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Key Vote NO on H.R. 8, the “Fiscal Cliff” Tax Hikes and Sequester Postponement Bill

Dear FreedomWorks member,

As one of our millions of FreedomWorks members nationwide, I urge you to contact your U.S. Representative and urge him or her to vote against H.R. 8, the McConnell-Obama bill to raise taxes and postpone the promised sequester savings.

While the floor timing and possible amendments to this legislation remain unclear, the language of the bill that passed the Senate this morning is clearly unacceptable for a number of reasons: 1) It fails to extend 2012 income tax rates for individuals earning more than \$400,000 a year, thus allowing the higher rates that took effect this morning to continue. It thus embraces President Obama’s cynical “soak the rich” approach, which punishes success and divides Americans against one another, without producing any significant revenue. 2) It once again kicks the can down the road on any meaningful spending reductions, by postponing \$1,200,000,000,000 (\$1.2 trillion) in promised savings required under the Budget Control Act of 2011, in effect repealing those savings and cynically letting the government go on piling a mountain of debt on our children and grandchildren. 3) It increases federal spending by \$330,000,000,000 (\$330 billion) over ten years, according to the Congressional Budget Office, on luxuries we can’t afford, like an eleventh extension of the “temporary” unemployment benefits expansion of 2008, and various “stimulus” (i.e., special interest) tax breaks for corporate interests. To add insult to injury, the bill contains a number of earmarks, including \$10,000,000 to promote farmers markets, \$5,000,000 for the “National Clean Plant Network,” and \$30,000,000 for a “Beginning Rancher and Farmer Development Program.” 4) It contains no meaningful spending reductions. CBO estimates the bill that passed in the Senate this morning would increase our national debt by nearly \$4,000,000,000,000 (\$4 trillion). That’s on top of our current, historically high national debt of more than \$16,000,000,000,000 (\$16 trillion).

While the bill contains \$3,600,000,000,000 (\$3.6 trillion) in tax relief, compared to the tax policy that took effect this morning—relief we support—its lack of meaningful savings and its “postponement” of \$1.2 trillion in promised savings make it unacceptable. This is hardly the “balanced” approach that President Obama claims to insist on, whereby *every* dollar of spending reductions *must* be accompanied by at least a dollar in tax hikes.

Washington has an over-spending problem, not an under-taxing problem. Shifting more of the tax burden to the highest earners is not the way to get America out of our deep fiscal mire. Instead, we should be focusing on fixing our labyrinthine, corporate-subsidy-laden tax code and reforming our out-of-control spending and unsustainable entitlements. Only by making these real, substantial reforms will we be able to get our fiscal house in order and avoid another damaging debt downgrade. Congress must break its deeply ingrained habit of always kicking the can down the road.

There is a better way to handle the so-called fiscal cliff. FreedomWorks has been urging Congress to keep its promise of \$1.2 trillion in ten-year sequester savings, extend *all* current tax rates for one year, and get to work in 2013 on reforming taxes and entitlements.

We oppose the bill on procedural grounds. As a matter of principle, we will never again support a back room deal that the American people have not been given ample chance to examine. Both parties promise full transparency but act in secret when no one is paying attention.

We will never fix our fiscal problems, shrink the national debt burden, reform the tax code, modernize our broken entitlements, and balance the budget until Congress and the President commit to return to regular order. Pass a budget resolution by April 15th, as required by law. Propose legislation through the open legislative process. Pass the appropriations bills, without special interest earmarks, in the light of day. Reconcile all of this by October 1st, the beginning of the new fiscal year. Regular order, transparency, accountability. That is our New Year's Wish. Anything less cheats the American People of what they have every right to expect from the political class.

I urge you to call your U.S. Representative and ask him or her to vote NO on H.R. 8, the McConnell-Obama bill to raise taxes and postpone the promised sequester savings. We will count any vote on this proposal as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2012. The Economic Freedom Scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,

Matt Kibbe

President and CEO, FreedomWorks