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Hatch Statement at Finance Hearing on President Obama's 2016 Budget

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a committee hearing on President Obama's fiscal year 2016 budget:

Today's hearing is on President Obama's budget for Fiscal Year 2016. I want to thank Secretary Lew for appearing before us today.

I'm not going to sugar-coat anything with this budget. Instead, I'm going to cut right to the chase.

The President's latest budget proposes to hike taxes by \$2.1 trillion.

Seemingly not content with the \$1.7 trillion in new taxes he and his allies in Congress have imposed over the past six years, the President, with this budget, wants to again raise taxes on savings, investment, small business, and more, somehow thinking that it will help the economy.

Sadly, this insatiable desire to raise taxes is not intended to bring our budget into balance. Rather, the President's \$2.1 trillion tax hike is accompanied by proposals to further expand the government to an even greater share of our economy.

The proposed budget never balances.

Deficits continue, which means that debt as a share of the economy would remain at levels not seen in our nation's history, outside of a few years surrounding World War II.

That outcome would mean continued risk of what the nonpartisan Congressional Budget Office has labeled a "fiscal crisis."

In fact, CBO has warned us repeatedly about potential fiscal crises under President Obama's tenure. They have also made clear that unsustainable entitlement spending is at the heart of the potential for a fiscal crisis. Yet, the President's budget proposes precious little in the

way of reining in spending on our health care entitlements, and does virtually nothing to address Social Security.

Despite having pledged in 2009 that he would not kick the can down the road on Social Security, that is exactly what the President is now proposing to do with his budget, even while the disability trust fund is projected to be exhausted next year.

Simply put, there are too many shortcomings in the President's budget to adequately address in my opening statement, but they include: higher taxes that would stifle job creation, economic growth, savings, and investment; new wealth taxes; muddled thinking about distributional issues; a lack of significant reforms to our unsustainable entitlements; ongoing deficits and outsized, risky federal debt; and a repackaged bank tax that nods to the ineffectiveness of the Dodd-Frank law.

The budget even puts forward a tax on section 529 education savings, which suggests that the budget's authors are out of touch with the American people. Of course, we have heard that the proposal to tax 529 education savings has been withdrawn and labeled a distraction, but is still supported on policy grounds by the administration.

This is unhelpful, and that's the kindest possible word I can think of to describe that particular proposal and others like it that are apparently founded on the notion that the American people's savings are not their own, but, instead, targets for more redistribution.

Like I said, there is a lot I could complain about when it comes to President Obama's budget. But, let's be honest, rehashing these complaints over and over again is not going to be the best use of the committee's time.

So, Secretary Lew, let's try to look at some areas in the budget where the administration seems willing to go in a positive direction, even if, in my opinion, it falls short on the substance.

In those areas, let's try to work together toward what I believe is the shared goal of everyone here: To help Americans where we can, and get out of the way when we should.

For example, I believe that we share a desire to reform our tax code, which everyone agrees is severely broken, does not help American families, and harms American businesses.

And by businesses, I mean businesses of all types, not just one particular organizational form.

I believe we share a desire to renew Trade Promotion Authority, as you identify in your testimony.

I believe that we share a desire to promote productive investments in infrastructure.

Of course, if we're going to effectively address these issues, the President and his administration owe it to the American people to suspend what often seems like an unending political campaign for enough time to at least explore bipartisan cooperation.

I will close with a question for you, Secretary Lew. It's a question that you did not answer and evaded in testimony earlier this week. The IRS Commissioner evaded a similar question when he was here on Tuesday. Secretary Burwell did the same in our hearing yesterday.

The American people deserve an answer to this question and I hope you'll be willing to give us one today.

The question is: Do you have contingency plans in place in the event the Supreme Court invalidates the current structure of the Affordable Care Act tax subsidies later this year?

I'd like you to address this question in your opening remarks. And, I'll note that it's a simple question, requiring only a one-word answer: yes or no.

Once again, I want to thank Secretary Lew for appearing here today.

With that, I'll turn it over to Ranking Member Wyden for his opening statement.

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