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### **Opening Statement of Senator Ron Wyden, D-Ore., on the EXPIRE Act of 2014**

For the next 13 days, millions of Americans will be searching for receipts, wading through a blizzard of forms and parking themselves for hours in front of their computers doing their taxes. Instead of enjoying spring and the opening days of baseball season, millions of Americans are required by their government to do their tax math twice just to see if they're affected by the Alternative Minimum Tax. And too often when our neighbors turn to tax preparers for help, they fall victim to incompetent or predatory work that opens them up to a grueling audit. Complying with the staggering complexity of our tax code now is the fodder of nightmares for Americans across our country.

The very fact that the committee is marking up the EXPIRE Act today shows the urgency of tax reform. Now, I understand why Americans who flip on C-SPAN and watch this proceeding are skeptical about the prospect of improvement. There have been loads of promises in the past of tax reform. When I joined the Finance committee nearly a decade ago, I couldn't possibly have imagined chairing Congress' fifteenth time renewing the stop-and-go tax cuts called "extenders."

Many of these extenders are well-intentioned and ought to be permanent. Their stop and go nature obviously contributes to the lack of certainty and predictability America needs to create more family wage jobs.

It doesn't have to be this way. One reason I'm convinced of that is I've spent nine years of sweat equity with colleagues in both parties to construct the Senate's first bipartisan federal income tax reform plan in thirty years. Senators Begich and Coats have pitched in, as well as former Senator Judd Gregg, who sat with me and worked on it nearly every week for two years. Once these extenders are settled, I look forward to talking with Senator Hatch and my colleagues about their thoughts on tax reform and whether these bipartisan ideas can serve as a basis for our effort. I know every Senator here would rather be marking up a broad-based plan to grow our entire economy, rather than taking this piecemeal approach.

Now that everybody knows what tax extenders are, and that it's possible for Democrats and Republicans to share some ideas on reform, I want to be straightforward on one point – this will be the last tax extenders bill the committee takes up as long as I'm chairman. That's why the bill is called the EXPIRE Act. It is meant to expire.

With respect to this morning, I'm sure some Americans paying attention will ask, "If the complexity of the current system makes no sense, and it would be smarter to reform comprehensively rather than pass extenders, why is the Finance Committee working on this today?"

First, having been chair for 19 working days, constituents and colleagues tell us they don't envision tax reform passing before November. So in the absence of needed long-term reforms, here's what happens if Congress now just drops extenders at this time:

- The tax credit that helps returning veterans find good-paying jobs would expire, and more veterans could slip into poverty.
- The biggest federal incentive for scientific research would vanish. That would make it tougher for entrepreneurs in Portland, Eugene, Corvallis and across the U.S. to turn their ideas into thriving businesses.

- Homeowners fortunate enough to have their mortgages lowered or forgiven could get hit with a huge, unexpected tax bill. That could impact as many as 28,000 Oregonians.
- Without the New Markets Tax Credit, communities mired in poverty would lose a proven tool to draw investments and jobs.
- Clean energy would take a blow, threatening good American jobs and our ability to compete on technology with countries like China and Japan.
- And families paying for college would lose a \$4,000 deduction, which 28,000 Oregon families use every year to help cover the cost of tuition.

Without fresh, comprehensive reforms to put in place, it makes no sense to argue these incentives should disappear for good now. Jobs, innovation and research, and people's homes are on the line.

Second, passing this bill soon – and making it the final extension – puts an expiration date on the status quo, builds a bridge to tax reform and gives Americans two years of certainty about their tax bills. Stretching this debate out over several more months will only leave taxpayers in limbo and have them waste more time and money trying to plan for what's ahead.

Third, simply dropping worthwhile tax incentives now doesn't get Congress any closer to tax reform. It sacrifices valuable priorities without getting the real job of comprehensive reform done. Let's pass this bill today and then put a lens to each of these provisions before deciding which ones deserve a permanent spot in a 21<sup>st</sup>-century tax code. That task will be harder if these incentives disappear now.

Ambassador Baucus, who's going to do an outstanding job in China, teamed up with Senator Hatch and built a strong foundation for tax reform in the Senate. They held an extensive series of hearings and put out options papers, and the majority staff published several discussion drafts. The draft on energy had a number of good ideas for how to move from stop-and-go policies to smart, integral parts of the tax code. Chairman Camp, who will be much missed when he retires at the end of this Congress, has worked hard in the House and introduced a comprehensive bill. They have offered some fresh, bold ideas, and it's a safe bet that when the next tax reform act becomes law, it will draw a lot from their proposals.

This spring, I'm going to start holding hearings on fixing the broken tax code and building a new system that works in today's global, digital economy. On Tuesday, we're going to have a hearing on how to protect taxpayers from incompetent and fraudulent preparers.

There are more issues like identity theft and taxpayer rights for this committee to examine. Senators Nelson and Cardin have put a lot of time and effort into solving those challenges. And this committee will also need to take a hard look at the issues surrounding multi-employer pension plans in order to protect Americans' benefits. This bill takes a first step, and I'll work with my colleagues to do more.

But today, we need to balance short-term needs with long-term goals, and the bill before us today does that. Senator Hatch and I agreed to start trimming and reconfiguring this overgrown web of extenders. After President Reagan signed the 1986 tax reform act into law, there were only 14 provisions that carried expiration dates, and we've got a lot of work to do to fix the tax code. So when the committee put this package together, we said no to some things, and reformed others. I hope we can all get on the same page today and be sparing with amendments.

I'm grateful to Senator Hatch and everyone on the committee for working in a bipartisan way on this legislation, and I'm looking forward to continuing that here today.

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