



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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**U.S. SENATOR MAX BAUCUS
FLOOR STATEMENT FOR CONSIDERATION OF
"TAX RELIEF ACT OF 2005" (S.2020)**

Mr. President, the Book of Proverbs counsels: "Do not quarrel with a man for no cause." One might rephrase that for modern times: "Know when to take 'yes' for an answer."

Mr. President, that's how I feel about this tax bill before us today.

Mr. President, last Tuesday, when the Chairman of the Finance Committee gave notice of his intention to hold a markup on the tax reconciliation bill, 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 debate.

When Chairman Grassley first raised the issue of this tax bill with me, I told him: If you take capital gains and dividends out of the bill, I can support it. And the Chairman and now the Finance Committee have taken capital gains and dividends out of the bill. And now I do support it. I am willing to take "yes" for an answer.

I am gratified, Mr. President, that the Chairman and the Committee have chosen to forgo the capital gains and dividend provisions that they once contemplated. That is a fundamental change. And from this side of the aisle, that is a welcome change.

The job of a Committee Chairman is in large part a brokerage job. A Committee Chairman tries to do the most that he can with the votes that he has. I compliment the Chairman of the Finance Committee for being among the best at counting the votes. And I think that the bill that the Finance Committee brings before us today represents the moderate consensus of the Senate.

For many reasons, the bill before us 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 in this bill.

But I know that the Chairman and the Majority Leader would have preferred that the votes had added up 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 Finance Committee. And this is the business of the Senate.

The bill before the Senate today thus advances what we have in common. It avoids the quarrels.

Later, we will need to resist the fiscally irresponsible road down which the House of Representatives seems headed. If the conference report comes back to the Senate with capital gains and dividends in it, we will be back to a different bill. And we will be back to that knock-down, drag-out fight.

And so, Mr. President, I am pleased that we have a bill before us without capital gains and dividend tax cuts in it. I am pleased that we received "Yes" for an answer. And as a result, I look forward to fewer quarrels on this bill over the balance of the week.

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