



For Immediate Release  
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Contact: Dan Virkstis  
202-224-4515

**Floor Statement of Senator Max Baucus (D-Mont.)  
Regarding Energy and Tax Extenders**

Samuel Johnson called a second marriage “the triumph of hope over experience.”

The Senate seeks a similar triumph of hope today. Today, we’re here once again to vote on the motion to proceed to H.R. 6049, the Renewable Energy and Job Creation Act of 2008. This time, we hope for a better result.

This is a bill to foster clean, new energy sources. This is a bill to extend important tax benefits for American families and businesses. And this is a bill on which I hope to offer an amendment to stave off tax increases under the alternative minimum tax.

Last Tuesday, we tried to move to this same bill. But we fell short of the 60 votes that we needed.

Many of my Colleagues on the other side of the aisle voted against moving to this bill.

That meant that we could not even get to a discussion about the merits of the bill. And that meant that we could not move to my substitute amendment, which would address several Senate priorities.

This bill contains a robust energy package, with more than \$17 billion in incentives for alternative energy, efficiency, and clean coal.

This package is important for our environment. It’s important for our energy security. And it’s important to facilitate the transition to a carbon-controlled economy.

This bill would extend expiring individual tax provisions. These include the teacher expense deduction and the qualified tuition deduction.

The bill would also extend expiring business tax provisions. These include the R&D tax credit and the active finance expensing provision.

These business provisions help to keep America competitive in the global economy. These business provisions help to maintain and create jobs.

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If these individual and business provisions are not extended, millions of families and businesses will face tax increases.

This bill is paid for with two revenue raisers that have broad support. They are sound tax policy.

The arguments against the bill this week may well be the same as last week's arguments. Last week, we heard that we should not increase taxes to pay for tax cuts.

But as I said before and will say again, these revenue raisers are not tax increases.

The first revenue-raising provision in this bill is a delay of the effective date of the worldwide allocation of interest. This provision would delay application of the interest rule. And that interest rule was not supposed to go into effect until next year.

Many of the companies that will benefit from this provision told me that they would rather have the business extenders than application of the worldwide allocation of interest.

These companies realize that because of the firm position of the House of Representatives, we need to offset extending these valuable tax benefits.

These companies have weighed the costs and benefits. And they have made a choice in favor of the tax extenders in this bill.

The second revenue-raising provision addresses offshore deferred compensation. This provision would prevent hedge fund managers from deferring income.

This is not an increase in tax on hedge fund managers. Rather, it is a change in the timing of when income tax will be applied. This is a timing issue, not a tax increase. And, this is sound tax policy.

Last week, we heard that we should not need to offset extending current tax benefits. This is a curious argument. It's curious, because the Senate paid for extending expiring tax provisions in the recent past.

We paid for extenders in the JOBS Act in 2004. We paid for extenders in the Tax Relief Act of 2005. And we paid for extenders in the military tax relief bill that Congress just passed and presented to the President on June 6.

So, this week, the Senate is faced with a choice. This is a choice that, in my opinion, is relatively easy.

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If we can get to H.R. 6049, we can take up my substitute amendment. My substitute amendment contains the provisions that I've talked about, plus a one-year AMT patch, without any offsets. By going to this bill and seeing it through, Congress would take care of a lot of families and a lot of businesses.

We need to decide whether we will develop new jobs and new medications. We need to decide whether we will help teachers, families, and schools. We need to decide whether we're going to make energy independence a priority.

Or, we can continue to allow hedge fund managers to defer, without limitation, their compensation for investing other people's money.

Today, let's show America that we can make the right choice.

And so, let us give American families and businesses reason for hope. Let us not give them the same experience that they received last Tuesday. And let us proceed to this important tax relief for American families and businesses.

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