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Statement of Senator Chuck Grassley  
Motion to Proceed on House Tax Extenders Bill  
Delivered Tuesday, June 17, 2008

Over the past few years anyone who has observed the workings of Congress has probably discovered that we spend lots of time every year wrestling over what are called the tax extenders. Popular provisions in the Internal Revenue Code are set to expire every year or two unless Congress acts. In the past I have compared this constant repetition to the film “Groundhog Day” starring Bill Murray, where Bill Murray’s character relives the same day over and over again. Here is a chart showing a scene from that classic and enlightening film.

It almost seems ironic that it would be appropriate on so many occasions for me to talk about a movie that is itself about repetition, but the repetitive actions of the Democratic leadership make it too hard to resist bringing Bill and Phil down here. Less than a week ago, the Senate, by a vote of 50 to 44, rejected a motion to invoke cloture on a motion to proceed to H.R. 6049, the “Renewable Energy and Job Creation Act of 2008.” In a short while, we are going to repeat that exact same vote for no discernible reason. Going back to Bill and Phil driving in the truck, I bet the thinking on the other side is that it is the Senate Republicans who are represented by Bill on this chart, in that they want people like me to be put through the same actions on the same issues until we do what the other side thinks is the right thing. However, that thinking is mistaken. I’m not sure how much resemblance there is but Bill represents the Democratic leadership. They set the floor schedule. Despite having slogged through this very same issue several times over the past few years, the Democratic leadership still insists on beating the same dead horse, or maybe the same dead groundhog.

As anyone familiar with the fine film “Groundhog Day” knows, this chart depicts Bill and Phil driving a truck moments before it drives over a cliff. In a few moments, the Democratic leadership is going to drive this chamber over the same cliff we went over last Tuesday. The vote, once again, will fail, and we will be exactly where we were before.

Going back to the Groundhog Day example, the Democratic leadership is stuck in the part of the film where Bill Murray relives the same day because he is doing the wrong things and refuses to change his behavior. I’d rather not see this body go over any cliffs, but what really concerns me is that the Democratic leadership is not alone. In the back of his truck are the roughly 140 million

families and individuals that file tax returns. The extenders affect millions of taxpayers. Congress should have learned from our experience last December.

Waiting until the end of the year creates problems for the IRS and for taxpayers. If the Democratic leaders care about those millions of taxpayers they will slow down. They will not drive over that cliff. They will stop the truck and work with Senate Republicans to pass a bill that could actually be signed into law. Included in those roughly 140 million families and individuals in the back of the truck are around 24 million filers who are now subject to the crushing Alternative Minimum Tax (AMT). We need to extend the AMT patch.

Right now, around 24 million families are liable to the AMT because Congress has not acted to protect them for 2008. The House bill that is the subject of the upcoming cloture vote does nothing to protect these taxpayers. It does nothing on AMT.

Many of those families who make estimated payments are hopefully familiar with this form. The 1040-ES for the second quarter of 2008 was due yesterday.

Many taxpayers who were not subject to the AMT last year but are now caught this year should have filed this form but don't know they were supposed to. Under current law, those individuals are subject to penalties. I made this point on every occasion last year when a quarterly estimated tax payment was due. I hope I do not get the same reaction now as I did every time I talked about estimated payments last year, which was silence.

I know many will say that Congress will act, but that is just not good enough. The American people should no more accept an IOU from Congress than the IRS would accept an IOU from a taxpayer.

The right thing to do right now is to vote "no" on this cloture motion. The sooner we can get the Democratic leadership to stop driving the truck over a cliff the sooner we can get to work on an extenders bill. That bill, unlike the bill before us now, will pass both houses of Congress and be signed by the President. This law change will protect additional families from being captured by the AMT. Right now, the Democratic leaders are in the driver's seat. I hope eventually they decide to drive responsibly. Vote no on the motion to proceed. Put the Senate back on a path to a real AMT patch and extenders bill that will become law.