits repatriated by U.S. corporations to 5.25% for one year. *Congressman Kevin Brady's Freedom to Invest Act (H.R. 1834).*
- **Death Tax Repeal:** Permanently eliminates the death tax, which imposes heavy compliance costs and threatens the survival of small businesses and family farms. *Congressman Kevin Brady's Death Tax Repeal Permanency Act (H.R. 1259).*

## **Title II: Red Tape Reduction**

- **Regulation Moratorium and Jobs Preservation Act:** Calls a timeout on all new regulations that create significant costs for job creators until unemployment falls to 7.7% or less. The Obama Administration proposed 144 such regulations in the first six months of 2011 alone. *Congressmen Reid Ribble's-John Carter's Regulation Moratorium Jobs Preservation Act of 2011 (H.R. 2898).*
- **Expand Small Business Exemptions to Companies with up to 200 Employees:** Many laws provide an exemption from regulations to small businesses with 50 or fewer employees. This legislation raises that benchmark to 200 employees.
- **REINS Act:** Requires congressional approval for any "major" rule. Major rules are those regulations which are projected to have an annual economic impact of \$100 million or more. Last year 100 such rules were finalized, further contributing to the [\\$1.75 trillion in regulatory compliance costs](#) Americans pay each year. *Congressman Geoff Davis's REINS Act (H.R. 10).*
- **Small Business Regulatory Freedom Act:** Requires federal agencies to give greater consideration to a proposed regulation's impact on small businesses by publishing a regulatory flexibility analysis. *Legislation by Senators Snowe and Coburn, the Small Business Regulatory Freedom Act (S. 474).*
- **Small Business Freedom of Commerce Act:** Allows small businesses to opt out of federal regulations imposed since the end of 2007 (coinciding with the start of the recession), if they follow certain public and consumer notification requirements. *Modeled on Congressman Scott Garrett's Small Business Freedom of Commerce Act (H.R. 3137).*

## **Title III: American Energy Production**

- **Consumer Relief for Pain at the Pump Act:** Enacts the RSC's energy bill to lessen regulatory burdens, mandates, and prohibitions that artificially increase the price of gasoline. The plan removes unnecessary delays in the Gulf of Mexico OCS permitting process, creating thousands of jobs immediately, and opens up ANWR, the OCS, and waters in the Eastern Gulf of Mexico for energy exploration and development. To encourage offshore energy development, the plan provides 50% revenue sharing to producing states. The plan repeals the Administration's "Wild Lands Policy" that restricts hundreds of thousands of acres from energy development, repeals the Environmental Protection Agency (EPA) greenhouse gas regulation, and prevents the EPA from imposing regulations in the name of climate change. [Consumer Relief for Pain at the Pump Act \(H.R. 1777\).](#)
- **Extension of Outer Continental Shelf Leases:** Provides a one-year extension on OCS leases that were directly impacted and delayed by the Administration's failure to move forward in the offshore drilling permitting process. *Congressman Bill Flores's Lease Extension and Secure Energy Act (H.R. 993).*
- **Green Light the Keystone Energy Pipeline:** Removes barriers to approving the Keystone Energy Pipeline to bring critical energy resources from Canada to the United States. *House-passed North American-Made Energy Security Act (H.R. 1938).*

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