



## **Rep. Petri's E-Newsletter December 17, 2010**

- \* Taxes Now and In the Future**
- \* New District Director**
- \*What's Coming Up**
- \*What I've Been Up To**
- \* Legislative Update**

### **Taxes Now and In the Future**

It took some time to get it past disgruntled Democrats, but the House has at last managed to approve the tax deal the White House and Republican leaders struck to prevent tax increases January 1. I voted in favor of the plan.

Individual households and the economy in general could have been devastated if taxes had been allowed to shoot up with the new year, and extending long term unemployment insurance for another 13 months is the right thing to do. The jobs simply aren't out there in the numbers necessary to provide work for all those who are diligently seeking it.

I also think the temporary 2 percent cut in payroll taxes is a good idea. Many economists say we should stimulate spending to encourage recovery, and if we are going to do that, I would rather have individual wage earners doing the spending rather than having Congress and the Administration showering money on favored government programs and projects. Government does many necessary and important things, but as a general rule, a free people should leave most spending decisions in the hands of the citizens individually.

In order to reach agreement, President Obama had to give up, for now, on his demand that taxes rise for "the rich." It seems the President's sense of fairness causes him to want to "spread the wealth around," as he has said, but whatever one may think of his leveling impulse, it just doesn't make sense to punish entrepreneurs, investors and other job creators, especially with the economy the way it is.

"What hypocrisy," some say, "for Republicans to worry about the deficit but to favor tax cuts." Well, first of all and for the most part, the tax agreement doesn't cut taxes, rather it prevents longstanding tax rates from going up.

Even though we are keeping all of the Bush tax cuts for two years, federal revenues are expected to return to their historical average of 18 percent of the gross domestic product once the economy recovers. However, federal spending, currently 24 percent of the economy, is not on track to return to its historical average of 20 percent. In other words, higher spending is the predominant cause of large deficits over the long term, not lower tax rates.

Many Democrats are outraged that the President has postponed his demand for tax increases on higher earners. Meanwhile, many Republicans are dismayed that the tax agreement would extend most current rates for only two years rather than "permanently." I think too much is being made of the word "permanently," however.

Along with many budget cutting proposals, the recently-adjourned National Commission on Fiscal Responsibility and Reform - President Obama's debt commission - proposed a radical simplification of our tax codes. Under the plan, a vast array of tax loopholes would be done away with which would allow tax rates to be significantly reduced. Most individuals would be able to do their own taxes again easily, and businesses would be relieved of a lot of paperwork. Special deals in the tax code favoring this or that business would be eliminated, which would lead to a more efficient allocation of investments and a stronger economy.

The President's debt commission proposal won't be coming up for a vote, but many people in Washington are very much interested in tax simplification. This is an urgent need, and one that both Democrats and Republicans might be able to work on together.

### **New District Director**

On January 3, Tyler Vorpapel will take over as District Director in my Fond du Lac office. Tyler has served for the last several years as one of my Field Representatives.

Tyler has the background and experience for the job. He knows the 6th District, has worked well with local leaders and constituents, and has represented me effectively in the years he has been on my staff.

He replaces Dave Anderson, who has accepted a position as the District Director for Congressman-elect Sean Duffy in Wisconsin's 7th Congressional District. I'm sorry to see Dave leave, but I understand his desire to return home to north central Wisconsin, where he lived before coming to Fond du Lac. The change means that Sean and the 7th District will be in good hands.

## What's Coming Up

I plan to attend Governor-Elect Scott Walker's inauguration in Madison January 3. But before that, we need to adjourn the 111th Congress. Items expected to come up include:

**Continuing Resolution:** Due to the current congressional leadership's irresponsible decision to avoid producing a formal budget for the current 2011 fiscal year, keeping the lights on requires us to approve a stop-gap continuing resolution (CR).

**Don't Ask Don't Tell:** The House has passed a repeal of Don't Ask Don't Tell (I voted no), but the Senate has yet to act.

**Dream Act:** The House has passed the DREAM Act - legislation to provide a path to citizenship for illegal immigrants who were brought to this country when they were children (I voted no). Senate leadership plans to bring the bill up, but few people expect it to get through the Senate before the end of the 111th Congress.

**START:** The Senate may consider the Strategic Arms Reduction Treaty with Russia.

There will be new leadership in the House starting January 5, and the public has a right to expect major changes and better results. For my part, I think it likely that I will chair the Aviation Subcommittee.

## What I've Been Up To

I have spent most of the past month getting ready for the 112th Congress which begins in January. I have attended a number of GOP organizational meetings held to choose the incoming majority's leaders and to discuss other matters dealing with how we plan to run the House.

My most important activity in the 6th District was participation in the November 23 public meeting in Oshkosh held by the Postal Service to discuss the possibility of eliminating the Oshkosh mail processing center and moving the work to Green Bay. I was pleased to find a large crowd on hand to let the Postal Service's management know of our concerns about the proposal. I got in line to speak, along with everyone else.

I have been in contact with the Postal Service continually over this issue and have been in touch with Senator-Elect Ron Johnson in order to work together on it once he is sworn in.

Finally, my office recently held a successful series of meetings on Medicare's open season, which has just now closed. Meetings took place in Sheboygan and Manitowoc on December 9 and Montello, Oshkosh and Fond du Lac on December 10. I had to leave the first day's sessions in the hands of staffers because the House was in

session, but I was able to participate in the second day's meetings and was pleased to find the program informative and useful.

## **Legislative Update**

### ***December 1, 2010:***

\* The House considered **S. 3307**, the *Healthy, Hunger-Free Kids Act*, also known as the "child nutrition bill." The bill reauthorizes the school breakfast and lunch programs. Additionally, the bill provides a six cent per meal reimbursement increase for states that increase the nutrition standards of their school lunches, authorizes the Secretary of Agriculture to set nutrition standards for all foods sold in schools (other than through the breakfast and lunch programs), such as in vending machines, and creates a number of new pilot programs. The bill is offset through a reduction in food stamp benefits.

\* This bill passed the House on December 2nd by a vote of 264-157. I voted against this legislation out of concern that it had a number of prescriptive mandates that would raise costs for local school districts, many of which are facing budget shortfalls.

### ***December 2, 2010:***

\* The House considered **H.Res. 1737**, a resolution of censure directed at Representative Charles B. Rangel of New York. This censure resolution resulted from an investigation and adjudicatory hearing by the House Committee on Standards of Official Conduct which resulted in a finding that Rep. Rangel was guilty of eleven separate violations of House rules.

The House adopted the resolution of censure by a vote of 333 - 79. I voted with the majority in support of this form of punishment. The censure was read to Rep. Rangel immediately following this vote.

\* The House considered an amendment to the Senate amendment to **H.R. 4853** regarding tax cuts. The amendment considered by the House would replace the entire content of the Senate bill with language providing an extension of the 2001 and 2003 tax cuts for individuals with incomes under \$200,000 and joint filers with incomes under \$250,000.

The House adopted the amendment by a vote of 234 - 188. I voted against accepting this amendment because it would impose a significant tax increase, an inadvisable action during an economic recession.

### ***December 8, 2010:***

\* The House considered the Senate Amendments to **H.R. 5281**, the *Development, Relief, and Education for Alien Minors (DREAM) Act of 2010*. This bill would grant

permanent residency and the possibility of citizenship to eligible undocumented immigrants who complete two years of college or service in the military.

The DREAM Act passed the House by a vote of 216 - 198. I voted against this measure due to concerns about adding billions to the federal deficit, encouraging fraud, and stimulating more illegal immigration. The DREAM Act is now pending in the Senate.

\* Also on December 8, the House considered an amendment to a Senate amendment of **H.R. 3082**, the *Full-Year Continuing Appropriations Act, 2011*. This is a continuing resolution to keep the government funded for the remainder of the 2011 fiscal year instead of a formal budget. It also included food safety legislation.

H.R. 3082 passed the House by a vote of 212 - 206. I voted against this measure because of its tremendous cost.

***December 9, 2010:***

\* The House considered **H.R. 4994**, the *Medicare and Medicaid Extenders Act of 2010*. This "Doc Fix" bill delays by one year a reduction in reimbursement rates to doctors treating Medicare patients.

H.R. 4994 passed the House by a vote of 409 - 2. I voted "yes". The President has since signed the measure into law.

***December 15, 2010:***

\* The House considered H.R. 2965, the *Don't Ask, Don't Tell Repeal Act of 2010*. This bill would repeal a ban on openly gay people serving in the military.

H.R. 2965 passed the House by a vote of 250 - 175. I voted in opposition because the Military Service Chiefs have expressed concern about changing the policy during a time of war. The bill next goes to the Senate where its fate is uncertain.

***December 17, 2010:***

\* The House considered **H.R. 4853**, the *Middle Class Tax Relief Act of 2010*. This is the tax extension compromise reached between President Obama and Congressional Republicans. This legislation prevents an enormous tax increase which certainly would have edged our fragile economy back into recession. It also extends emergency unemployment benefits.

H.R. 4853 passed the House by a vote of 277 - 148. I voted in favor of its passage.

\* The House considered **H.R. 6523**, the *Ike Skelton National Defense Authorization Act for Fiscal Year 2011*. This bill authorizes appropriations for fiscal year 2011 for military activities of the Department of Defense.

H.R. 6523 passed the House by a vote of 341 - 48. I voted in favor of its passage. It now goes to the Senate.

**Keep Current With Issue Updates!**

Would you like to be notified about key votes and activities in the House of Representatives? If you would like to receive periodic updates on issues of interest to you, such as agriculture, health care or energy, please sign up at:

<http://petri.house.gov/subscribe.shtml>

Also, I invite you to visit my website at:

<http://petri.house.gov/>

And follow me on Facebook at:

<http://www.facebook.com/thomaspetri>

To unsubscribe from this newsletter, follow this link:

<http://petri.house.gov/unsubscribe.shtml>