

A week after the release of President Obama's new jobs creation package, the details of how he plans to pay for it are finally reaching the public. His \$447 billion plan, which he said would be mostly financed by closing tax loopholes on big corporations and big oil, will actually be largely funded from tax increases on America's small business owners – a sure-fire way to throw cold water on job creation.

Admittedly, the president's plan contains several positives, namely an apparent willingness to roll back some costly and frankly unnecessary federal regulations on business, while also allowing tax breaks for jobs creators. Unfortunately, that's about all that's desirable in a massive spending bill that not only replays the failed stimulus program of 2009, but also imposes permanent new tax increases on small business owners.

Here's how it breaks down: \$3 billion from eliminating tax breaks for corporate jet owners, \$18 billion from higher taxes on investment fund managers, and \$40 billion from eliminating tax breaks for oil and gas companies. That brings us to \$61 billion. So where does he get the remainder (\$386 billion) to pay for all the new spending? The president has simply dusts off his much ballyhooed proposal to raise taxes on Americans earning \$200,000 and above. His new taxes on small business owners and those who invest in our economy are expected to generate \$400 billion over a decade.

The majority of Americans are employed by small businesses. When these local jobs providers are increasingly pinched through higher taxes and new federal regulations, they are forced to make the same tough choices average Americans have to make at home during tight economic times: they cut back on spending. Hiring and wage freezes are common, and, regrettably, so are job cuts.

While the president believes more government taxing and spending is the answer to jumpstart the economy, that view is not shared by most economists and the many small business owners who must shoulder the burden. A recent survey conducted by the National Federation of Independent Business (NFIB) revealed that small business confidence in the economy is at a six month low. Not surprisingly, this lack of faith in the economy is holding back new business investment and job creation. The Labor Department recently reported that new claims for unemployment benefits are at a three month high, and that the economy added no new jobs in August – for the first time since 1945.

Racking up more debt only further undermines confidence in the economy. Frankly, the administration's insistence upon more questionable spending has lost credibility. One of the largest recipients of the president's stimulus recently went bankrupt, laying off 1,100 workers. Solyndra, a California-based solar energy company, received over a half billion dollars in stimulus funds over the reported objections of government reviewers. The company is now under federal and Congressional investigation.

Last week two respected economists from Stanford University and the Manhattan Institute told a congressional committee that many businesses have resources to invest and create new jobs but they are not doing so because of uncertainty over the debt, inflation, higher taxes and government intervention. Even President Obama knows "you don't raise taxes in a recession." He said so in August 2009.

So how do we create new jobs? We start by restoring confidence in our economy with pledges not to raise taxes on small business and investors and by embracing the strategy already advanced by the House to review and roll back costly federal regulations on business. Businesses make their decisions based on the future and they must be shown that government will not be an obstacle to their growth.

### **Protecting Jobs:**

At a time when nearly 14 million Americans are out of work and the president is advocating a new jobs campaign, it seems unfathomable that Washington would directly stand in the way of thousands of new jobs just because they are non-union. Yet that is exactly what it is doing in a neighboring state.

On April 20, the National Labor Relations Board (NLRB) filed a complaint against Boeing for creating non-union jobs in South Carolina. The Palmetto State, like Alabama, is a right-to-work state, meaning employees cannot be forced to join labor unions in order to work. If the NLRB can block new non-union jobs in South Carolina, it can also do so in Alabama.

Last Thursday, I voted for the "Protecting Jobs from Government Interference Act" which, if enacted, would prevent the NLRB from ordering any business to relocate, shut down or transfer employment. The legislation passed the House and now heads to the Senate.

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721.

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