



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release
Thursday, July 15, 2004

Contact: Russ Sullivan
202-224-4515

Baucus Applauds Progress on Manufacturing Tax Relief Legislation
JOBS Bill Headed to Conference after Brief Debate on Senate Floor

(WASHINGTON, D.C.) In a floor statement issued this evening, U.S. Senator Max Baucus, ranking member of the Senate Finance Committee applauded the passage of an amendment to the Senate passed version of HR 4520, the “Jumpstart Our Business Strength” (JOBS) bill, after an agreement was reached which allowed the bill to proceed to conference.

The agreement reached last night allows each side to negotiate in good faith and ensures that all conferees will participate in the conference as differences are reconciled between the Senate and House versions of the legislation. In his floor statement, Baucus urged continued bipartisan support as the bill moves forward.

Senator Baucus’ floor statement of the JOBS bill follows:

**AGREEMENT ON JOBS BILL CONFERENCE
STATEMENT OF U.S. SENATOR MAX BAUCUS**

Mr. President, it has taken us too long to reach this point. Frankly, we are doing today what should have been done last fall. We are finally moving forward with the Jumpstart Our Business Strength – the JOBS bill.

I commend the Majority Leader and the Democratic Leader for reaching the agreement that allows this bill to move forward. I commend, as well, the Chairman of the Finance Committee, Senator Grassley, who has been so instrumental in bringing us to this point.

There is a reason why we call this bill the JOBS bill. This bill will help create and keep good, high-paying manufacturing jobs right here in America. And this bill will help remove crippling European tariffs that rob American firms of business. Every month that goes by without enactment of the JOBS bill results in more tariffs on our American companies. We need to enact this bill.

So, as we go forward to conference, it is critical that we adhere to the following five principles.

First, we must preserve our bipartisan support for this bill. The Senate-passed JOBS bill had strong bipartisan support. It passed by a vote of 92 to 5 on May 11. To preserve this bipartisan support we need to ensure that any significant change from the Senate-passed bill be limited, germane, and agreed to on a broadly supported bipartisan basis.

Second, any conference agreement must be budget neutral. The government is running record budget deficits. Gone are the surpluses of just a few years ago. We must show fiscal discipline and responsibility. The conference agreement must be budget neutral. And the conference agreement must not employ budget gimmicks.

Third, we must protect our nation's manufacturing jobs. Since January 2001, America has lost more than 2.7 million manufacturing jobs. In my home state of Montana, we have lost 2,700 jobs in that time, over 12 % of our manufacturing jobs. Therefore, savings from repeal of the Foreign Sales Corporation/Extraterritorial Income (FSC/ETI) regime must go to domestic manufacturing. The conference agreement must devote the preponderance of its total cost to the centerpiece of this bill: a domestic manufacturing tax benefit.

Fourth, the conference agreement must incorporate the important tax shelter reforms that the Senate has repeatedly passed. It has been nearly three years since Enron and other corporate scandals. Yet Congress still has not enacted any meaningful tax legislation to close the corporate abuses of the tax code. The Congress must retain the package of the Senate-passed tax shelter provisions, including the provisions ensuring that business transactions are undertaken for economic, and not tax avoidance purposes, and requiring CEO signatures.

Finally, an important part of the Senate bill is its coverage of all types of businesses. The conference agreement must provide a domestic manufacturing tax benefit to all domestic manufacturers, regardless of choice of business entity. It should cover not just C corporations, but also S corporations, partnerships, and sole proprietorships.

Mr. President, I will fight to ensure the conference agreement adheres to these principles. I will fight for the Senate's position across the board, including on overtime rules and on energy tax provisions.

Here is the bottom line: The Senate passed the JOBS bill with a wide, bipartisan majority. The conferees have to work together, across political differences, to move this important bill forward. We need to continue our fight for good jobs, here in America.

###