



JOB CREATION AND WORKER ASSISTANCE ACT

Talking Points

March 7, 2002

Members are strongly encouraged to reference in floor statements and press releases some of the items (listed at the end of this sheet) that are no longer included because of Democrats' opposition.

While this bill has many good components, equally important are the measures no longer included because of Tom Daschle's and Dick Gephardt's opposition.

Background:

- From almost the moment it was determined that the economy was in trouble, President Bush and House Republicans began developing a plan to help rejuvenate the economy, create more jobs, and get Americans back to work.
- On October 24th of last year, the House passed its first stimulus bill based on the outline provided by the President. After waiting 57 days for the Democrat-controlled Senate to either act on the House proposal or develop one of its own, House Republicans decided to help move the Senate along by passing a second economic stimulus bill.
- Then after waiting another 56 days without any action on the part of the Senate, the House passed a third stimulus bill.
- Today, March 7th, is the 21st day since passage of the third House stimulus bill. The Democrat-controlled Senate has still yet to act on any proposal to help stimulate the economy and create jobs.
- The only item Senator Daschle was able to move through the Senate was a 13-week extension of unemployment benefits.
- Extending unemployment will not create a single job. Displaced workers want their jobs back, not permanent unemployment.

- The last three bills passed by the House would do just that -- create jobs.
- According to the Heritage Foundation's Center for Data Analysis, **previous stimulus proposals advocated by the House would create on average 194,000 additional jobs per year over the next four years.**

Where We Are Today:

Democrats in the House and the Senate continually use the term “poison pill” to refer to the most effective components of the House stimulus proposals.

- Indeed, yesterday, House Democrats used the term “poison pill” at least a half-dozen times to describe the Republican proposal to provide an advanceable and refundable tax credit for displaced workers without health care to use to buy the health care of their choice. Democrats only support a health care proposal that forces displaced workers into either Medicaid or COBRA irrespective of whether or not the worker can find better and cheaper insurance somewhere else.

Today House Republicans are passing a bill that can no longer be called a stimulus. While it has some components that may help displaced workers, significant portions of previous bills are no longer included because the opposition of Tom Daschle and his fellow Democrats. Those provisions include:

- **Immediately lowering the 27% tax rate to 25%.** This provision would have saved 33 million taxpayers over \$12 billion this year. Small businesses and entrepreneurs account for 10 million of those benefiting from this provision. The lower marginal tax rates and extra cash in the hand of these business owners will provide incentives for hiring and business expansion. **NO LONGER INCLUDED BECAUSE OF DEMOCRATIC OPPOSITION**
 - **Increasing the amount a small business can deduct immediately for business investments by \$16,000.** This provision would have provided an even greater incentive for small businesses to expand. Helping small businesses is particularly important since they employ over half of the private workforce and in recent years have been responsible for creating 80% of all new jobs. **NO LONGER INCLUDED BECAUSE OF DEMOCRATIC OPPOSITION**
 - **Providing a Health Care Tax Credit for displaced workers.** This provision would have allowed ALL displaced workers to gain access to health care insurance by providing them with a refundable and advanceable tax credit for the purchase of insurance. **NO LONGER INCLUDED BECAUSE OF DEMOCRATIC OPPOSITION**
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