



For Immediate Release
January 30, 2008

Contact: Carol Guthrie
202-224-4515

**Floor Statement of Senator Max Baucus (D-Mont.)
Regarding the Economic Stimulus Bill
(as prepared)**

Mr. President, the Psalmist prayed:

“Do not cast me off when I am old; do not forsake me when my strength fails.”

And that’s really the question before us today. Will the Senate cast off 20 million seniors? Will the Senate forsake 20 million of the neediest Americans?

A vote for the Finance Committee substitute is a vote for 20 million seniors. They have worked hard all their lives. They have paid taxes for a lifetime. They contribute to the economy today.

But the underlying House-passed bill would not give them a stimulus check. The House bill gives checks only to the more affluent seniors whose incomes are high enough that they pay taxes now. The House-passed bill would not give a stimulus check to seniors who were scraping by on Social Security income alone and had no tax liability.

But these 20 million seniors have given a lifetime of labor. They have given a lifetime of service. They have paid a lifetime of taxes.

But the House-passed bill would not give them a stimulus check.

Think of the grandmother who needs money for food and medicine. When America’s economy is slowing down, times get tougher for her, too. Prices for food, gasoline, and home heating oil have skyrocketed right before her eyes.

And for many of our nation’s senior citizens, their only source of funds for these necessities is in that once-a-month envelope from Social Security. And any Social Security beneficiary will tell you that she has not seen the amount of her check increase enough to cover today’s rising costs.

That’s just one reason why, when Congress acts on an economic stimulus package this week, we should insist on a \$500 tax rebate for 20 million lower-income seniors who can use this money now.

--more--

But a rebate for seniors is no feel-good measure. Rebates for 20 million more seniors will help our economic stimulus package work better. Seniors are among the Americans most likely to spend a refund right away and pump cash back into the economy.

According to the Bureau of Labor Statistics, Americans over age 65 are responsible for 14 percent of all consumer spending. People over 65 spend 92 percent of their yearly incomes. People over age 75 spend 98 percent of their incomes. That's higher than any other demographic group over the age of 25.

Seniors will spend a stimulus check right away. And that will make that stimulus check all the more effective in helping the economy.

The Senate needs to do the right thing by seniors, and by the American economy. We should extend a tax rebate to 20 million senior citizens living on Social Security.

The Finance Committee substitute will help 20 million seniors who were left out of the House bill. The Finance Committee amendment will provide seniors with rebate checks of \$500.

What's more, the Finance Committee amendment helps disabled veterans with rebate checks.

The House bill does not provide low-income disabled veterans with rebate checks. The Finance Committee amendment provides low-income disabled veterans with rebate checks of \$500.

And what's more, the Finance Committee amendment helps people who have lost their jobs.

The Finance Committee amendment provides an additional 13 weeks of unemployment insurance. And high-unemployment states will qualify for an extra 13 weeks.

The House bill does not provide an extension of unemployment insurance. There are almost a million more unemployed Americans than there were a year ago.

CBO found unemployment insurance to have a large bang-for-the-buck. It acts quickly to boost the economy. Economy.com found that each dollar spent on extended UI benefits would generate \$1.64 in increased economic activity.

The bipartisan stimulus bill enacted after 9/11 included an unemployment insurance extension. President Bush signed that extension. We should pass another extension again today.

And what's more, the Finance Committee amendment helps American businesses that need help.

--more--

The Finance Committee amendment would extend the carry-back period for net operating losses from two years to five years. Generally, a cyclical business has profitable years followed by loss years. During a loss period, a company will carry back the net operating losses from the loss years to the prior profitable years. And they will file a quick refund claim. The quick refund claim acts as a cash infusion that allows a company to survive a loss period.

The housing industry would greatly benefit from an increased carry-back period. The expanded period would allow builders to avoid selling land and houses at distressed prices. Additionally, it would enable less-costly financing, improving business conditions for the eventual return of the housing market.

And the expanded period would give the housing industry cash to meet payroll. That would stop additional job losses. The National Association of Manufacturers has written in support of the Finance Committee's net operating loss proposal.

Those are all good reasons to vote for the Finance Committee substitute. It would help disabled veterans. It would help unemployed Americans. It would help businesses struggling with the business cycle.

But I start where I began. The biggest difference between the Finance Committee substitute and the underlying House bill is 20 million seniors. A vote for the Finance Committee substitute is a vote for 20 million seniors.

Senators should not cast them off. Senators should not forsake them.

Rather, let us recognize their lifetimes of labor. Let us recognize their key role in stimulating the economy. And let us pass the Finance Committee substitute, for those 20 million seniors.

###