



Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release
Tuesday, November 15, 2005

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Statement of U.S. Senator Max Baucus Tax Reconciliation Markup

The Chinese considered it a curse to say: "May you live in interesting times." Well, this has certainly been an interesting markup.

Mr. Chairman, last Tuesday, when you gave notice of your intention to hold this markup, I thought that we were going to have a knock-down, drag-out fight over capital gains, dividends, and the budget deficit. Now it appears that we are going to have an entirely different markup.

Now, I am not complaining. I am gratified, Mr. Chairman, that you have chosen to modify your mark to remove the capital gains and dividend provisions. That is a fundamental change. And from this side of the dais, that is a welcome change.

The job of a Committee Chairman is a brokerage job. A Committee Chairman tries to do the most that he can with the votes that he has. I compliment you, Mr. Chairman, for being among the best at counting the votes.

Now I have been musing that we might want to consider changing our committee procedures. When a modification makes a change of this magnitude, one might argue that we should have an entirely new markup, with an entirely new notice, and an entirely new opportunity to file amendments.

Most of the amendments on this side of the dais had to do with striking the capital gains and dividend provisions and using the revenues for better purposes. Most of those amendments will not be necessary today.

For many reasons, the markup today is not all that I would have preferred. I would have preferred that we had handled this tax cut legislation outside of the reconciliation straightjacket. I would have preferred that we had done more to address the immediate needs of the people affected by the Hurricanes that ravaged the Gulf States. I would have preferred that we had done more to address active financing. And I would have preferred that the Committee would have paid for the tax cuts that it proposes today.

But I know that the Chairman would have preferred that this markup had gone a little differently in other ways, as well.

There are many good things in this mark. Extension of the R&D credit is crucial for American businesses to remain competitive. The devastated Gulf states desperately need the help to rebuild that is in the mark. And I appreciate the work that you have done, Mr. Chairman, to extend the tax provisions that we all know need to be extended. This is the business of the Committee.

Going forward, I urge you, Mr. Chairman, to defend this position as strenuously as you can. The modification before the committee today represents the moderate consensus. In particular, we must resist the fiscally irresponsible road down which the House of Representatives seems headed.

And so, Mr. Chairman, this has been an interesting process. The critic for the New Yorker Alexander Woollcott once said: "The most interesting things in life are either immoral, illegal, or too fattening."

As we move ahead on this interesting markup, let us try to shape a bill that is none of those things. Let us maintain a bill that has moral grounding. Let us extend the laws that need extending. And let us avoid doing so much that we fatten the deficit.

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