

# Taxes, Healthcare, Spending and Earmarks: What to Expect From the New Congress

Presented by:  
Brad Close, Vice President of Federal Public Policy, NFIB  
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## About Our Speakers



**Brad Close, Vice President of  
Federal Public Policy, NFIB**



**Bill Rys, Tax Counsel, NFIB**

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## November 2010 Elections

Huge victory for small business!



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## NFIB SAFE Trust Endorsements

- **US Senate**
  - 28 Endorsements
  - 23 Wins
- **US House**
  - 262 Endorsements
  - 221 Wins
    - 1 race undecided – NY-01
- **Governors**
  - 30 Endorsements
  - 21 Wins
    - 1 race undecided - MN



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## Who are the Winners?

- 25 NFIB Members – 244 total endorsed candidates.
- 112<sup>th</sup> Congress will have more members with a business background (181).



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## NFIB Members Elected to Congress (25)

AR-01	Rick Crawford	MI-02	Bill Huizenga
AR-02	Tim Griffin	MS-04	Steven Palazzo
AZ-01	Paul Gosar	ND-At Large	Rick Berg
AZ-05	Dave Schweikert	NM-02	Steve Pearce
CO-04	Cory Gardner	OH-18	Bob Gibbs
FL-02	Steve Southerland	SC-03	Jeff Duncan
FL-08	Dan Webster	SD-At Large	Kristi Noem
IL-17	Bobby Schilling	TN-06	Diane Black
IN-03	Marlin Stutzman	TN-08	Stephen Fincher
IN-09	Todd Young	VA-05	Robert Hurt
<b>KY-Sen</b>	<b>Rand Paul</b>	WI-07	Sean Duffy
MO-04	Vicky Hartzler	WI-08	Reid Ribble
		<b>WI-Sen</b>	<b>Ron Johnson</b>



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## What did NFIB do?

- Voter Guide.
- Volunteer Recruitment.
- Social Media – NFIB Force.



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## What did NFIB do?

- GOTV Postcards.
- Endorsement Events.
- Road Team.



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## Independent Expenditures (Radio)

**ONE WEEK BUY – Just under \$1 million**

NC - Senate – Burr (Win)  
PA - Senate – Toomey (Win) – 2 week buy  
WI - Senate – Johnson (Win)  
NH - Senate – Ayotte (Win)  
WA - Senate – Rossi (Loss)



FL-08 – Webster (Win)	OH-16 – Renacci (Win)
IN-08 – Buschon (Win)	SC-05 – Mulvaney (Win)
ND-AL – Berg (Win)	VA-05 – Hurt (Win)
NM-01 – Barela (Loss)	WI-07 – Duffy (Win)
NV-03 – Heck (Win)	WI-08 – Ribble (Win)
NH-01 – Guinta (Win)	NH-02 – Bass (Win)



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## Issue Advocacy - TV

Ads ran for two weeks (split) - \$3.7 million

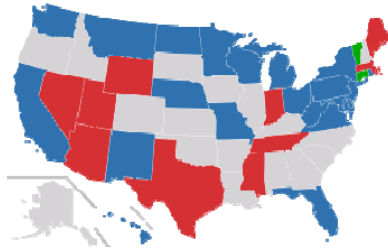
- CA-11 – Harmer (Loss)
- CO-03 – Tipton (Win)
- MO-03 – Martin (Loss)
- NY-19 – Hayworth (Win)
- OH-16 – Renacci (Win)
- PA-10 – Marino (Win)
- SC-05 – Mulvaney (Win)
- WI-03 – Kapanke (Loss)
- NY-23 – Doheny (Loss)



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## Senate 2012 Outlook



### Democrats

23 seats  
(including 2 Independents)

### Republicans

10 seats



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## Lame Duck Agenda

### NO

- Card Check



- Cap & Trade



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## Lame Duck Agenda

Taxes!

Taxes!

Taxes!



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## Lame Duck Agenda

### Tax Deal Framework

Two-year extension of 2001 & 2003 tax rates.



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## Expiring Individual Tax Rates

### 2001 Rates

\$1 - \$45,200 = 15%  
\$45,201 - \$109,250 = 27.5%  
\$109,251 - \$166,500 = 30.5%  
\$166,501 - \$297,350 = 35.5%  
\$297,351 to above = 39.1%

\*Rates are for Joint Filers

### Current Rates

\$1 to \$16,750 = 10%  
\$16,751 to \$68,000 = 15%  
\$68,001 to \$137,300 = 25%  
\$137,301 to 209,250 = 28%  
\$209,251 to \$373,650 = 33%  
\$373,651 to above = 35%



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## Estate Tax

### Tax Deal Framework

- Two-year estate tax.
- \$5 million/per spouse exemption.
- 35% estate tax rate.



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## Other Tax Issues

### Tax Deal Framework



- Two years capital gains rate of 15%.
- Two years dividends rate of 15%.
- Alternative minimum tax patch.



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## Other Tax Issues

### Tax Deal Framework



- One year 2% payroll tax holiday for employees.
- 100% business investment depreciation for 2011.
- 13 month unemployment benefit extension.



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## Other Tax Issues- 1099 Repeal

- 1099 reporting requirement NOT included in the tax deal framework.
- BUT, broad support to repeal.



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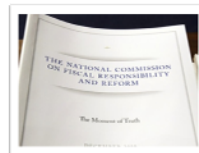


## 112th Congress

Deficit Commission – report released December 1.

Proposals:

- Spending Freeze/Reductions.
- Tax reform – lower rates, eliminate tax breaks.



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## What Will Congress Take Up in Early 2011?

- Tax Rates (if not extended in lame duck).
- Repeal of the new health care law.
- Bit by bit repeal of the new health care law.



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## What Will Congress Take Up in Early 2011?

- Cutting spending.
- Oversight of White House regulatory agenda.



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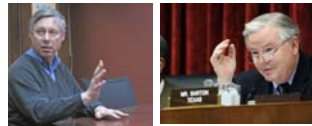
## House of Representatives – Committee Chairs

All will be long-time NFIB Guardian-award winners

- Ways and Means – Dave Camp (MI).



- Energy and Commerce – Fred Upton (MI)/Joe Barton (TX).



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## House of Representatives – Committee Chairs

All will be long-time NFIB Guardian-award winners

- Judiciary – Lamar Smith (TX).



- Education and Labor – John Kline (MN)



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## House of Representatives – Committee Chairs

All will be long-time NFIB Guardian-award winners

- Small Business – Sam Graves (MO)/Steve Chabot (OH).



- Rules – David Dreier (CA)



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## Repeal of Health Care law

- Expected to be one of first bills introduced in House.
- Vote in early February?
- Committee hearings/investigations.
- House passage probable – unlikely in Senate.



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## What's Next on Health Care?

- Piece by Piece Dismantling
  - 1099 provision.
  - HAS/FSA restrictions.
  - Small Business health insurance tax.



- Defunding new bureaucracies and boards.



- Oversight of Health and Human Services activities.

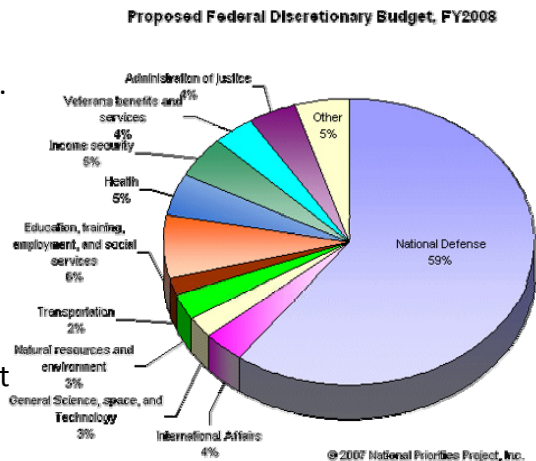


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## Spending, Spending, Spending

- Message from the election loud and clear.
- House Republicans – main focus of 2011/2012.
- Earmark Ban – very important 1st step – gateway drug.
- Fiscal Year 2008 budget levels.



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## House Appropriations Committee – Big Changes

- New way of doing business.
- No earmarks.
- New members of committee.
- New focus – cutting programs.



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## Oversight – New Sherriff in Town

- How to start whittling down the regulatory mess?
- OSHA
- Department of Labor
- EPA
- IRS



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## Role of the Senate – Gridlock on White House agenda

- Filibuster – 46 votes in opposition
- Spending and Taxes
- Committee Chairs



2012 Election cycle – very difficult for Red State Democrats



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