



For Immediate Release
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**BAUCUS EXAMINES OPTIONS FOR STRUCTURING BANK TAX
TO REPAY TAX DOLLARS SPENT TO REMEDY FINANCIAL CRISIS**

*Finance Chairman Wraps Up Series of Bank Tax Hearings, Plans Continued Work
to Craft Best Policy*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today continued the committee’s examination of a potential tax on financial institutions proposed to recoup tax dollars spent to aid economic recovery during the financial crisis. Baucus questioned expert witnesses as to which institutions should pay a potential bank tax and how such a tax should be structured.

“Wall Street benefited enormously from efforts to resolve the financial crisis of 2008 – far beyond the cost of the TARP program – and Wall Street has a responsibility to pay back the American taxpayers for that assistance,” Baucus said. **“As we continue examining the proposed bank tax as a means for repaying the American taxpayers, we need to carefully consider how we craft the most responsible policy for taxpayers and our economy. We need to work to craft a policy that will fairly repay American taxpayers, reinforce American competitiveness and support small business lending.”**

At today’s hearing, Baucus questioned industry experts and economists on the value of the Troubled Asset Relief Program (TARP) to the financial industry it rescued and discussed the best way to calculate a potential tax based on that benefit. Baucus pressed the witnesses on the ability of financial institutions to absorb the tax without passing the costs along to consumers and small businesses, contrasting the relatively small cost of the tax with the millions of dollars in bonuses banks have recently awarded.

Baucus also discussed the importance of balancing the need to pay back U.S. taxpayers with the global competitiveness of the American financial sector. Several G-20 countries are considering proposals similar to the U.S.-proposed bank tax, and Baucus noted the opportunity for the U.S. to emerge as a global leader on this front.

Today’s hearing was the third and final in a series of hearings designed to inform the committee’s consideration of a potential bank tax, which has been proposed to recover losses from the TARP program that helped to stabilize our economy during the economic crisis. At the first bank tax hearing on April 20, Baucus examined the overall effort to recover TARP losses with TARP Special Inspector General Neil Barofsky. Baucus questioned Treasury Secretary Timothy Geithner and industry representatives on the President’s proposed bank tax structure and alternative policy options for structuring a bank tax on May 4.

Watch Finance Committee hearings and view witness testimony at: <http://finance.senate.gov/hearings/>.

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