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HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING EXPIRING TAX PROVISIONS & TAX REFORM

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining expiring tax provisions and tax reform:

It is difficult to find many people who will argue that Congress can, or should, continue dealing with tax extenders in a business as usual manner. The explosion of temporary tax provisions in recent years is a very notable and problematic trend. The number of temporary tax provisions has grown from 42 in 1998 to 154 in 2011. Even those tax extenders that are sound tax policy lose much of their power due to their temporary character.

For example, Congress has recently allowed important temporary tax incentives such as the research and development credit to expire. Then, after business decisions have already been made, Congress has retroactively extended the tax provisions. If a provision is worthy of being in the tax code, then it generally should be made permanent. For instance, the R and D credit is an extremely worthy provision, and it should be enhanced and made permanent, as Chairman Baucus and I proposed in a bill that we introduced in September 2011.

Certainty in the Tax Code is a very important factor in allowing businesses to plan their affairs, make investments, and create jobs. And these job creators don't want bad certainty — they don't want to hear that their taxes are going up. Congress should provide this certainty by making permanent the provisions that are worthy of remaining in the law, and eliminating those that are not. Chairman Baucus and I agree, along with many of our colleagues, that the current tax code demands comprehensive reform. In the meantime, before tax reform is accomplished, Congress needs to decide what to do about the tax extender provisions that have expired. That is the subject of this hearing, and I'm interested in hearing the testimony of our witnesses.

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