

House Majority Leader Steny Hoyer
Remarks to National Association of Manufacturers
National Public Affairs Steering Committee
J.W. Marriott, Washington, D.C.
September 10, 2009

DEFICIT...TAXES

Part of the fear and anger that we see at these town meetings is a fear that their country is in a fiscal situation which they're going to pay for and is unsustainable. They are right. (*pounds lectern*) I am one of those Democrats who believes very strongly we've got to get a handle on this deficit, and it will not be for free. There is no easy magic way to get there. You need to pay for what you buy. That's what the president is saying on health care, we need to pay for what we buy. We'll have to figure that out. But I agree with the president, I'm not going to be for a bill that adds to the deficit. We're going to have to pay for that. So I'm going to ask you to focus on that.

In the terms of taxes, I'm looking forward to working with you. I think we need to reform substantially the tax code. I don't know whether we'll be able to do that. We certainly won't be able to do it unless we get bipartisan participation, period. You cannot, and I don't think there has ever been a tax reform that was done in a partisan way.

The last major tax reform was 1986, and that was done when Reagan and Rostenkowski and O'Neill essentially worked together. Just like Social Security reform in 1983, where O'Neill and Reagan worked together to accomplish that objective.

Without bipartisanship, we will not reform the tax code. The tax code, if you look at the tax code, it's long, convoluted, like Topsy, it just grew. And very frankly, as a lawyer – I hate to admit it, but I'm a politician and a lawyer – you could look at, and most of you, you could look at any one segment of the tax code and give a good rationality for that particular provision.

The problem is, as it grew like Topsy the relationship between the provisions do not make good sense. They're too complex and too costly to enforce, too costly to comply with, and do not lead I think to the result we want. Very frankly, I one of those who believes that if I were the king and could just say, look, this is what it's going to be. John and I have discussed this before, I might eliminate all preference items. I of course would not be in office more than for three or four days after that (*laughter*), particularly the housing interest deduction and the charitable deduction. My point is, that unfortunately too many of you are having to make decisions not based on good business judgment but on good tax policy judgment. That doesn't make sense for our country, doesn't make sense for you, in my opinion. So, if we could get there, but we won't get there unless it's bipartisan. I don't see that happening anytime soon, unfortunately.

But I do understand that if we and when we adopt tax reform, we need to do so in a way that helps you grow your businesses, helps you grow jobs, both here...and profit. Not only here, because we're in an international community....

I was with the president of Oracle out in California the other day, talking about how much of their business is overseas, but much of their growth obviously is here in terms of the necessary business but their employees are here. So we're advantaged by where ever they pay the money. We need to facilitate that, not impede it.

Notwithstanding that, offshore income continues to be a challenge for us, and we need to come up with a good solution to that issue.