

**Congressman Gary Miller Statement on H.R. 1, the American
Recovery and Reinvestment Act
January 28, 2009**

Madame Speaker: There is no debate that the economy is in serious trouble and it is clear that quick, responsible action must be taken to ensure struggling American families will be able to rebound from the current recession. What is even clearer is the package, which will ultimately be signed by the President, will not help struggling Americans nearly fast enough. Rather, it devotes billions of dollars to special interest groups' pet projects and commits vast sums of money to long term spending priorities that do nothing to stimulate the economy. What the American people need is a package that is timely, targeted, and temporary, which is why I am voting against H.R. 1, the American Recovery and Reinvestment Act.

This massive piece of legislation—equivalent to the entire yearly discretionary budget of the U.S. Congress—was developed in haste, behind closed doors, and without the input that was promised to the Minority party in Congress. The bill represents a litany of pork barrel spending that will do nothing to help hard working American families struggling to make ends meet. For example, this bill contains \$600 million to buy new cars for the federal government, \$50 million to fund the National Endowment of the Arts, \$44 million to repair the U.S. Department of Agriculture Headquarters, \$400 million for NASA to conduct climate change research, and \$335 million for sexually transmitted disease education and prevention programs. These items represent an increase in government spending, not job creation. Further, the bill creates 32 more government programs, directs \$248 billion in mandatory spending, and according to the non-partisan Congressional Budget Office, only 40 percent of the discretionary funds will be spent in the next year and a half.

All in all, based on the Democrats' estimation of the number of jobs they wish to create with this legislation, Congress will be spending \$275,000 per job created or saved. Americans should be asking; how will we pay for all this spending once the economy recovers? The fact remains that once this bill becomes law, the total federal deficit will be approaching \$2 trillion. We must make sure that the relief we provide is immediate, effective, and temporary.

To accomplish this we must focus the stimulus on providing tax relief to struggling families and small businesses. Small businesses remain the life blood of the American economy and we must ensure that resources are in place to allow them to thrive. House Republicans propose to allow small businesses to take a tax deduction equal to 20% of their income, and allowing businesses to write asset depreciation off on their taxes at an accelerated rate, which will immediately free up funds for small businesses to retain and hire new employees. This is in addition to retaining the net operating loss carryback and expensing for small businesses, currently contained in the bill. To ensure business only hire legal workers and U.S. citizens, I am pleased the bill includes a four year reauthorization of the E-verify program and will work to make it mandatory and permanent.

Rather than a refundable credit based on payroll taxes, House Republicans propose reducing the lowest individual tax rates from 15% to 10% and from 10% to 5%. As a result every taxpaying-family in America will see an immediate increase in their income with an average benefit of \$500 in tax relief from the drop in the 10% bracket and \$1,200 for the drop in the 15%

bracket. A married couple filing jointly could save up to \$3,200 a year in taxes. The Alternative Minimum Tax is again threatening to affect millions of middle class Americans and needs to be addressed immediately so taxpayers can be confident that this burdensome tax will not strike them this year. Additionally, House Republicans propose to make unemployment benefits tax free so that those individuals between jobs can focus on providing for their families.

The stimulus proposal pending in Congress includes record levels of government spending that will substantially increase the current deficit. As stewards of the economy, Congress must ensure that the proposals adopted here are the most effective at turning the economy around. Wasteful spending and new government programs will only place the American people at a greater risk in the future. Americans deserve a stimulus package that addresses their needs, not a stimulus package that devotes millions of dollars to pet projects and interest group demands.