# Tax Cuts DA

## \_\_\_\*\*Notes

You will also need to prepare;

* The ‘Obama Good’ section of elections impacts put out by Greenstein/Johnson/Jordan/Phillips, particularly the section dealing the impacts to Iran Strikes (the contained 1nc impact.)
* Growth good impacts. Presumably 90% of the Affs you debate will read an economy impact and you’ll just say ‘it turns the case.’ There is no growth impact in this 1nc but it is one of the two major impacts (elections clearly being the other).

A few tricks:

* Note that the internal link here is slightly different: the argument is not just that the GOP will strike Iran (though it is that as well) but also that Obama’s declining poll numbers will inspire him to “wag the dog” by striking Iran. This accelerates the timeframe of your impact.
* The strongest Aff UQ arg is “won’t pass until after the election.” The elections trick is simply that Obama needs to continue to push the issue to gain credibility. The Neg should argue that even if it doesn’t pass that that only implicates the economy impacts, not the elections impacts.
* The other strong Aff UQ arg is “full extension inevitable.” This is where the veto and economy arguments are useful. Although the “GOP will push full extension” evidence is very good the quality of affirmative “Obama will veto that” literature is equally powerful.
* If you’re the Aff it’s important to note that $1 trillion in budget savings over 10 years is a drop in the bucket (though it sounds like a large amount, it’s generously 1.5% of GDP. The recession in 2008 effected 8% of GDP.) If you’re the Neg it’s important to keep saying ‘ONE TRILLION DOLLARS!!’ because it really is quite a bit of money (just not proportionately.)

## \_\_\_\*\*1nc + 2nc Overviews

### Tax Reform – 1nc

Taxreform will pass but it’ll be close – Obama’s capital is vital to the economy and his re-election

Politico, 7/11 (Politico, July 11, 2012, “Joe Lieberman to oppose Obama tax plan,” http://www.politico.com/news/stories/0712/78415.html, Hensel)

Count Sen. Joe Lieberman as a “no” on President Barack Obama’s tax plan. The Connecticut independent has just decided he will vote against the plan, saying it’s “not what we need now,” especially since it stands virtually no chance of becoming law before November. “It’s not that I don’t think we ought to raise taxes on people that make more money,” Lieberman told POLITICO. “To me, we ought to be focused on achieving a bipartisan, long-term debt elimination agreement. And that tax reform and tax increases would be part of it. I don’t want to pick it off piece by piece.” While the moderate Lieberman’s opposition is by no means a surprise, it could complicate Senate Majority Leader Harry Reid’s efforts to ensure there are 51 votes for the president’s plan. Anything short of a simple majority of Senate support would be seen as a blow to Obama in the heat of his reelection bid. Still, Lieberman allowed Reid an easier path to reach that 51-vote threshold. If the vote is on procedural grounds to break a GOP-led filibuster, which would require 60 votes, Lieberman said he could potentially vote to advance the bill so it can receive an up-or-down vote on the merits. He said he has not made up his mind on that possibility. But if the party leaders agree to hold a vote on the merits of the plan with a 60-vote or simple-majority threshold, Reid and the White House may need to scramble to prevent any more defections in the 53-member Senate Democratic Caucus. Reid, however, seems confident that he can pass the plan with 51 votes and keep the GOP plan under 50 votes. On the floor Wednesday evening, Reid tried to set up votes asking for a simple-majority threshold on both plans, but Senate Minority Leader Mitch McConnell balked at the idea, saying he had yet to see a Democratic proposal on paper. Democrats believed that McConnell was unsure he could block the Obama plan in the Senate if only 51 votes were needed to approve it. Passing the plan in the Senate would give the president fresh ammunition in the campaign even though it would certainly be rejected by the GOP-led House. It will be up to Reid and McConnell to hammer out an agreement setting votes on the president’s tax cut plan limited at income earned at the $250,000 level and the GOP’s proposal to extend all of the Bush-era tax cuts, including for high earners. Earlier in the day Wednesday, McConnell tried to set votes immediately on both proposals, but Reid objected, prompting GOP accusations that Democrats were avoiding quick votes because of internal divisions. Reid later said there would be votes on the tax plans before the Senate’s August recess, giving each side fodder for the fall campaigns. Democrats are generally united behind the president’s plan. But some senators, particularly ones up for reelection and from wealthier areas of the country, would much rather allow the Bush-era tax rates to be extended for everyone who earns less than $1 million. Under the Obama plan, there would be a one-year extension of all the Bush-era tax cuts for the first $250,000 of each household’s income. A family’s remaining income above that $250,000 threshold would be taxed at a higher rate. Democrats believe they will easily have the votes to beat back an extension of all the Bush-era tax cuts. “I don’t believe there will be many, if any, Democratic senators voting to extend the Bush tax cuts,” said Senate Majority Whip Dick Durbin after a Democratic leadership meeting with Obama in the Oval Office. Lieberman said he'll vote against the Republican plan as well. "I think we can do better than that this year," he said in a statement, referring to the Obama and GOP plans. While nearly every Senate Democrat will support the president’s plan, some Democratic lawmakers appear to be threatening to join Lieberman. Sen. Joe Manchin (D-W.Va.), who in 2010 voted against raising taxes above the $250,000 level, declined to say Wednesday whether he backs the president’s latest one-year plan. Asked twice whether he would vote to support Obama’s proposal, Manchin would only say, “We’ll be looking at it very strongly.” Similarly, Sen. Bill Nelson (D-Fla.), who faces a tough reelection bid this fall, would only say Wednesday he was about to discuss his tax views with Reid and that his “preference” is to set that level at $1 million. “I’ll talk to you when I’m ready to vote,” Nelson said. Sens. Ben Nelson (D-Neb.) and Jim Webb (D-Va.) also voted in 2010 against allowing Bush-era rates to expire above the $250,000 level. Nelson was non-committal on the Obama plan when asked about it earlier this week. Webb doesn’t believe that taxes should be increased on ordinary income, and has instead called for higher tax rates on capital gains and dividends. “His position remains the same,” an aide said. A spokeswoman for Sen. Jon Tester (D-Mont.) said her boss was still “determining the best proposal for Montana families and small businesses.” “Jon’s priority is to cut government spending and cut special tax breaks that benefit the very wealthy, but he will not support any plan that results in higher taxes for middle-class families,” said Tester spokeswoman Andrea Helling. Still, Obama’s team has succeeded in limiting some defections already, after dispatching top administration officials to Capitol Hill on Tuesday. They argued that 97 percent of small businesses would benefit from the plan. After saying he “disagreed with the president” on the $250,000 level earlier this week and preferred keeping it at a higher threshold, Sen. Bob Menendez (D-N.J.) now plans to vote in favor of the president’s plan. He says he’d rather support the Obama plan than what the GOP is proposing.

The plan’s a Congressional and electoral loser – prefer recency about the new bipartisan consensus

Freemark 2012 – Yonah, Master of Science in Transportation from the Massachusetts Institute of Technology; (On Infrastructure, Hopes for Progress This Year Look Glum, The Transport Politic, January 25th, 2012, http://www.thetransportpolitic.com/2012/01/25/on-infrastructure-hopes-for-progress-this-year-look-glum)

President Obama barely mentions the need for improvements in the nation’s capital stock in his State of the Union. The contributions of the Obama Administration to the investment in improved transportation alternatives have been significant, but it was clear from the President’s State of the Union address last night that 2012 will be a year of diminished expectations in the face of a general election and a tough Congressional opposition. Mr. Obama’s address, whatever its merits from a populist perspective, nonetheless failed to propose dramatic reforms to encourage new spending on transportation projects, in contrast to previous years. While the Administration has in some ways radically reformed the way Washington goes about selecting capital improvements, bringing a new emphasis on livability and underdeveloped modes like high-speed rail, there was little indication in the speech of an effort to expand such policy choices. All that we heard was a rather meek suggestion to transform a part of the money made available from the pullout from the Afghanistan and Iraq conflicts — a sort of war dividend whose size is undefined — to “do some nation-building right here at home.” If these suggestions fell flat for the pro-investment audience, they were reflective of the reality of working in the context of a deeply divided political system in which such once-universally supported policies as increased roads funding have become practically impossible to pursue. Mr. Obama pushed hard, we shouldn’t forget, for a huge, transformational transportation bill in early 2011, only to be rebuffed by intransigence in the GOP-led House of Representatives and only wavering support in the Democratic Senate. For the first term at least, the Administration’s transportation initiatives appear to have been pushed aside. Even so, it remains to be seen how the Administration will approach the development of a transportation reauthorization program. Such legislation remains on the Congressional agenda after three years of delays (the law expires on March 31st). There is so far no long-term solution to the continued inability of fuel tax revenues to cover the growing national need for upgraded or expanded mobility infrastructure. But if it were to pass, a new multi-year transportation bill would be the most significant single piece of legislation passed by the Congress in 2012. The prospect of agreement between the two parties on this issue, however, seems far-fetched. That is, if we are to assume that the goal is to complete a new and improved spending bill, rather than simply further extensions of the existing legislation. The House could consider this month a bill that would fund new highways and transit for several more years by expanding domestic production of heavily carbon-emitting fossil fuels, a terrible plan that would produce few new revenues and encourage more ecological destruction. Members of the Senate, meanwhile, have for months been claiming they were “looking” for the missing $12 or 13 billion to complete its new transportation package but have so far come up with bupkis. The near-term thus likely consists of either continued extensions of the current law or a bipartisan bargain that fails to do much more than replicate the existing law, perhaps with a few bureaucratic reforms.

Declining poll numbers push Obama to strike Iran before November – the military is onboard

Akram, ‘12--- former Pakistan ambassador to the UN (1/11/2012, Munir, “The road to another war,” <http://www.dawn.com/2012/01/11/the-road-to-another-war.html>)

A second concern is the rising rhetoric in the US presidential campaign. Apart from Ron Paul, the leading Republican contenders have advocated military action against Iran. Such rhetoric could escalate once the Republican nominee faces off against Obama. **If the president`s opinion polls are dismal closer to election day, a `bold` strike against Iran may be seen as a popular, if dangerous, gambit to win the election**. A US military, frustrated by a decade of quagmire, and less vulnerable now to Iranian retaliation after withdrawal from Iraq, could well concur with an aerial war against Iran The results and consequences of such major aerial attacks cannot be fully anticipated, but they are unlikely to be palatable to any of the protagonists.

Aerial strikes will not fully eliminate Iran`s numerous nuclear facilities. At best, Iran`s programme would be delayed by a few years. Human and physical destruction in Iran would be considerable since many facilities are close to population centres and US-Israeli strikes would need to also eliminate Iran`s retaliatory conventional capabilities.

Even with a diminished capability, Iran would retaliate, including through asymmetric attacks especially against regional rivals. Tehran would most likely openly declare its decision to acquire nuclear weapons. Iranians would unite behind a hard-line leadership against the West and its friends. **Most immediately, the price of oil would spike to unprecedented levels, even if other producers expand production.**

Are these likely catastrophic consequences sufficient to convince leaders on both sides to step back from the road to war? Is a deal, based on the 2002 Iranian offer, still possible? That should be the aim of all right-thinking policymakers.

Nuclear war

Hirsch 5 – physics professor, Ph.D., University of Chicago (Nov 21, Jorge, http://www.antiwar.com/orig/hirsch.php?articleid=8089)

The Bush administration has put together all the elements it needs to justify the impending military action against Iran. Unlike in the case of Iraq, it will happen without warning, and most of the justifications will be issued after the fact. We will wake up one day to learn that facilities in Iran have been bombed in a joint U.S.-Israeli attack. It may even take another couple of days for the revelation that some of the U.S. bombs were nuclear. [Continues…] Why a Nuclear Attack on Iran Is a Bad Idea Now that we have outlined what is very close to happening, let us discuss briefly why everything possible should be done to prevent it. In a worst-case scenario, the attack will cause **a violent reaction** from Iran. Millions of "human wave" Iranian militias will storm into Iraq, and just as Saddam stopped them with chemical weapons, the U.S. will **stop them with nuclear weapons**, resulting potentially in hundreds of thousands of casualties. **The Middle East will explode**, and popular uprisings in Pakistan, Saudi Arabia, and other countries with pro-Western governments could be overtaken by radical regimes. Pakistan already has nuclear weapons, and a nuclear conflict could even lead to Russia's and Israel's involvement **using nuclear weapons.** In a best-case scenario, the U.S. will destroy all nuclear, chemical, and missile facilities in Iran with conventional and low-yield nuclear weapons in a lightning surprise attack, and Iran will be paralyzed and decide not to retaliate for fear of a vastly more devastating nuclear attack. In the short term, the U.S. will succeed, leaving no Iranian nuclear program, civilian or otherwise. Iran will no longer threaten Israel, a regime change will ensue, and a pro-Western government will emerge. However, even in the best-case scenario, the long-term consequences are dire. The nuclear threshold will have been crossed by a nuclear superpower against a non-nuclear country. Many more countries will rush to get their own nuclear weapons as a deterrent. With no taboo against the use of nuclear weapons, **they will** certainly **be used again**. Nuclear conflicts will occur within the next 10 to 20 years, and will **escalate** until much of **the world is destroyed**. Let us remember that the destructive power of existing nuclear arsenals is approximately one million times that of the Hiroshima bomb, enough to erase Earth's population many times over.

>>Economic decline is bad – turns the case/<insert evidence>

### 2nc UQ/L Wall

Obama will win the tax fight now – the 1nc Politico evidence cites vote counts and Democratic unity – Obama’s capital is vital to limiting Democratic defectors and pushing back McConnell’s plan

We’ll isolate several unique links –

a. Veto – Obama will veto full spectrum tax cut extension – subsumes no pass args

Fox News 7/10/2012 – fair and balanced (“Obama threatens veto of bill combining tax cuts for middle class, top earners,” Fox News, <http://www.foxnews.com/politics/2012/07/10/obama-threatens-veto-bill-combining-tax-cuts-for-middle-class-top-earners/>)

The president, amid such charges of class warfare, urged Congress Monday to pass a bill that deals with the middle-class tax rates, only. Lawmakers then can move on to a separate debate over extending the rates for top earners Obama said, though he made clear he is adamantly opposed to doing so. "I will fight to end them," Obama said Monday, speaking in the East Room of the White House. He added that he doesn't want that debate to "threaten" those making less than $250,000. When asked later in a TV interview with North Carolina's WRAL whether he would veto any bill that extended all the tax cuts, Obama said, "yes, and the reason is, we can't afford it." In his earlier remarks at the White House, Obama argued that sustaining the current tax rates for top earners puts too big a hole in the federal budget, saying "we can't afford to keep that up." Obama called on Congress to extend those rates, for one year, for families earning less than $250,000 -- failure to do so, he said, would be a "blow" to families and a "drag" on the economy. "We don't need more top-down economics," Obama said. "We need policies that grow and strengthen the middle class." The proposal pre-empts a more sweeping proposal from congressional Republicans -- who will be negotiating for an extension of the Bush tax rates for everyone. Senate Republican Leader Mitch McConnell's office panned the president's plan as a "call for tax hikes on small businesses." The office noted that Obama said two years ago that letting the rates go up would be bad for the economy. On "CNN's State of the Union" Sunday, McConnell noted, "We have a slower growth rate today than we had then." House Speaker John Boehner offered a similar rebuke, accusing Obama of "doubling down on his quixotic call for the same small businesses tax hikes that have been routinely rejected by the House and Senate." Mitt Romney's campaign also pounced. "President Obama's response to even more bad economic news is a massive tax increase. It just proves again that the president doesn't have a clue how to get America working again and help the middle class," spokeswoman Andrea Saul said in a statement. The proposal comes just days after Obama courted the blue-collar vote in the battleground states of Ohio and Pennsylvania, where he talked frequently about middle-class values. The pitch is the latest proposal from a White House that has had a complicated relationship with the Bush-era tax rates, which have been in effect for nearly a decade. Obama at first held back on letting any of those rates expire during the height of the recession, saying in 2009 that would be "the last thing you want to do" because it would "take more demand out of the economy." He then negotiated with Republicans in 2010 to extend the rates for another two years. But campaign adviser Robert Gibbs said over the weekend that Obama is now "100 percent committed" to ending the rates for those making more than $250,000. Obama's re-election campaign plans to use Washington's tax debate to ramp up its criticism of Romney. The campaign and its Democratic allies have slammed the presumptive GOP nominee for not releasing several years of tax returns and for having some of his money in offshore bank accounts.

Veto threats aren’t absolute – they require political capital to be credible

Andrew Lee (Professor of Political Science at Claremont McKenna College) 05 “Invest or Spend? Political Capital and Statements of Administration Policy in the First Term of the George W. Bush Presidency”, Georgia Political Science Association, Conference Proceedings

To explain these inconclusive results and opposing effect, this study provided four alternative explanations: divided government, investing political capital, the effect of the legislative and electoral cycles, and congressional anticipation. Divided government, a widely accepted explanation, accounts for the four observed presidential veto threats in the 107th Congress. The explanation of investing political capital proposes that in times of increased political capital, the president will decrease opposition language in order to maintain or increase political capital. The argument for legislative and electoral cycles posits that these decreases in opposition language are primarily due to an increase in legislative activity and impending elections for the president. Lastly, congressional anticipation argues that Congress is the primary actor anticipating veto threats and designs legislation favorable to the president in times of high presidential political capital. No single alternative theory can entirely explain the use of veto threats under President Bush’s first term. For example, the president would not be able to invest political capital without having the opportunity of increased legislation created by the legislative cycle. It is more likely that a combination of these factors produced the data in the first Bush administration. During periods of high legislative activity, the Congress, divided during the 107th Congress, anticipated more credible veto threats due to high political capital. Congress constructed legislation that was favorable to the president, and the president invested his political capital by decreasing his veto threats and opposition to legislation. Congress creates legislation that is more favorable to the president, and the president supports Congress in order to invest his political capital. Ultimately, this means that Congress and the president are inadvertently working to create agreeable legislation during times of high political capital. Conversely, when political capital decreases, the president gradually increases his opposition language.

*Even if* Obama’s bill fails the effectiveness of his fight highlights his reelection push

Sahil Kapur 7/9/2012 – staff writer for TPM (“Obama’s Middle Class Tax Cut Extension Dredges Up 2010 Defeat On Bush Tax Cuts,” TPM, <http://tpmdc.talkingpointsmemo.com/2012/07/obama-middle-class-tax-cut-extension-2010-bush-tax-cuts-defeat.php>)

This time around, the White House has emphatically insisted that Obama won’t back down. His senior campaign adviser Robert Gibbs said Sunday on CNN’s “State of the Union” that the president is “100 percent committed” to returning the marginal tax rates on high earners to Clinton-era levels, an increase from 36 percent to 39.6 percent. Under Obama’s plan, even the rich will pay lower rates on the first $250,000 they earn. The president will seek a standalone one-year extension of the middle class rates. The upshot is largely political because it’s taken as a given that Republicans on Capitol Hill have no intention of letting that happen. Apart from that, the Bush tax cuts are one of several issues — including large automatic spending cuts and expiration of the payroll tax cut, unemployment benefits and Medicare reimbursement rates — arising from last year’s debt deal that will likely be dealt with as a comprehensive package after the election to avoid a major economic contraction. Republicans are already highlighting the fact that Sen. Chuck Schumer (D-NY) and House Minority Leader Nancy Pelosi (D-CA) have backed extensions of the tax cuts for a larger segment of wage earners: those with incomes under $1 million. Leadership Democrats are trying to deflect that argument. “Very funny. Are those the same Republicans who opposed our budgets that included 250k? Are those the same Republicans who opposed extension to those earning a million and below?” a senior House Democratic aide told TPM. “Give me a break. This is the gang that is wedded to tax cuts for the rich. [Pelosi] said she’ll support 250 or a million. Let’s just get it done.” In other words, even if the Democratic rank and file are divided, Democratic leaders will not be. The chances of a legislative resolution before the election are virtually nil. For now, the debate serves to brighten distinctions between the parties. Republicans will respond by painting Democrats as tax-hikers and obscuring the fact that the higher rates will only be paid by a small fraction of people.

b.Bipartisanship **–** the 1nc Freemark evidence says there’s bipartisan opposition to the plan –bipartisanship is high now and vital to Obama’s compromise

Washington Post 7/9 [ Washington Post, Ezra Klein, “On tax cuts, Obama decides to fight”, July 9th, 2012, Washingtonpost.com, accessed 7/12/12]

The Obama administration has faced a difficult choice: Does it put off the fiscal crisis looming at the end of the year by capitulating to Republican demands to extend all the Bush tax cuts until 2013 — a move that would infuriate the Democratic base and muddle the campaign’s message? Or does it stand and fight on fiscal policy, even if that means increasing the chance that markets panic in the most crucial months for the president’s reelection bid? On Monday, President Obama chose door No. 2, proposing a one-year extension of the Bush tax cuts for families making less than $250,000 and, through his press secretary Jay Carney, promising to veto any effort to “extend tax cuts for the wealthiest Americans.” It’s a strategic decision that could have a tremendous effect on the economy — and thus on the president’s chances in the fall. Technically, we won’t hit the fiscal cliff — Washington’s preferred term for the near-simultaneous triggering of more than $600 billion tax increases and spending cuts, as well as the predicted point at which we once again hit the debt ceiling — until after the election. But the effects could be felt long before. The 2011 debt ceiling debate provides an illustrative example. Early in the year, the recovery seemed to be proceeding smoothly. In February, the economy added 220,000 jobs. In March, it added 246,000 jobs. And in April, 251,000 jobs. But as summer approached, and as markets shuddered over the Republican threat to breach the debt ceiling, the economy sputtered. Between May and August, the nation never added more than 100,000 jobs a month. And then, in September, the month after the debt ceiling was resolved, the economy sped back up and added more than 200,000 jobs. Payrolls weren’t the only evidence that the debt ceiling fight interrupted the recovery. “High-frequency data on consumer confidence from the research company Gallup, based on surveys of 500 Americans daily, provide a good picture of the debt-ceiling debate’s impact,” observed economists Betsey Stevenson and Justin Wolfers in a column for Bloomberg View. “Confidence began falling right around May 11, when [House Speaker John] Boehner first announced he would not support increasing the debt limit. It went into freefall as the political stalemate worsened through July. Over the entire episode, confidence declined more than it did following the collapse of Lehman Brothers Holdings Inc. in 2008. After July 31, when the deal to break the impasse was announced, consumer confidence stabilized and began a long, slow climb that brought it back to its starting point almost a year later.” The uncertainty over the debt ceiling may not have been solely responsible for the slowdown in job creation and the drop in consumer confidence. But it surely contributed. The 2013 fiscal cliff has the potential to be much worse than the 2011 debt ceiling fight, if only because it also includes hundreds of billions in tax increases and spending cuts. The Congressional Budget Office projects that permitting those tax increases and spending cuts to take effect would throw the U.S. economy back into recession — and that’s before factoring in the uncertainty over the debt ceiling. All this is going to make businesses and investors very nervous. If they begin to expect a possible economic crisis in early 2013, they will start pulling back this year in order to cushion themselves. That could mean layoffs rising and investment falling in September and October — the most important months for Obama’s campaign. In theory, the Obama administration could head this off by agreeing with Republicans to extend current policy into 2013. Republicans would have some incentive to play ball, as they also lost popularity after the debt ceiling fight. Also, their presidential candidate, Mitt Romney, is facing substantial fire over his tax returns, which have highlighted the ways in which wealthy Americans can reduce their tax liability, and his tax policies, which further cut rates on rich Americans. If Obama signed his name onto the upper-income tax cuts in the months before the election, it would effectively take tax rates on the rich off the table in the election, as both parties will agree on the issue, at least through 2013. But with its announcement today, the Obama campaign signaled that that’s not going to happen. And that means no clarity for the market on how — or whether — the fiscal cliff will be resolved until after November. Some economists think the economy can weather the uncertainty — at least through to the election. ”It’s July now, and early November is soon,” says Wolfers, a visiting professor at Princeton. “While I can see the fiscal cliff having an effect on financial markets and on confidence fairly quickly, it’s hard to see that effect having much of an effect on the real economy prior to the election. Given that, if all you cared about were electoral math, it would make sense to go for the populist policy choice now.” Others question whether simply putting off the hard decisions would actually calm the markets. “Few believe there will be any kind of progress on this or any other major fiscal issue prior to the election, [so] standing his ground through the election should do no economic harm,” says Mark Zandi, chief economist at Moody’s. “Most important, addressing the fiscal cliff (including the Bush-era tax cuts), extending the Treasury debt ceiling and laying out a credible path to fiscal sustainability should be done together. Addressing them one at a time will create more uncertainty, greater political brinksmanship, and ultimately a much worse outcome for the nation’s fiscal outlook and the economy.” The administration’s view is that it is trying to defuse the economic uncertainty by simply moving forward on the policies that everyone supports. “We all say we agree that we should extend the tax cuts for 98 percent of the American people,” Obama said. “Everybody says that. The Republicans say they don’t want to raise taxes on the middle class. I don’t want to raise taxes on the middle class. So we should all agree to extend the tax cuts for the middle class.”

The plan crushes his ability to deliver that message effectively

NYT 7/11/12 – New York Times (“Agree to agree on tax cuts,” Times Argus, <http://www.timesargus.com/article/20120711/OPINION01/707119950/1021>)

Taxes are supposed to be complicated and contentious. Yet, speaking from the White House on Monday, it took President Barack Obama less than 15 minutes to make a strong and sensible case for letting the high-end Bush-era tax cuts expire at the end of 2012. Citing well-documented facts, he pointed out that tax cuts at the top have failed to promote economic growth and have blown a hole in the federal budget. Under his plan, Americans who make more than $250,000 a year — the top 2 percent of taxpayers — would see their tax rates go back up next year to the levels from the Clinton years, while those making less than $250,000 — the remaining 98 percent — would have their tax cuts extended through 2013. In calling for cooperation from Congress, Obama said that the point is to “agree to do what we agree on”: extend the middle-class tax cuts. As a matter of fairness and responsible policymaking, he said, the majority of Americans, and the broader economy, should not be held hostage again to another debate over the merits of tax cuts for the wealthy. Unfortunately, it is not a message congressional Republicans want to hear, committed as they are to preserving tax cuts for the rich at all costs. It is not even what some Democratic leaders want to hear, including Nancy Pelosi, the House minority leader, and Sen. Charles Schumer of New York, both of whom voiced support Monday for Obama’s approach but have advocated in the past for extending the tax cuts for households that earn up to $1 million a year, a level that would please wealthy campaign donors. But it’s a message that needs to be sent, loud and clear, over and over. There will never be consensus for solving the nation’s budget problems without first ending the lavish tax breaks at the top. In the near term, letting the high-end tax cuts expire would raise much-needed revenue without harming the recovery because tax increases on high-income Americans do not cut into consumer spending nearly as much as middle-class taxes. The revenue that could be raised — $829 billion over 10 years — would be a significant step toward reducing the deficit and financing programs to spur the economy. Obama laid out the broad issues. Now he needs to drive these points home.

c. Spotlighting – tax cuts are Obama’s main focus in picking up key swing states – the plan reverses that

Politico 7/11 [politico.com, 7/11/12, “Obama team works the Hill on taxes”, accessed 7/11/12]

As the White House and Obama campaign make a concerted push on the theme of middle-class taxes, my colleague Manu Raju reports on the Obama team's efforts at keeping congressional Democrats on board: In a private lunch meeting with Senate Democrats, Treasury Secretary Timothy Geithner pitched the president’s plan for a one-year extension of the Bush-era tax cuts for families earning less than $250,000, saying it would give certainty to the middle class and plug a hole in the gaping budget deficit. And Geithner tried to assuage concerns by telling Democrats that the president’s plan would ensure that all taxpayers would pay the lower tax rates on their first $250,000 of income — and they only would be hit with higher tax rates for the remainder of any earned income over that threshold, attendees said. “Everybody gets a tax cut,” said a grinning Senate Finance Chairman Max Baucus (D-Mont.) as he left the lunch. At the same lunch, David Axelrod, a top campaign adviser, tried to sell Senate Democrats on the political virtues of the president’s tax plan, saying an overwhelming majority of voters in key states supported the Obama plan. He got support from Sen. Al Franken (D-Minn.) who read aloud poll numbers saying just that. Earlier in the day on the other side of the Capitol, Axelrod, senior adviser Broderick Johnson and opinion research director David Simas showed House Democrats recent commercials running in battleground states and detailed key polling data about the president’s campaign. The officials said the campaign was prepared to pummel Mitt Romney’s record, spending tens of millions of dollars in attack ads this month in states including Florida, Colorado, Virginia, and Ohio, according to attendees in the meeting. “Both campaigns agree the election is about the economy,” Axelrod told House Democrats, according to an attendee. “But the Republicans’ argument is the president has to go because he hasn’t cleaned up the mess they left fast enough.” Some red-state (or at least, redder-state) Democrats have been wary of embracing Obama's message on the Bush tax cuts, so it remains to be seen how much Obama's message on taxes will become the unified message of his party.

Obama has to control key framing issues

Pace 7/9/2012 – Julie, Associated Press staff writer (“Obama urges tax cuts for families under $250,000”, The Associated Press, <http://www.wowktv.com/story/18977719/obama-to-push-extension-of-middle-class-tax-cuts>)

WASHINGTON (AP) - President Barack Obama, eager to shift election-year attention away from the nation's lackluster jobs market, called on Congress Monday to extend tax cuts for families earning less than $250,000 a year while allowing taxes to rise for households making more. "Let's not hold the vast majority of Americans and our economy hostage while we debate the merits of another tax cut for the wealthy," said Obama, flanked by a dozen people the White House said would benefit from the tax cut extension advocated by the president. Obama wants Congress to pass a one-year extension of the Bush-era tax cuts for households making less than $250,000 before they expire at the end of the year. He said the outcome of his November election contest with Republican rival Mitt Romney would then determine the fate of the tax cuts for higher income earners. "My opponent will fight to keep them in place. I will fight to end them," he said. White House spokesman Jay Carney said Obama "would not sign" a bill that extended the whole range of tax cuts in full. Out of 118.7 million U.S. households in 2010, about 2.5 million had incomes of $250,000 or more, according to estimates by the Census Bureau. The median household income was $49,445, which means equal numbers of households earned less and more. Obama has long supported ending the tax cuts for those making more than $250,000. But the White House and the president's re-election team are reviving his arguments now as a way to paint congressional Republicans as obstructionists and Romney as a protector of the wealthy, suggesting the GOP push for an across-the-board extension of the tax cuts puts the middle class at risk. The president's announcement also follows Friday's dismal jobs report, which showed the nation's unemployment rate stubbornly stuck at 8.2 percent. Romney supports extending the tax cuts for all income earners. His campaign spokeswoman Andrea Saul said Monday that Obama's proposal amounted to a "massive tax increase" and proved that the president "doesn't have a clue how to get America working again and help the middle class." The contours of the tax debate are largely the same as they were when the cuts were due to expire at the end of 2010. While Obama opposed an extension for higher income earners then as well, he ultimately agreed to full two-year extension, in part to win concessions for other legislation. Democrats see the tax debate as part of a larger coordinated attack on Romney, which includes intensifying calls for him to explain offshore bank accounts and release several years of tax returns. The strategy is aimed at portraying Romney, whose personal wealth could exceed $250 million, as disconnected from middle-class voters. Romney aides say the Democratic attacks on the presumptive GOP nominee's wealth an "unfounded character assault."

### 2nc Econ Wall

Obama’s plan is vital to preventing recession – generates almost $1 trillion this decade

Trumbull, 7-9 – Mark, Obama tax-cut plan: easing risk of 'fiscal cliff'? Christian Science Monitor (CSM), <http://www.csmonitor.com/USA/DC-Decoder/2012/0709/Obama-tax-cut-plan-easing-risk-of-fiscal-cliff>.

President Obama didn't use the word "fiscal cliff" Monday when he proposed extending middle-class tax cuts, but his proposal relates directly to the fears embodied in that phrase. The so-called cliff is this: Under current law, the scheduled expiration of major tax breaks at year end raises worries that the nation could be pushed back into recession as millions of consumers simultaneously get hit with higher federal taxes. The president urged that Congress act now to keep the Bush-era tax cuts in place for about 98 percent of Americans for 2013. But he would allow the Bush-era tax cuts on higher-earning Americans to expire. The plan fits with Mr. Obama's longstanding views on tax policies, and with his election-year strategy of casting himself as for the "middle class" and Republicans as for "the rich." But, if enacted, it would also have big implications for the trajectory of federal deficits – and for the risk of a recession induced by those expiring tax breaks. Essentially, Obama is proposing to turn that dreaded economic cliff into more of a gradual slope. Taxes would still go up for families earning more than $250,000. The White House estimates that, by bringing in more revenue, this would shrink the federal deficit by some $83 billion in 2013. But economists generally say the move, by taking spending power out of the hands of high-earning Americans, would also dent current economic activity. For reference, that $83 billion equals about half a percent of America's gross domestic product, or GDP. Forecasters don't believe the hit to GDP would be precisely that size. What they do say is that, if all the currently scheduled tax-cut expirations occur on Dec. 31, a new recession is a very real threat. A government report Friday showed only tepid job growth in June, highlighting the economy's fragility and its importance in the election campaign. Obama's proposal on continued tax cuts for the middle class would reduce the overall size of what some analysts have dubbed "taxmageddon." Keeping those cuts in place would push up the 2013 federal deficit by some $108 billion, Congress's Joint Committee on Taxation has estimated. In turn, that leaves more money in consumers' hands, reducing the size of the cliff that might damage economic growth. Obama threw down a challenge to Republicans: "Let's agree to do what we agree on," he said, for the good of the economy. Both parties have embraced the idea of keeping tax rates low for most Americans. Obama said the two sides should act on that idea, for 2013 at least, and then debate their differences on policy toward the rich during the election campaign. Some economists, including Federal Reserve Chairman Ben Bernanke, say the economy requires a two-part fiscal strategy. First, avoid the full-scale cliff of tax hikes and scheduled federal spending cuts, to stave off a possible recession. Second, put the federal budget toward more stable footing for the long term, such as by imposing spending restraint that kicks in gradually, as well as by reforming the tax code. The Obama plan for middle-class tax cuts is not a full-fledged fiscal plan. But economists on the left argues that it's better than doing nothing. Continuing the middle-class tax breaks could mitigate the recession risk. Meanwhile, allowing tax rates to rise on well-to-do Americans could reduce federal deficits significantly. It would bring in $829 billion extra revenue during the next decade, according to the liberal Center on Budget and Policy Priorities (CBPP) in Washington. Without that tax revenue, the government would face pressure to make deeper spending cuts to get its fiscal house in order. In making his appeal, Obama differed with some in his own party. House minority leader Nancy Pelosi (D) of California, for example, would keep Bush-era tax rates in place for those earning up to $1 million. But bumping the tax-hike threshold upward from Obama's target of $250,000 in income would cost the government a lot of revenue. "House Minority Leader Nancy Pelosi's proposal to extend President Bush's income tax cuts for households making up to $1 million a year would lose nearly half of the revenue that President Obama's proposal ... would raise," according to a CBPP report.

The alternative is fiscal suicide and the *worst* form of fiscal stimulus

Marr 10 (Chuck, Director of Federal Tax Policy at the Center on Budget and Policy Priorities. From 1999 through 2004, he was Economic Policy Advisor to Senate Majority Leader Tom Daschle and Senior Advisor for Budget Policy at the National Economic Council from 1997 through 1999 during the second term of President Clinton, holds a BA in Economics from University of Rochester and an MBA in Finance from Columbia Business School, “Letting High-Income Tax Cuts Expire Is Proper Response to Nation’s Short- and Long-Term Challenges”, Center on Budget and Policy Priorities, June 26, 2010, http://www.cbpp.org/cms/index.cfm?fa=view&id=3241)//AMV

Letting President Bush’s tax cuts for families making over $250,000 expire as scheduled at the end of 2010, while temporarily redirecting this money to more efficient ways of boosting the economy while it is weak, would help the nation address two key challenges: short-term economic weakness (with nearly one in ten Americans out of work) and unsustainable long-term deficits. Over the next year or two, policymakers could channel the savings from letting the tax cuts expire — about $40 billion in 2011 — to uses that have more “bang for the buck” in creating jobs and promoting growth. For example, Congressional Budget Office (CBO) analysis suggests that **using those savings for a combination of a job-creation tax credit and continued state fiscal assistance would generate three times as much additional economic activity as using them to extend the high-income tax cuts**. Over the longer term, allowing these high-end tax cuts to expire on schedule would produce substantial deficit-reduction savings. (Policymakers could dedicate the short-term as well as the long-term savings to deficit reduction if they cannot agree on other short-term uses of the funds to boost the economy.) A short-term extension of the tax cuts for high-income households, which some have suggested, also would be ill-advised. It would have only a small effect on the current, weak economy, while posing a substantial risk that Congress would continue extending the tax cuts and even make them permanent, creating much larger deficits for years to come. This risk is especially high given that the next Congress is likely to include considerably more proponents of making these tax cuts permanent. This is a matter of no small consequence: **deficits and debt will be about $1 trillion higher over the next ten years if the high-income tax cuts remain in place**. Extending High-Income Tax Cuts the Least Effective Stimulus Option Given the economy’s present weakness, some argue that now is not the time to allow the 2001 and 2003 tax cuts for high-income households to expire. But analysis in a recent CBO report decisively refutes this argument.[1] CBO examined 11 options to stimulate growth and job creation and found that extending the 2001 and 2003 tax cuts in general came in last in effectiveness. [2] CBO concluded that a job-creation tax credit, funds to help states balance their budgets with fewer cuts in services and tax increases, and extended unemployment insurance benefits would all generate more jobs and growth on a dollar-for-dollar basis. Furthermore, CBO indicated that **extending the tax cuts for high-income households in particular would rate even lower in effectiveness than extending all of the tax cuts**. This is because, as CBO explained, “higher-income households … would probably save [rather than spend] a larger fraction of their increase in after-tax income.”[3] An economy in a recession or the early stages of a recovery needs more spending, not more saving. In short, CBO found extending the tax cuts for high-income households to be the worst of all options under discussion for preserving or creating jobs and boosting economic growth while the economy is weak. Alan Blinder, a former Federal Reserve Vice Chair and one of the nation’s most eminent economists, recently made this point as well. Writing in the Wall Street Journal, Blinder observed:[4] Consider three different ways to add a dollar to the budget deficit: increase unemployment benefits by $1, give a $1 tax cut to someone earning $50,000 a year, or give a $1 tax cut to someone earning $5 million a year. While the immediate impacts on the budget are identical, the near-term spending impacts are not. The unemployed worker struggling to make ends meet will likely spend the entire dollar right away. The $50,000 earner probably will spend the lion's share of it, saving just a bit —that's what most Americans do. But the $5,000,000 earner probably will save most of the new-found dollar. The impacts on economy-wide demand will therefore be quite different. Paying more in unemployment benefits offers the most spending “bang” for the budgetary “buck.” Extending the Bush tax cuts for the wealthy offers the least. As a result, Blinder explained, it would be more economically efficient to let the high-income tax cuts expire to and use the proceeds to advance policies that create more jobs and growth in the short term, while devoting the savings to deficit reduction after that. More Effective Uses of the Proceeds While the Economy is Weak A number of policies would represent more effective uses of these resources in the period immediately ahead. Examples include: A jobs tax credit: CBO estimates that a temporary jobs tax credit — one that reduced a firm’s payroll taxes on new hires — would generate three times as much economic growth as extending the Bush tax cuts, per dollar of cost. CBO’s analysis also shows that each dollar spent on a jobs tax credit would create four to six times as many jobs as a dollar spent on extending the Bush tax cuts. Moreover, these comparisons refer to extending the Bush tax cuts as a whole. The disparity in the effectiveness of these various policies is even greater when only the tax cuts for high-income households are considered. State fiscal assistance: The tax increases and budget cuts that states are imposing in response to their weak revenues are weighing heavily on the economy. CBO estimates that providing fiscal assistance to states would generate three to four times as much economic growth as extending the tax cuts and would create two to three times as many jobs. Moreover, Goldman Sachs’ economic analysis unit reported on July 20 that, primarily because it no longer expects Congress to extend state fiscal relief or provide other further stimulus (beyond the just-approved extension of unemployment benefits), it is now significantly lowering its growth forecast for 2011.[5] Unemployment benefits: As noted above, unemployed workers quickly inject unemployment benefits back into the economy to help pay for their living costs. **CBO concludes that dollar for dollar, this policy generates the largest bang-for-the-buck — for both economic growth and creation — of any of the policy options it examined**. Allowing the high-income tax cuts to expire on schedule would free up almost $40 billion in revenue next year (almost $90 billion over two years), based on estimates from the Treasury Department and the Joint Committee on Taxation.[6] As the CBO analysis shows, this money could be put to other uses that would generate substantially more economic activity and jobs. Just $13 billion in state fiscal relief would stimulate the economy as much as the approximately $40 billion it would cost to extend all of the high-income tax cuts. Using the economic multipliers in the CBO analysis,[7] one can examine how the impact of extending the tax cuts for high-income households would compare to two hypothetical packages, one channeling $20 billion into state fiscal relief and $20 billion to a job creation tax credit, and the other channeling the full $40 billion into a further extension of unemployment benefits. (The just-enacted extension of unemployment benefits runs out in November, but the unemployment rate is expected still to be between 9 and 10 percent at that time.) A. Extending the $40 billion in high-income tax cuts would generate about $10 billion in GDP. B. Allowing these tax cuts to expire and instead providing $20 billion in state fiscal relief and $20 billion toward a job creation tax credit would generate about $32 billion in GDP: $15 billion from the state fiscal relief and $17 billion from the jobs tax credit. The result would be a net gain of $22 billion in economic activity — or a tripling of the impact. C. Allowing the high-income tax cuts to expire and providing $40 billion in continued unemployment benefits instead would generate about $52 billion in GDP. Compared to extending the high-income tax cuts, this would result in a net gain of $42 billion in economic activity — five times the economic stimulus that would come from extending the high-income tax cuts. Letting Tax Cuts Expire on Schedule Would Lock in Long-Term Budget Savings The country is on an unsustainable fiscal path. CBO estimates that, even in the highly unlikely event that Congress enacts all of the deficit-reduction proposals in the President’s fiscal year 2011 budget, the debt will climb to 90 percent of the gross domestic product by 2020, and annual deficits will be above 5 percent of GDP (and rising) at that time.[8] **If Congress extends the tax cuts for married filers with incomes above $250,000 and single filers with incomes above $200,000 — the top 2 percent of U.S. households — then deficits and debt will be about $1 trillion higher over the next ten years than if it lets them largely expire,** as President Obama has proposed.[9] In subsequent decades, extending the high-income tax cuts would increase deficits by even larger amounts. Even a temporary extension of these tax cuts would be quite ill-advised. Not only would it be a highly inefficient way to stimulate the economy now, but it would pose serious long-term fiscal risks. A one- or two-year extension would hand to the next Congress the critical decisions on the ultimate disposition of the high-income tax cuts. Proponents of making those tax cuts permanent are expected to make major gains in the November election and thus to have more votes for such a move. A one-year or two-year extension now would likely lead to a second extension, and to either more extensions after that or action by a future Congress to make all of the Bush 2001 and 2003 tax cuts permanent. That, of course, would produce higher deficits as far as the eye can see. The much more fiscally responsible course is to allow the high-income tax cuts to expire on schedule at the end of this year.

Middle class tax cuts help **every** income demographic and have no negative effects on the economy

Greg Sargent 7/9/2011 – opinion writer at the Washington Post (“Mitt Romney: Middle class tax cut won’t help middle class,” Washington Post, <http://www.washingtonpost.com/blogs/plum-line/post/mitt-romney-middle-class-tax-cut-wont-help-middle-class/2012/07/09/gJQAXtmJYW_blog.html>)

But allowing the high end tax cut to expire would only impact two percent of American taxpayers, Roberton Williams of the nonpartisan Tax Policy Center tells me. That means Romney is describing a proposal to cut taxes on the vast majority of American taxpayers as a tax hike, because Obama’s plan does not also cut taxes on the top two percent. What’s more, even those taxpayers would benefit from Obama’s plan, Williams says, because the portion of their income under $250,000 would be taxed at the lower rate. Only their income over $250,000 would be taxed at a higher rate if the high end cuts expire. The Tax Policy Center has not estimated the average size of the tax increase the top two percent would suffer under this scenario. But it has estimated that the top one percent would see their after-tax income go down by all of seven percent. Putting aside the numbers, note Romney’s claim that this proposal “proves again that the President doesn’t have a clue” how to “help the middle class.” In other words, his response, with no exaggeration, is that extending tax cuts for those under $250,000 won’t help the middle class. Oh, and a tax cut is actually a tax hike! This is a candidate and a campaign who seem to proceed from the assumption that they can say literally anything, no matter how absurd or Orwellian, without getting called out aggressively by news orgs or suffering any political consequences for it. I guess we’ll find out soon enough whether they’re right.

### 2nc Elections IL Wall

It’s not just the economy, stupid – taxes are *the* crucial issue

The News International 7/11-Largest English language newspaper in Pakistan (“Obama frames tax breaks as a key election issue”, The News International, 7/11/12, http://www.thenews.com.pk/Todays-News-3-119750-Obama-frames-tax-breaks-as-key-election-issue)//RP

WASHINGTON: President Barack Obama has challenged Congress to end tax breaks for the wealthy while protecting working families, in a pre-election maneuver designed to pressure his Republican rivals. “We don’t need more top-down economics. We have tried that theory. We have seen what happens,” Obama said, in a White House speech. The Democratic incumbent insisted the trillion-dollar tax breaks instituted during president George W. Bush’s administration had “benefited the wealthiest Americans” more than others. “That is why I believe that it is time to let the tax cuts for the wealthiest Americans — folks like myself — expire,” he added. “I’m not proposing anything radical here,” he said, referring back to the situation under a previous Democratic president. “I just believe that anybody making over $250,000 a year should go back to the income tax rates we were paying under Bill Clinton, back when the economy created nearly 23 million new jobs, and the biggest budget surplus in history.” With Bush-era tax cuts set to expire at the end of 2012, taxes will rise for virtually all US households if Congress does not pass new legislation. In the 2012 campaign, Obama’s strategy for boosting the economy differs sharply from that of Republican adversary Mitt Romney. Taxes will play a crucial role in November, and Obama acknowledged as much. “In many ways the fate of the tax cut for the wealthiest Americans will be decided by the outcome of the next election,” he said. “My opponent will fight to keep them in place, and I will fight to end them,” Obama added, suggesting Democrats and Republicans should work together now to extend the tax cuts for some 98 percent of Americans. Such a move would be unlikely in the Republican-controlled House unless it is part of broader legislation to extend all tax breaks, a move which the chamber is expected to press for this summer. Republicans argue Congress should approve a full extension, and use 2013 as an opportunity to focus on comprehensive tax reform outside the furnace of election-year politics. “Many members of the other party believe that prosperity comes from the top down, so that if we spend trillions more on tax cuts for the wealthiest Americans, that will somehow unleash jobs and economic growth,” Obama said. Obama’s tax pitch dovetails with his campaign’s aggressive strategy to paint Romney, estimated to be personally worth around $250 million, as a secretive businessman who may not be paying his fair share of taxes. Top Democrats have unleashed a coordinated attack on Romney’s use of offshore tax havens, and demanded he release more tax returns in order to explain himself. Obama advisor Robert Gibbs demanded: “Is somebody who has sheltered their income taxes in Switzerland, the Caymans and Bermuda really someone who’s going to get under the hood and get us to a place of tax fairness?” “The American people deserve to know if he’s sheltering this money somewhere, or quite frankly is he not paying the taxes that he owes?” The Romney camp branded the attacks “unseemly and disgusting” character assaults on a successful businessman. Even before Obama’s Monday speech, Republicans were assaulting his plan as a “massive tax hike” that would hurt small businesses and snuff out job growth. “Unlike President Obama, governor Romney understands that the last thing we need to do in this economy is raise taxes on anyone,” Romney campaign spokeswoman Andrea Saul said in a statement. She said Romney “has a plan to permanently lower marginal rates, help middle-class Americans save and invest, and jumpstart economic growth and job creation.” Obama insists his proposal would extend tax cuts for 97 percent of small business owners, a move the president argued “is about helping job creators.” Should Obama stick with his $250,000 threshold, he may face resistance from his own Democrat supporters, some of whom are unsure about what marker to use for defining who is rich. House Minority Leader Nancy Pelosi of California and Senator Chuck Schumer of New York, who hail from two of the wealthiest US states, support higher taxes for annual incomes above $1 million.

The margin is overwhelming – tax cuts can ONLY help Obama

Cynthia Gordy 7/9/2012 – The Root’s senior political correspondent (“Obama Challenges GOP on Bush Tax Cuts,” The Root, <http://www.theroot.com/blogs/bush-tax-cuts/obama-challenges-gop-bush-tax-cuts>)

While Obama has caved on renewing tax cuts for the wealthy once before, Pollack argues that the president has more incentives to stand his ground this time. "There was a lot more pressure at the end of 2010 when the Democrats had just lost the recent election," he said, adding that the president was also dealing with how to extend the payroll-tax holiday and unemployment insurance at the same time. "At this point he has less pressure pushing him in the other direction, so I expect a different outcome." In the absence of congressional action, however, pivoting the campaign discussion to tax fairness at least gives the president a message that's popular with voters. "Voters overwhelmingly support extending the middle-class tax cuts and not extending them for high-income individuals," said Pollack. "So he's on the right side of the debate, at least when it comes to the polls."

It pushes the GOP into a corner and allows Obama to play defense on other attacks of his economic record

Swartz 7/9-Easter shore Political Buzz Examiner, past Political columnist at Americans for Limited Government, bachelor degree from Miami University (Michael, “Obama’s cynical election-year tax ploy”, examiner.com, 7/9/12, http://www.examiner.com/article/obama-s-cynical-election-year-tax-ploy)//RP

Knowing that the election is less than four months away and he'll have little to show on the economic front, President Obama today revived the battle over the Bush tax cuts which were extended for two years after their originally planned 2010 expiration. However, Obama's new proposal would extend them for just next year and target them to families making less than $250,000 a year – those more wealthy would revert to the Clinton-era tax rate of nearly 40 percent. That represents a rate increase of 13 percent over the current tax rate of 35 cents per dollar. This election-year maneuver will make for some strange bedfellows. For Democrats, the choice of supporting their President also comes at the risk of hypocrisy, as many have blamed the Bush-era cuts for the rampant deficits piled up over the last decade. Instead, Democratic legislative party leaders like Rep. Nancy Pelosi and Sen. Charles Schumer have pressed for a higher income threshold for tax hikes, calling for a true millionaire's tax by raising the rates only on families which make seven figures. It's obvious, though, that Obama is trying to paint Republicans into a corner and defuse some of their legitimate criticism about both his handling of the economy and the uncertainty for Americans of having a massive tax increase hanging over their heads. While maintaining the tax rates hasn't jumpstarted the economy, it's a near-certainty that raising taxes next year may put the economy back into a free fall. The GOP has already put out a proposal similar to President Obama's but their plan would extend rates for one year for all, across the board. Obama's strategy seems to be that of painting the Republican-controlled House as a “do-nothing Congress.” While he enacts sweeping legislative measures by Executive Order, the President also knows that the GOP-controlled House and Democratic-led Senate will not agree on a plan suitable to both; meanwhile, he can bash House Republicans for obstructionism. On the other hand, the House may also pass a tax cut bill with other provisions not acceptable to the President, such as expediting construction of the cross-border Keystone XL oil pipeline, using that cudgel to correctly paint Obama as someone not willing to address the key economic issue of job creation based on unemployment numbers since he took office. Since it's unlikely any progress will be made by the November election, look for President Obama to continue blaming Republicans for his failures. So far running against his Congress has netted Obama re-election polling numbers stuck in the mid-forties, but he really doesn't have many other cards to play and his campaign has to do something to address its self-proclaimed anemic fundraising. So they'll reluctantly try the populist approach.

### 2nc PC Key

>>Note – several PC key arguments are in the UQ/L Wall along with the veto stuff

Obama’s push is key to get key democrats and republicans on board—talks commencing now and he’ll veto it if he has to

Washington Post, 7/10/12 (David Nakamura, Rosalind S. Helderman, The Washington Post, "Obama would extend some tax cuts", ProQuest)

President Obama on Monday called for an extension of the George W. Bush-era tax cuts for the middle class, setting up an election-year showdown with congressional Republicans and sharpening the contrast with Republican rival Mitt Romney on the crucial issues of taxes. At an event staged in the East Room with working families, Obama announced that he would support a one-year extension for households earning less than $250,000, citing the tough economic times "when so many people are trying to get by." But the president added that he supports allowing the tax cuts to expire at the end of the year for higher-income earners, putting him at odds with the GOP, which favors extending them for all income levels. Obama has long advocated higher taxes for wealthier Americans, but by renewing the push four months before the election, the White House is calculating that forcing Republicans to reject the president's proposal would put GOP lawmakers, and Romney, in a difficult position at a time when the key political questions revolve around the struggles of ordinary Americans. "Many members of the other party believe that prosperity comes from the top down, so that if we spend trillions more on tax cuts for the wealthiest Americans, that that will somehow unleash jobs and economic growth," Obama said. "I disagree. I think they're wrong. I believe our prosperity has always come from an economy that's built on a strong and growing middle class." The Bush tax cuts are set to expire for all income levels at the end of this year. And the debate over tax fairness has grown more pronounced with the looming deadline, this winter, of the "fiscal cliff" - a combination of mandatory spending cuts and tax increases agreed upon last year to tame the deficit that many economists believe could throw the country back into recession. The White House and Congress have shown few signs of coming to an agreement to head off such a scenario. Republicans quickly denounced Obama's latest proposal, arguing that it was an attempt to distract the public from the poor economy. House GOP leaders have scheduled a July 23 vote on a one-year extension of the tax cuts for all income earners, and they charged that the president's plan would raise taxes on small-business owners. "President Obama is still asleep at the switch when it comes to our economy and jobs," House Speaker John A. Boehner (Ohio) said Monday. "In the wake of another weak jobs report, the president is doubling down on his quixotic call for the same small-business tax hikes that have been routinely rejected by the House and Senate." Romney spokeswoman Andrea Saul echoed that sentiment, calling Obama's proposal "a massive tax increase." She added that it "proves again that the president doesn't have a clue how to get America working again." Obama said his plan would cover 98 percent of the working public and 97 percent of small-business owners. Allowing the tax cuts to expire for higher-income earners, the president added, would bring additional revenue to help pay down the spiraling national debt. Extending all the Bush tax cuts and restraining the growth of the alternative minimum tax would cost about $221 billion next year, according to the nonpartisan Congressional Budget Office. Extending the cuts only for families earning less than $250,000 would cost slightly less - around $175 billion in 2013, according to CBO estimates. Obama abandoned a similar push in 2010, when he supported a full extension of the Bush tax cuts after Republicans won a sweeping victory at the polls that fall. This time, however, White House press secretary Jay Carney said that Obama would reject any legislation that extends the tax cuts for all income levels. "He would not support it. He would not sign that bill," Carney said. The president has centered his reelection campaign on a message of building a stronger middle class. He just concluded a two-day bus tour through Ohio and Pennsylvania during which he touted gains in manufacturing and the rebound of the auto industry. Obama's message has been at times overshadowed by a series of dismal employment reports that show the economy nearly at a standstill. Last month, the economy added just 80,000 jobs, according to the Labor Department, well below the number needed just to keep up with population growth. Unemployment was unchanged at 8.2 percent. Obama's tax strategy could have put him in an awkward position with Democratic allies in Congress, some of whom have lobbied for tax cuts for families earning less than $1 million - a higher threshold that some Democrats believed would be more popular. But the White House worked behind the scenes to consolidate support for the president's proposal, according to congressional aides. Last month, Obama senior adviser David Plouffe, counselor Pete Rouse and Chief of Staff Jacob J. Lew met with several Senate Democrats, including Majority Leader Harry M. Reid (Nev.) and Charles E. Schumer (N.Y.), to discuss the tax plan. At that meeting, Schumer withdrew objections to the $250,000 level, and the leaders agreed to support the White House, according to a Democratic aide. Meanwhile, Treasury Secretary Timothy F. Geithner is due to address Senate Democrats at their weekly luncheon Tuesday. Aides said he is likely to discuss the economy and an impending vote on a measure to cut taxes for small businesses that hire new workers or raise wages for existing ones, as well as the president's call for a quick vote to extend the middle-class tax cuts. The hiring measure, proposed in Obama's jobs bill and included more recently on his economic to-do list, was gaining momentum in the Senate, and Democratic aides said they expect to secure enough Republican support to formally open debate on it Tuesday. Also Tuesday, the president will visit Cedar Rapids, Iowa, where he is scheduled to meet with a family that would benefit from the tax-cut extension.

## \_\_\_\*\*Uniqueness XT

### Bill Will Pass

Will pass-Bipartisan agreement on 98 percent of tax cuts- Republicans won’t risk public opinion turning

The Examiner 7/9 [ The Examiner, “The President is right about the future of the Bush tax cuts”, July 9th, 2012, theexaminer.com, accessed 7/12/12]

For whatever reason, the Republicans just don’t sound as believable as the President of the United States, and as he gave his speech in the East Room of the White House today about the fate of the Bush tax cuts, he just sounded more genuine and more reasonable, while making a very good argument for his case. One of the best statements that President Obama made today during this speech when he offered up an honorable, common sense challenge to the Congressional Republicans was when he talked about how Democrats and Republicans both agree on extending tax relief for about 98% of the population, but specifically for the middle class. He said: "We all say that we should extend the tax cuts for 98 percent of the people. So we should all agree to extend the tax cuts for the middle class." The only discrepancy seems to come in over the tax fate of the top 2%, as the basic, Democratic ideology and President Obama’s ideology is to allow the Bush tax cuts for the wealthiest 2% to expire. But the Republicans, on the other hand, are intent on doing everything in their power to ensure that the top 2% continues to receive the Bush tax cuts. Borrowing a line from former Vice President Dick Cheney, when it comes to the so-called state of urgency surrounding the deficit as it pertains to the Bush tax cuts for the wealthiest Americans, ‘deficits don’t matter!’ The president was precise and passionate with his message about the effects of the Bush tax cuts on the sustainment of the deficit, and he made a cagey move by suggesting that the Republicans and Democrats should go ahead and agree to do what they agree on doing, which sounds like a reasonable idea to anyone outside of Washington D.C. or anyone outside of any narrow-minded, party allegiances that continue to cripple our abilities to function politically in this country. And, the President was absolutely right on this one. Why can’t the two parties go ahead and pass the legislation that they do agree on, and then work on the kinks in the parts that they do not agree on? He elaborated by saying "Let’s not hold the vast majority of Americans and our entire economy hostage while we debate the merits of another tax cut for the wealthy." He also vowed that he would sign the legislation that had the bipartisan support and welcome the debate over the disagreeable parts, and he sounded very believable, and there is no doubt in my mind that he would do both things.

### Obama Will Veto

Obama will veto the Republican plan

Julie Pace 7/9/2012 – Associated Press staff writer (“Obama urges tax cuts for families under $250,000”, The Associated Press, <http://www.wowktv.com/story/18977719/obama-to-push-extension-of-middle-class-tax-cuts>)

Obama wants Congress to pass a one-year extension of the Bush-era tax cuts for households making less than $250,000 before the cuts expire at the end of the year. He said the outcome of his November election contest with Republican rival Mitt Romney then would determine the fate of the tax cuts for higher-income earners. "My opponent will fight to keep them in place. I will fight to end them," he said. White House spokesman Jay Carney said Obama would not sign a bill that extended the whole range of tax cuts in full.

### PC High

Political capital is high and Obama will have to use it on tax cuts

Syracuse, 6/29/12 (Post-Standard Editorial Board, "‘Obamacare’ Lives: Against the odds, Roberts court upholds health law", blog.syracuse.com/opinion/2012/06/obamacare\_lives\_against\_the\_od.html)

The first political miracle was passage of the Affordable Care Act in March 2010, after decades of failed efforts to reform health insurance. The second political miracle took place Thursday, when the Supreme Court’s conservative Chief Justice John Roberts and four liberal colleagues upheld the health insurance overhaul. With evident relief, President Barack Obama and his Democratic allies welcomed the court’s decision. In New York state, where key features of the law already are on the books, health insurance “exchanges” can begin planning how to extend coverage to 2.8 million uninsured residents. Some 3,600 New Yorkers with pre-existing medical conditions, 181 of them in Central New York, will continue to be protected under an interim provision of the new federal law. In advance of Thursday’s ruling, bookies were laying odds at four-to-one against the law’s survival — particularly the provision mandating that everyone purchase insurance by 2014. Public opinion was still against it. Conventional wisdom had the court rejecting the administration’s argument that the mandate is allowable under the Constitution’s interstate commerce clause. As it turned out, Roberts did reject the commerce defense. But he did not reject the mandate itself — or the entire law, as Justice Anthony Kennedy did in joining a dismissive dissent. Instead, Roberts reasonably characterized the mandate as a tax on individuals who will eventually need health care. “Because the Constitution permits such a tax,” Roberts wrote, “it is not our role to forbid it.” But the battle is far from over. Dangle the word “tax” in front of a tea party activist or any lawmaker who signed Grover Norquist’s “no-tax” pledge, and you pick a whole new fight. “Obamacare raises taxes on the American people,” said GOP presidential hopeful Mitt Romney. “What the court did not do ... I will do on my first day if elected president of the United States. And that is I will act to repeal Obamacare.” Still, Thursday’s decision was a major victory for the president. After investing so much political capital in passing the law, then standing up to critics and running the gantlet of the Supreme Court, Obama’s credentials as a strong leader have been affirmed. Why did Roberts abandon his conservative kindred spirits? After the Supreme Court effectively awarded the close 2000 presidential election to George W. Bush, after the Citizens United ruling of 2010 virtually ended limits on corporate money in politics, the perception has grown that the court is in thrall to its conservative majority and the Republican agenda. This was an occasion for Roberts to rebalance his court. He also demonstrated wise reluctance to overturn a major legislative achievement by court fiat. The ACA has a long way to go over the next two years. As Rep. Bill Owens, D-Plattsburgh, noted, wrinkles may need to be ironed out as the law seeks to expand coverage, control costs and improve health care. Political battles and difficult decisions lie ahead. But on Thursday, health reform miraculously survived its toughest test so far.

Healthcare proves Obama still has political capital

Marfil, 6/28/12 (Jude O. Marfil, Wall Street Journal, "Political Wisdom: Is the Health Ruling Good or Bad for Obama?", blogs.wsj.com/washwire/2012/06/28/political-wisdom-is-the-health-ruling-good-or-bad-for-obama/)

Jeff Zeleny at the New York Times says the court’s ruling “galvanizes” Republicans. The importance of the victory for the White House was difficult to overstate, for now at least. By winning at the court, President Obama avoided being branded as a feckless and failed leader who invested too much time and political capital trying to overhaul the nation’s health care system as the economy foundered. It is an emboldening moment that provides a fresh boost of energy for his re-election campaign at the end of an otherwise frustrating month for the president, who is locked in a tight race with Mr. Romney. But the triumph for Mr. Obama will not necessarily be enduring. The president now faces the challenge of trying to sell the merits of the health care law again in the court of public opinion, even as Mr. Romney and Republicans can campaign on their promise to repeal the measure. It was telling that he used his address from the East Room two hours after the court’s ruling to explain the law and its benefits to Americans, something that even some of his supporters said he had failed to do effectively after the law’s passage more than two years ago… The ruling has the potential to re-energize the Tea Party movement — largely born out of opposition to the health care law and the expansion of government — and provide new political power to Mr. Romney’s pledge to repeal the law if he wins the election.

Pol cap high—Obama’s XO saved pol cap

Hynd, 6/22/12 (Steve Hynd, Bsc in Social Policy from the University of Bath and a MA in Human Rights from the University of Sussex, The Agonist, "Obama, Congress And The DREAM Act", agonist.org/steve\_hynd/20120622/obama\_congress\_and\_the\_dream\_act)

President Obama has followed Mitt Romney's weak tea speech to the National Association of Latino Elected Officials with one of his own, blaming Republicans entirely for the nation's lack of a DREAM Act this past three and a half years. Adam Serwer tells the true story, in short: Republicans did band together to block the DREAM Act, including several former co-sponsors of previous versions of the bill. But they were joined by skittish centrist Democrats. The final vote was 55 to 41, with five Senate Democrats joining the opposition. Had Obama delivered the votes of his own party, the DREAM Act would have passed. And if Republicans who previously supported the legislation hadn't decided it was terrible after Obama supported it, it would have passed. You know how for a decade or more the GOP has used the religious right as it's electoral failsafe - promising much to gain their votes then utterly ignoring them once in office? Well, there are various segments of the Dem base that get treated that way too and Latino voters are just one of them. Obama could have expended some of his considerable political capital early in his term to leverage enough votes to get DREAM passed and didn't. Minorities, the under-privileged, the anti-war movement, the Occupy/anti-corporatist movement, advocates of LGBT rights and advocates of universal healthcare - all have had a bit of the GOP's treatment of the religious right from their latte-sipping Dem overlords. About the only people who haven't, it seems to me, are the neoliberal interventionist set and the bankers.

### a2 Thumpers/Obama Pushing

Obama push tax cuts now- key election issue

Politico 7/11 [politico.com, 7/11/12, “Obama team works the Hill on taxes”, accessed 7/11/12]

As the White House and Obama campaign make a concerted push on the theme of middle-class taxes, my colleague Manu Raju reports on the Obama team's efforts at keeping congressional Democrats on board: In a private lunch meeting with Senate Democrats, Treasury Secretary Timothy Geithner pitched the president’s plan for a one-year extension of the Bush-era tax cuts for families earning less than $250,000, saying it would give certainty to the middle class and plug a hole in the gaping budget deficit. And Geithner tried to assuage concerns by telling Democrats that the president’s plan would ensure that all taxpayers would pay the lower tax rates on their first $250,000 of income — and they only would be hit with higher tax rates for the remainder of any earned income over that threshold, attendees said. “Everybody gets a tax cut,” said a grinning Senate Finance Chairman Max Baucus (D-Mont.) as he left the lunch. At the same lunch, David Axelrod, a top campaign adviser, tried to sell Senate Democrats on the political virtues of the president’s tax plan, saying an overwhelming majority of voters in key states supported the Obama plan. He got support from Sen. Al Franken (D-Minn.) who read aloud poll numbers saying just that. Earlier in the day on the other side of the Capitol, Axelrod, senior adviser Broderick Johnson and opinion research director David Simas showed House Democrats recent commercials running in battleground states and detailed key polling data about the president’s campaign. The officials said the campaign was prepared to pummel Mitt Romney’s record, spending tens of millions of dollars in attack ads this month in states including Florida, Colorado, Virginia, and Ohio, according to attendees in the meeting. “Both campaigns agree the election is about the economy,” Axelrod told House Democrats, according to an attendee. “But the Republicans’ argument is the president has to go because he hasn’t cleaned up the mess they left fast enough.” Some red-state (or at least, redder-state) Democrats have been wary of embracing Obama's message on the Bush tax cuts, so it remains to be seen how much Obama's message on taxes will become the unified message of his party.

Obama prioritizes extensions of middle class tax cuts

Greg Robb 7/9/2012 – staff writer for Marketwatch (“Obama calls for extending middle-class tax cuts,” Marketwatch, the Wall Street Journal, <http://articles.marketwatch.com/2012-07-09/economy/32595052_1_tax-cuts-middle-class-obama-campaign>)

Throwing his support behind continuing middle-class tax cuts is Obama’s first move to bridge the so-called “fiscal cliff” looming in January. That refers to the substantial spending cuts and tax increases scheduled to go into effect at the beginning of 2013 unless Congress acts. The spending cuts and tax hikes will automatically kick in because, last year, Congress failed to reach a deal to shrink the deficit by at least $1.2 trillion. Many economists and Federal Reserve Chairman Ben Bernanke have warned that the economy would be harmed if the fiscal cliff is not addressed. Mitt Romney, the presumptive Republican challenger and former Massachusetts governor, wants to extend all the lower tax rates, including for upper-income Americans. House Republicans are planning to move ahead with a vote this summer to prevent any tax increases. Obama said he would oppose extending tax cuts for the wealthy, but the president didn’t say he would veto any legislation that contained the provision. A recent poll found that only 26% of the public support extending tax cuts for the wealthy. Because both Republicans and the White House don’t want to raise taxes on the middle class, “let’s agree to do what we agree on,” Obama said. “Let’s not hold the vast majority of Americans and our entire economy hostage while we debate the merits of another tax cut for the wealthy,” Obama said. Some senior Democrats, including House Minority Leader Nancy Pelosi (D., Calif.), favor extending tax cuts for families earning less than $1 million. The Obama proposal for the one-year extension of the middle-class tax cuts fits with his campaign’s effort to portray the election as a choice between what his campaign says are Romney’s policies in favor of the wealthy and Obama’s efforts to help the middle class. Over the weekend, the Obama campaign increased its calls on Romney to release additional tax returns and disclose details about his offshore bank accounts.

Obama is pushing tax cuts as an election issue

CBS 7/9-news division of American television and radio network (“Obama to push extension of middle-class tax cuts”, CBS News, 7/9/12, http://www.cbsnews.com/8301-505245\_162-57468394/obama-to-push-extension-of-middle-class-tax-cuts/)//RP

WASHINGTON — President Barack Obama is launching a push to extend tax cuts for the middle class, as he seeks to shift the election-year economic debate away from the dismal jobs market and toward the issue of tax fairness. Obama, in an address from the White House Monday, will call on Congress to pass a one-year extension of tax cuts for people making less than $250,000 a year, a senior administration official said. The president's appeal to middle-class voters is aimed at drawing a contrast with Republican rival Mitt Romney and congressional Republicans. The House GOP is expected to make its own push this month for an extension of all the Bush-era tax cuts due to expire at the end of the year, including reductions on wealthier income earners. Obama opposes extending the tax cuts for higher income earners. Obama's re-election campaign also plans to use Washington's tax debate to ramp up its criticism of Romney. The campaign and its Democratic allies have slammed the presumptive GOP nominee for not releasing several years of tax returns and for having some of his money in offshore bank accounts. The strategy is aimed at portraying Romney, whose personal wealth could exceed $250 million, as disconnected from middle-class voters. An official at Obama's re-election campaign said it will promote the president's call for a middle-class tax cut extension in a series of events this week in battleground states, including New Hampshire, Colorado and Nevada. The president's shift to the tax debate follows Friday's lackluster jobs report showing the nation's unemployment rate stuck at 8.2 percent. The Bush-era tax cuts are due to expire at the end of the year unless Congress votes to extend them. Economists worry that across-the-board tax increases, along with automatic spending cuts also scheduled to take hold at year's end, could be a blow to the shaky U.S. economy. During his remarks Monday in the White House Rose Garden, Obama is to be flanked by people who would benefit from the extension, the administration official said. The president also planned to campaign on the tax debate Tuesday in Iowa, a key swing state in the November election. Both officials spoke on condition of anonymity in order to preview Obama's announcement.

### a2 Veto = Bluff

Obama’s veto threat is true—and political capital is key

Bendery, 7/9/12 (Jennifer, staff writer for the Huffington Post, "Bush Tax Cuts Extension Bill Would Be Vetoed By Obama", Huffington Post, www.huffingtonpost.com/2012/07/09/bush-tax-cuts-extension-obama\_n\_1659755.html?utm\_hp\_ref=politics)

WASHINGTON -- President Barack Obama would veto legislation that extends all of the Bush administration's tax cuts, including those for the middle class, White House Press Secretary Jay Carney said Monday. But top Republican aides said they don't buy it. During his daily briefing, Carney was initially vague about whether Obama would go so far as vetoing such a bill if it landed on his desk. Republicans are pushing to extend all of the Bush tax cuts before they expire at the end of the year, while Democrats only want to keep the cuts targeting people making $250,000 or less. Until now, the White House hasn't definitively said whether Obama is prepared to veto an across-the-board tax cut extension, even if it includes the tax cuts sought by him and Democrats. "He would not support it. He would not sign that bill," Carney said, when asked if Obama could support a bill that extended all of the Bush tax cuts. Pressed further on whether the president would simply not sign such a bill or if he would actually veto it, Carney finally said, "He would veto." Throughout the debate on the Bush tax cuts, Democrats regularly accuse Republicans of holding middle-class tax cuts hostage to tax breaks for the wealthy. Carney dismissed the idea that, with a veto threat now waged, Republicans could make the same argument about Obama holding the tax cuts hostage to the wealthy. Instead, he said, Republicans should focus on where there is middle ground on the issue.

**Obama will veto—interviews prove**

**Fox News, 7/10/12** (Associated Press and Ed Henry, "Obama threatens veto of bill combining tax cuts for middle class, top earners", www.foxnews.com/politics/2012/07/10/obama-threatens-veto-bill-combining-tax-cuts-for-middle-class-top-earners/

President Obama is threatening to veto any legislation that extends all the tax cuts set to expire at the end of the year, as he presses Congress to extend those cuts only for families whose yearly income is less than $250,000 -- and raises taxes on everyone earning more. The veto threat sets the early tone for what is expected to be a contentious battle between Democrats and Republicans through the rest of the year as they seek to avoid the so-called "taxmageddon" -- the sudden increase in taxes on all Americans that will occur if Congress doesn't vote to extend some or all of the Bush-era tax rates. Obama will press his case Tuesday afternoon during an address at a community college in Iowa. Ahead of that speech, Republican National Committee Chairman Reince Priebus told Fox News that the president's proposal is a "sham" which, if enacted, would cut into already meager economic growth. He accused Obama of playing a "divisive rich versus poor game." The president, amid such charges of class warfare, urged Congress Monday to pass a bill that deals with the middle-class tax rates only. Lawmakers then can move on to a separate debate over extending the rates for top earners, Obama said, though he made clear he is adamantly opposed to doing so. "I will fight to end them," Obama said Monday, speaking in the East Room of the White House. He added that he doesn't want that debate to "threaten" those making less than $250,000. When asked later in a TV interview with North Carolina's WRAL whether he would veto any bill that extended all the tax cuts, Obama said, "yes, and the reason is, we can't afford it." In his earlier remarks at the White House, Obama argued that sustaining the current tax rates for top earners puts too big a hole in the federal budget, saying "we can't afford to keep that up." Obama called on Congress to extend those rates, for one year, for families earning less than $250,000 -- failure to do so, he said, would be a "blow" to families and a "drag" on the economy. "We don't need more top-down economics," Obama said. "We need policies that grow and strengthen the middle class." The proposal pre-empts a more sweeping proposal from congressional Republicans -- who will be negotiating for an extension of the Bush tax rates for everyone. Senate Republican Leader Mitch McConnell's office panned the president's plan as a "call for tax hikes on small businesses." The office noted that Obama said two years ago that letting the rates go up would be bad for the economy. On "CNN's State of the Union" Sunday, McConnell noted, "We have a slower growth rate today than we had then." House Speaker John Boehner offered a similar rebuke, accusing Obama of "doubling down on his quixotic call for the same small businesses tax hikes that have been routinely rejected by the House and Senate." Mitt Romney's campaign also pounced. "President Obama's response to even more bad economic news is a massive tax increase. It just proves again that the president doesn't have a clue how to get America working again and help the middle class," spokeswoman Andrea Saul said in a statement. The proposal comes just days after Obama courted the blue-collar vote in the battleground states of Ohio and Pennsylvania, where he talked frequently about middle-class values. The pitch is the latest proposal from a White House that has had a complicated relationship with the Bush-era tax rates, which have been in effect for nearly a decade. Obama at first held back on letting any of those rates expire during the height of the recession, saying in 2009 that would be "the last thing you want to do" because it would "take more demand out of the economy." He then negotiated with Republicans in 2010 to extend the rates for another two years. But campaign adviser Robert Gibbs said over the weekend that Obama is now "100 percent committed" to ending the rates for those making more than $250,000. Obama's re-election campaign plans to use Washington's tax debate to ramp up its criticism of Romney. The campaign and its Democratic allies have slammed the presumptive GOP nominee for not releasing several years of tax returns and for having some of his money in offshore bank accounts. The strategy is aimed at portraying Romney, whose personal wealth could exceed $250 million, as disconnected from middle-class voters. "We have to continue to grow our economy. We have to grow it from the middle class out," Gibbs said Monday in an interview on NBC's "Today" show. "But for millionaires and billionaires, they don't need a tax cut," he added. Obama is expected to promote his tax policy at a series of events this week in battleground states, including New Hampshire, Colorado and Nevada. The president's shift to the tax debate follows Friday's lackluster jobs report showing the nation's unemployment rate stuck at 8.2 percent. The Bush-era tax cuts are due to expire at the end of the year unless Congress votes to extend them. Economists worry that across-the-board tax increases, along with automatic spending cuts also scheduled to take hold at year's end, could be a blow to the shaky U.S. economy.

**He would veto it and it’s key to the economy**

**WSJ, 7/10**/12 (Laura Meckler, Damian Paletta, Wall Street Journal (Online), "Obama Intensifies Tax Fight; President Calls for Extension of Bush Cuts for Some; High Earners Would See Increase", ProQuest)

WASHINGTON--President Barack Obama proposed a one-year extension of Bush-era tax cuts for families earning less than $250,000 a year but would let them rise for wealthier Americans, a move that both shifts the election debate to tax rates and sets the table for a showdown with Republicans in Congress. Mr. Obama's move didn't break new policy ground--he essentially repackaged his existing policy for the campaign season. Nor is it likely to pave the way for action from a deeply divided Congress already in the thrall of the campaign. But by highlighting on Monday his desire for stable tax rates for the middle class along with higher taxes on upper-income Americans to deal with the deficit, and prompting Republicans to reiterate their sharply different vision for lower rates for all, Mr. Obama's move had the effect of showing a clear partisan contrast that had been obscured by the campaign focus on jobs. It is a debate that will be resolved only by voters--and perhaps by both parties' stated intention to move beyond the argument about rates to a new discussion about fundamental tax overhaul after the election. Republican nominee-in-waiting Mitt Romney has proposed lowering rates for all taxpayers as a way to spur the economy and increase jobs. He wants to keep the Bush-era rates in place for everyone for starters, and then would reduce those rates by another 20%. Some deductions would be trimmed to offset the cost under Mr. Romney's plan, but he hasn't specified which of them he would curb or eliminate. Pitching his position as a proposal for action by Congress in an election year, Mr. Obama moved to frame the tax debate as one of fairness, calling for the wealthiest Americans to do their "fair share" to pay down the deficit and help the nation invest for the future. Mr. Romney responded in a radio interview: "To add a higher tax on job creators and on small business is about the worst thing I can imagine to do if you want to create jobs." The White House said Mr. Obama's plan would bring in $65 billion in additional government revenue next year from higher taxes paid by the top 2% of tax filers. Such a change would boost the top marginal tax rates to 36% and 39.6%--up from the current 33% and 35%--on that portion of adjusted gross income above the $250,000 threshold for families and $200,000 for individuals. The nonpartisan Tax Policy Center estimates that roughly 1.25 million tax filers are in the brackets that would be affected. Both Senate Democrats and House Republicans plan to stage votes this month on their competing visions. But Mr. Obama's plan isn't expected to win the 60 votes needed to pass in the Democratic-controlled Senate. And while House Republicans are likely to win passage of a temporary extension of lower rates for everyone, that measure is expected to then die in the Senate. Democrats, including Sen. Charles Schumer of New York and House Minority Leader Nancy Pelosi of California, earlier had said the tax cuts should be extended for a larger group of the families--those earning up to $1 million a year. But aides to both lawmakers said Monday they support the Obama plan, and Mr. Schumer no longer plans to push for a vote on the higher threshold. Ultimately, the question of who should pay more and who should pay less in taxes will come to a head at year's end, when the Bush-era tax cuts are set to expire for all Americans. A resolution isn't expected until after the election, when voters will have chosen between Mr. Obama and Mr. Romney and their starkly different tax plans. Still, Mr. Obama insisted that the core of what he was proposing--ensuring that taxes don't rise for most Americans next year--was something both parties clearly agree on. "Let's not hold the vast majority of all Americans and our entire economy hostage while we debate the merits of another tax cut for the wealthy," Mr. Obama said at the White House. While the tax debate shows a stark divide between the two presidential contenders and their parties, it also obscures a potential area of quieter agreement between the sides. Both parties have said they would like to see a comprehensive overhaul of the tax code, a matter that could be on the congressional agenda for 2013. If the tax debate takes that course, the argument over rates could take a back seat to a broader discussion of the shape of the tax code, the overall amount of revenue it brings to Washington and the claim both parties make that they would, in general, like a system of lower rates and fewer deductions and loopholes. For now, the two presidential campaigns are fleshing out details of different ways of coping with a system that both sides agree needs to be addressed, with some decisions required before the end of the year. Mr. Obama earlier had called for a new 30% minimum rate for families earning more than $1 million. He also had proposed lowering the top corporate tax rate to 28% from 35% and eliminating or limiting a number of tax breaks. In addition to proposing lowering all individual income-tax rates and cutting or reducing deductions, Mr. Romney has called for reducing the top corporate income-tax rate to 25%, eliminating the estate tax and eliminating capital-gains taxes for families making less than $200,000. The tax question can't be avoided this year because Mr. Obama and congressional Republicans agreed in December 2010 to extend the Bush-era tax cuts--but only through 2012--for all taxpayers, citing the need to avoid disrupting the struggling economic recovery and the need to seek a bipartisan agreement over how to proceed for the long run. Mr. Obama said at the time that he wouldn't extend all the tax rates again, and on Monday his spokesman, Jay Carney, promised the president would veto legislation being pushed in the House that extends the lower rates for everyone again. For Republicans, the tax debate offered a fresh opportunity to argue that Mr. Obama's tax rates would hurt the economy and, especially, small businesses. "In the wake of another weak jobs report, the president is doubling down on his quixotic call for the same small businesses tax hikes that have been routinely rejected by the House and Senate," House Speaker John Boehner said in a statement. Republicans said the Obama proposal would raise taxes on some 940,000 people who report business income on their taxes, a broad definition of small business. The White House argues that even under this definition, 97% of those filers earn less than $250,000 and would not be affected. And White House officials say many of the people who are affected are upper-income earners such as attorneys or hedge-fund managers.

**Obama push is key and he would veto it**

**Newsday, 7/10**/12 (Tom Brune, staff writer for Newsday, "OBAMA: EXTEND TAX CUTS", ProQuest)

WASHINGTON - President Barack Obama called on Congress yesterday to pass a one-year extension of the Bush-era tax cuts, but only for low- and middle-income households, allowing taxes to increase for those making $250,000 or more a year. Obama, in a White House news conference, urged Congress to act on the tax cuts, which will expire at the end of the year, just after a dismal jobs report Friday and before his campaign trip to Iowa today. In the short speech, Obama attacked what he called the GOP's "trickle-down" economics as he pushed tax cut extensions for what he said was 98 percent of the population and 97 percent of small businesses. "My message to Congress is this: Pass a bill extending the tax cuts for the middle class," said Obama, surrounded by a dozen people the White House said would benefit. "As soon as that gets done, we can continue to have a debate about whether it's a good idea to also extend the tax cuts for the wealthiest Americans." The election, Obama said, would decide the question. His GOP rival, Mitt Romney, and congressional Republicans rejected his proposal - Rep. Peter King (R-Seaford) said he "strongly" opposes it - as they have in a long-running battle over the tax cuts. In 2010, Obama agreed to a two-year extension for all income levels. "Unlike President Obama, Governor Romney understands that the last thing we need to do in this economy is to raise taxes on anyone," said Romney spokeswoman Andrea Saul. The Republican-controlled House plans to vote to extend all tax cuts, not just for the middle class. White House spokesman Jay Carney said Obama would veto that bill. Obama said Republicans also say they don't want to raise taxes on the middle class. "Let's agree to do what we agree on, right?" he said. "Let's not hold the vast majority of Americans and our entire economy hostage while we debate the merits of another tax cut for the wealthy." Obama's proposal could face resistance from some Democrats, including Sen. Charles Schumer (D-N.Y.) and House Minority Leader Nancy Pelosi (D-Calif.), who favor a cutoff of $1 million per household instead of $250,000. The White House consulted with Schumer and Pelosi before the speech, Carney said. Schumer didn't respond to a request for comment. Sen. Kirsten Gillibrand (D-N.Y.) backed the proposal. Obama's plan puts Long Island members of Congress in a spot. Two years ago, Rep. Steve Israel (D-Dix Hills), head of the Democratic Congressional Campaign Committee, broke with Obama over the threshold of $250,000 for extended tax cuts. "I agree with the president that taxpayers need certainty and that Congress should act now," Israel said yesterday. He added, referring to the threshold: "As I've said before, $250,000 is too low for high-cost places like New York." Reps. Carolyn McCarthy (D-Mineola), Tim Bishop (D-Southampton) and Gary Ackerman (D-Roslyn Heights) said they back middle-class tax cuts, but with a higher cutoff.

### Now = Key

Obama push now is key- Rep senate vote, and bipart agreement

USA Today 7/11 [ USA Today, “Obama, GOP duel over tax cuts” , July 11, 2012, usatoday.com, accessed 7/11/12]

As President Obama prepares to meet with congressional Democrats on legislative strategy, the Senate's top Republican is trying to beat him to the punch on tax cuts. Senate Minority Leader Mitch McConnell, R-Ky., called today for immediate votes today on competing proposals: The Republican plan to extend all the George W. Bush tax cuts, and Obama's plan to extend them only for people who make less than $250,000 annually. "The Senate should make itself clear which policy it supports," McConnell said. "This is our chance to do it." The Senate's Democratic majority objected; some Senate Democrats have expressed skepticism over Obama's plan. Those differences, and the way to move forward, are among the topics to be discussed by Obama and Democratic Senate and House leaders later today at the White House. For his part, Obama is calling on Congress to vote on the middle class tax cuts now, and debate the high-end ones later. "I want to hold taxes steady for 98 percent of Americans," Obama said Tuesday in Iowa. "Republicans say they want to do the same thing. We disagree on the other 2 percent. Well, what do you usually do if you agree on 98 percent and you disagree on 2 percent?" Added Obama: "Go ahead and do the 98 percent, and we can keep arguing about the 2 percent. Let's agree when

### Veto = Key

Obama will veto—election year politics prove the push is key

Bloomberg, 7/9/12 (Margaret Talev, White House correspondent for Bloomberg, Richard Rubin, reporter, "Obama Calls For Extending Middle-Income Tax Rates", www.bloomberg.com/news/2012-07-09/obama-to-urge-one-year-bush-tax-cut-extension-for-middle-class.html)

President Barack Obama urged Congress to pass a one-year extension of Bush-era tax cuts for families making less than $250,000 a year while letting rates rise for higher earners, sharpening differences with congressional Republicans and their presidential candidate, Mitt Romney.

The country is being held back by the partisan deadlock in Washington, and “nowhere is that stalemate more pronounced than on the issue of taxes,” Obama said in remarks today at the White House. “It’s time to let the tax cuts for the wealthiest Americans -- folks like myself -- to expire.” Republican congressional leaders rejected Obama’s call, saying the economy is too weak to raise taxes for anyone. They vowed to press ahead with legislation to extend all the tax cuts, a measure Obama said he would veto. Obama is focusing on the issue of tax fairness three days after a government jobs report showed the nation’s unemployment rate stuck at 8.2 percent. He argued that tax cuts for the wealthy haven’t helped the economy and are contributing to the deficit. The president sought to counter a Republican plan for a vote on a one-year extension of all the tax cuts with his call for acting immediately to keep the existing rates for those making less than $250,000 a year and letting the Nov. 6 presidential election settle the issue of the tax cuts for the wealthiest. Obama also said the post-election period may be used to negotiate an overhaul of the tax code. ‘Massive’ Increase Romney campaign spokeswoman Andrea Saul said in a statement before the president’s remarks that Obama’s approach would amount to “a massive tax increase” for “families, job creators, and small businesses.” “It just proves again that the president doesn’t have a clue how to get America working again and help the middle class,” Saul said. She said Romney wants to lower marginal tax rates and “understands that the last thing we need to do in this economy is raise taxes on anyone.” The president’s remarks kick off a week during which he will visit the swing states of Iowa and Virginia and his campaign will hold events in New Hampshire, Nevada, Colorado and Florida intended to show Obama as focused on middle-class taxpayers and Romney as attuned to the richest Americans. Following today’s announcement, Obama spent part of the afternoon doing interviews with local television stations from eight television markets in some of the states his campaign is counting on in November, including Florida, Wisconsin and Nevada. House Vote The Republican-controlled House plans to vote later this month on extending the expiring tax cuts for all income levels for a year and set in motion a process that would lead to a more comprehensive overhaul of the tax code in 2013. That bill isn’t expected to advance in the Senate, where Democrats have a majority. In an interview with New Orleans television station WWL, Obama said that, if Congress sent him legislation extending all the Bush-era tax cuts, “I would veto it.” The Senate will vote on Obama’s plan “in the weeks ahead,” Majority Leader Harry Reid, a Nevada Democrat, said in a statement. Little Movement Republicans and Democrats are dug into their familiar positions before the election, and neither will budge soon, said Jon Traub, managing principal of tax policy at Deloitte Tax LLP in Washington. “I don’t see any probability between now and Election Day Republicans veer from their long-held position that all of the tax cuts should be extended,” said Traub, who was staff director for the House Ways and Means Committee until earlier this year. If Congress doesn’t act, all the tax cuts passed during former President George W. Bush’s first term and extended by Obama and Congress in 2010 would expire at the end of the year. The top tax rate for ordinary income will increase to 39.6 percent from 35 percent. The top tax rate on capital gains will increase to 23.8 percent from 15 percent, and dividends would be taxed as ordinary income. A one-year extension of the expiring tax cuts for all income groups would reduce projected federal revenue by $426 billion, and the tax cuts above the $250,000 threshold make up $68 billion of that total, according to an analysis by the nonpartisan Joint Committee on Taxation that was provided to Senate Finance Committee Republicans. ‘Economy Hostage’ “Let’s not hold the vast majority of Americans and our economy hostage while we debate the merits of another tax cut for the wealthy,” Obama said. The fate of those cuts “will be decided by the outcome of the next election. My opponent will fight to keep them in place. I will fight to end them.” By drawing the line for tax increases at $250,000 adjusted gross income for married couples and $200,000 for individuals, Obama sets up potential contrasts with two factions of senators in his party. Some Senate Democrats, including Ben Nelson of Nebraska, have expressed openness to negotiating with Republicans on extensions of tax rates for all income levels. Others, including Charles Schumer of New York, have floated the idea the line at which tax increases start should be set at $1 million. That approach would bring in much less revenue and be more politically defensible, particularly in high-income states such as New York and New Jersey where a greater percentage of taxpayers would be affected by Obama’s threshold. Jobs Picture With job growth remaining stuck in June, Obama is looking for ways to convince voters that their economic situation will improve. U.S. employers added 80,000 jobs last month, lower than economists’ forecasts and up only slightly from a 77,000 increase in May. House Speaker John Boehner, an Ohio Republican, said Obama is “doubling down on his quixotic call for the same small business tax hikes that have been routinely rejected by the House and Senate” to distract from last week’s jobs figures. Obama’s tax push involves both his official and campaign advisers. Robert Gibbs, former White House press secretary and now a campaign adviser, appeared on morning news shows today to promote Obama’s message on taxes while highlighting the campaign’s portrayal of Romney. Romney thinks “we should shower rich people with tax breaks” Gibbs said on NBC’s “Today” show. “Those are the two different contrasting visions in this campaign.”

**Will veto, push is key, and it’s independently Obama’s main focus**

**Baltimore Sun, 7/10**/12 (Christi Parsons and Lisa Mascaro, staff writers for the Baltimore Sun, "Obama's gauntlet on tax cuts: Debate ensues over proposal that excludes the wealthiest", ProQuest)

WASHINGTON -- By calling on Republicans to approve a one-year extension of tax cuts for families earning less than $250,000 a year, President Barack Obama on Monday emphasized a key distinction between the two parties and sought to create a mandate for a tax plan after the election. Neither White House officials nor congressional leaders expect a tax bill to pass before November. Presidential candidate Mitt Romney and fellow Republicans want to extend existing cuts for all taxpayers, regardless of income. Obama says the country can't afford the cost; the price tag for the upper-income tax cuts is about $800 billion over 10 years. White House aides said Monday that if Obama is re-elected, he would veto any move to extend all the upper-income tax cuts. The tax cuts passed during the George W. Bush administration expire Dec. 31 along with the payroll tax cut approved under Obama. If all those cuts go away, a family with an income of about $70,000 would face a tax increase of about $3,000. Higher-income families would feel a much bigger bite. Those tax increases, along with automatic spending cuts set to take effect at the same time, would halve the federal deficit overnight. But many economists say the sudden impact also would throw the U.S. back into recession. Congress probably won't let that happen; lawmakers won't want to inflict that much pain on so many voters and risk lasting damage to the economy at the same time. So some tax cuts likely will be extended. Which ones will depend on who wins in November. Over the next four months, both parties hope to frame the issue to their advantage, with much depending on how voters view Americans earning more than $250,000 -- the top 2 percent of the income scale. Even before Obama's announcement, the Romney campaign sought to push its interpretation, issuing a statement, echoed by congressional GOP leaders, accusing Obama of seeking to "raise taxes on families, job creators and small businesses." Later, in a radio interview, Romney called Obama's plan "a massive tax increase on job creators and on small business." "Successful small businesses will see their taxes go up dramatically, and that will kill jobs," he told conservative radio host John Fredericks, who's based in Hampton Roads, Va., in an interview taped to air Tuesday morning. Obama was equally emphatic in framing the debate his way. "I'm calling on Congress to extend the tax cuts for the 98 percent of Americans who make less than $250,000," he said Monday in the White House East Room with a group the administration identified as working Americans behind him. The president and his advisers hope to use the tax issue on three levels. Obama wants voters to see the election as a choice between two competing ideologies, rather than as simply a referendum on the economic conditions of the last 31/2 years. Highlighting a major policy issue on which he and the Republicans disagree helps that effort. The nation's economic recovery is being impeded by "a stalemate in this town ... between two very different views about which direction we should go in as a country. And nowhere is that stalemate more pronounced than on the issue of taxes," Obama said. The near certainty that Congress will not act on a tax bill in the next several months also allows Obama to continue one of his favorite campaign motifs: running against a "do-nothing Congress." Finally, although he did not mention his rival by name, a public debate on taxes plays into the Obama campaign's separate effort to raise questions about Romney's taxes. Obama campaign aides have hammered at Romney in recent days, suggesting his decision to release only two years of returns implies he must be hiding something. The issue creates stresses in both parties, which will become evident over the next few weeks. The House and Senate votes on the issue are expected to be among the last ones of the summer, sending lawmakers home for the long August recess of campaigning with a major dividing line between the parties.

## \_\_\_\*\*Link/Internal Link XT

### PC k2 Veto

Politicalcapital is key to vetoing

Nicole Slezak (Professor of Political Science at University of California) 10 “The Presidential Veto: A Strategic Asset” <http://www.thepresidency.org/storage/documents/Vater/Slezak.pdf>

Although the veto offers the president a significant advantage in dealing with a sometimes combative and divisive Congress, James Gattuso discusses four “caveats” that should be considered by presidents when devising a veto strategy. First, presidents should not veto without care, for if Congress overrides it is politically damaging to the president.8 This means that if the president does not garner the required one-third plus one in either house of Congress and his veto is overridden, he will not only lose face, but lose political capital that gives him leverage in dealing with Congress. If the president loses political capital he can put himself at a disadvantage for future interactions with Congress; hence, when vetoing he must consider his support in Congress and the potential ramifications of an override. However, Gattuso adds that worse than having a veto overridden is a president who threatens to veto and does not follow through once Congress has passed legislation.9 This is even more damaging than an override because the president is caught making “empty threats.” Therefore, Congress will continue to produce legislation to their liking rather than revising it because Congress is inclined to believe the president is no longer serious about his veto threats.

Veto threats require PC to be credible

Liberal American 12/7/10 “Obama Use that Veto or a Lesson from Harry Truman, Part One”, http://thestrangedeathofliberalamerica.com/obama-use-that-veto-or-a-lesson-from-harry-truman-part-one.html

A veto threat, in particular, could be a game-changer, since President Obama would be staking a lot of his political capital on the outcome.What impact would a veto threat have? This seems very difficult to predict. Republicans would have to decide whether they felt the threat was credible. They’d furthermore have to decide whether they believed it to be advantageous to force Mr. Obama to use his veto pen. Congressional Democrats, in effect, would have to answer the same questions. Mr. Obama would have to decide at what point, if any, he would be willing to accede to a compromise.

Political capital critical to sustain vetoes – this means all your veto inevitable evidence only matters if Obama can sustain the veto

Richard Conley (Assistant Professor) and Amie Kreppel (Assistant Professor’s at University of Florida) 99 “Presidential Influence: The Success of Vetoes and Veto Overrides” http://web.clas.ufl.edu/users/kreppel/types.PDF)

The power of the President has been described as the “power to persuade” (Neustadt 1960). Defining and quantifying presidential influence is, however, a difficult task. Scholars have variably focused on floor success rates in Congress, individual and aggregate party support, or agenda success (Edwards 1980; Edwards 1989; Peterson 1990; Bond and Fleisher 1990; Jones 1994). Recently attention has been paid to the growing use of the presidential veto and the chief executive’s attempts to persuade members of Congress to “switch” to support his position during override attempts (Krehbiel 1998). While the frequency of presidential vetoes and congressional override attempts may constitute indicators of presidential and congressional power, there are subtleties in the veto/override game that have gone unexamined, particularly the difference between vetoes and override attempts of various types. The general presumption in the literature about vetoes and overrides is that the actors involved are always focused on achieving legislative outcomes. That is, it is assumed that all actors have as their primary goal the realization or the blockage of some legislative proposal and that loss is costly (in terms of public and/or political prestige). As a result success is measured in terms of legislative outcomes and the number of legislators who are convinced to switch their allegiance from one side to the other measures influence and power. We argue in this paper that this is an oversimplification of the true strategies and goals involved. Traditional assumptions conflict with the actual empirical evidence on veto and override attempts we bring to bear from 1969-98. Voting behavior in the Congress, particularly on contentious issues, is one of the few real world examples of near perfect complete information on the parts of all the actors. The vote breakdown on the final conference report is public information. In addition both parties and the White House have staff members whose job it is to investigate and predict how members will vote once they receive pressure from either or both sides. While not perfect, both the party leaders and the President have a very good idea of the potential success of a veto long before the veto is attempted. The same is true for an override attempt. Yet the president’s ability to sustain vetoes and congressional leaders’ attempts to trump the president’s vetoes are vary significantly in terms of success. We suggest that most unsuccessful attempts were not miscalculations or failures. Instead these failed vetoes and override attempts were a kind of position-taking aimed at informing the public rather than affecting legislative outcomes. For this type of veto/override there is little incentive to attempt to persuade Members of Congress to switch their vote from one side to the other. Whenever the President or the opposition majority in Congress act to change the voting behavior of a Member political capital is expended. It would not be logical to expend that capital in what was known ahead of time to be a losing battle. By the same token, in those votes where victory is assured it is equally unlikely that there will be a great deal of effort expended in attempting to sway the votes of additional (unnecessary) Members. This means that current measurements of presidential power and influence severely underestimate the actual ability of the President to affect change. By assuming that this is always his goal they have ignored the subtleties of the veto tool and exaggerated the need for the President to sway Members of Congress.

### IL – Tax Cuts = Key Election Issue

Obama wants the focus of the presidential election to be income tax inequality

Yakabuski 7/10-Globe and Mail’s chief U.S. politics writer, B.A. in political science from McGill University, Master in Business Administration in from the University of British Columbia (Konrad, “Obama’s retooled message: Tax the rich; His re-election bid stumbling amid economic gloom and discontent over health care, the President revives the theme of income inequality”, The Globe and Mail, 7/10/12, lexis)//RP

President Barack Obama wants to shift the focus of the election campaign away from health care and unemployment to a debate about income inequality, betting voters will back his call for tax increases on the rich. Mr. Obama moved on Monday to revive his push for higher tax rates on the wealthiest Americans, making the proposal a key plank of his re-election strategy. It marked a new offensive in his attempt to cast Republican nominee Mitt Romney as a ruthless corporate raider whose policies would protect the rich. Mr. Romney is against all tax increases. While Mr. Obama's position is not new, he had not pushed it much in recent months. By suddenly making income inequality a key part of his re-election strategy, Mr. Obama may be hoping to take the focus off a stubbornly high unemployment rate and discontent over his health-care overhaul, both of which have dominated the news in recent weeks. The tax plan also provides a unifying theme for his campaign. Some Democrats had complained that it had been lacking as the President centred most of his efforts on wooing selected segments of the electorate, such as Latinos, gays and single women. By taking the fight to Republicans on taxes, Mr. Obama could also energize liberal Democrats. That could help him close the fund-raising gap with Mr. Romney, who took in $106-million in June compared to $71-million for the Obama campaign. The tax push complements the Obama campaign's efforts to define Mr. Romney, whose net worth exceeds $250-million, as beholden to billionaire backers and corporate interests. But the President's initiative also opens him up to charges that he is fanning the flames of class warfare and threatening a fragile economy by increasing taxes on "job creators." Mr. Obama also runs the risk of provoking a colossal political confrontation that could unnerve financial markets - just as last year's debt-ceiling debate stoked fears that gridlock in Congress could lead the country to the fiscal precipice. The Republican-led House of Representatives had been poised to extend all of the Bush tax cuts this month. Mr. Obama's move aims to frame the debate in advance of that vote. Republican House Speaker John Boehner reacted angrily to the President's announcement, accusing Mr. Obama of "doubling down on his quixotic call for the same small business tax hikes that have been routinely rejected by the House and Senate." He is asking Congress to pass a one-year extension of lower tax rates for households earning under $250,000 (U.S.). The cuts, first passed in 2001 under George W. Bush, were prolonged in 2010 and are now set to expire on Dec. 31. But while the middle class would get tax relief for at least another year under Mr. Obama's proposal, the 2 per cent of U.S. households earning more than $250,000 would see their income taxes rise by thousands of dollars in 2013 in an effort to tame the deficit. "We've tried it their way. It didn't work," Mr. Obama said Monday of the "trickle-down" economic theory that inspired the Bush-era reduction in income tax rates on top earners. "The wealthy got wealthier, but most Americans struggled." Mr. Romney, who held a trio of fundraisers at the Hampton homes of rich benefactors on Sunday, has moved to blunt his patrician image. He told one fundraiser: "I spend a lot of time worrying about those that are poor and those in the middle-class that are finding it hard to make a bright future for themselves." Still, he rejected the Obama proposal on Monday, saying through a spokesperson that "the last thing we need to do in this economy is to raise taxes on anyone." Unless Congress passes new legislation, all of the Bush-era tax cuts will expire on Dec. 31. The sudden tax increases on all Americans, along with automatic spending cuts set to take effect on Jan. 31, would sap disposable income and depress economic growth. Mr. Obama argued on Monday that, since Republicans and Democrats alike want to extend the middle-class tax cuts, Congress should move ahead with legislation to do so in order to provide certainty for investors and average taxpayers. The Obama administration estimates that extending the middle-class cuts would cost $150-billion in forgone tax revenue in 2013. Imposing pre-Bush era tax rates on the wealthy would bring in about $68-billion next year.

Tax credits will be a major debate in the presidential election

Fram 7/9-Senior staff writer at Associated Press, BA in history from City University of New York City College, Masters in journalism from University of California, Berkley (Alan, “Obama seeks to shift election debate to fight over tax cuts for wealthy amid economic unease”, The Washington Post, 7/9/12, http://www.washingtonpost.com/business/economy/obama-seeks-to-shift-election-debate-to-fight-over-tax-cuts-for-wealthy-amid-economic-unease/2012/07/09/gJQAVng0YW\_story.html)//RP

WASHINGTON — Facing sagging jobs numbers, President Barack Obama sought to recast the November election as a fight over tax fairness on Monday, urging tax cut extensions for all families earning less than $250,000 but denying them to households making more than that. The president’s pitch was aimed at painting Republican rival Mitt Romney as a protector of the rich at a time of economic unease, as Democrats intensify efforts to raise questions about the Romney’s own wealth and offshore bank accounts. President Barack Obama is calling on Congress to extend tax cuts for middle class families earning under $250,000 for one year, arguing that the expiration of the tax cuts would be a “big blow” to families and serve as a “drag on the economy.” White House spokesman Jay Carney said President Barack Obama is calling on Congress to extend tax cuts for families that make less than $250,000 a year but Obama will not sign a bill that includes extending tax cuts for wealthier Americans. Romney supports extending the federal tax cuts, first signed by George W. Bush, for all income earners. Obama said if Congress passes a one-year extension for those making less than $250,000, voters can use the November election to decide the fate of the cuts for higher income earners. “My opponent will fight to keep them in place. I will fight to end them,” said Obama, flanked by a dozen people the White House said would benefit from the tax cut extension. The president has long supported ending the Bush-era tax cuts for those making more than $250,000. The White House and the president’s re-election team are reviving his arguments now as a way to suggest that the push by Romney and congressional Republicans for an across-the-board extension of the tax cuts could put America’s middle class at risk. “Let’s not hold the vast majority of Americans and our economy hostage while we debate the merits of another tax cut for the wealthy,” Obama said at the White House. The president’s sudden focus on the tax fairness debate was also an attempt to change the election subject after yet another lackluster jobs report. New numbers released Friday showed the nation’s unemployment rate stuck at 8.2 percent, giving Romney fresh grounds to attack Obama as unfit to steer the U.S. economy. Romney campaign spokeswoman Andrea Saul said the president was responding to the bad economic news by calling for a “massive tax increase.” “It just proves again that the president doesn’t have a clue how to get America working again and help the middle class,” Saul said. Obama said his proposal was aimed at staving off an end-of-the year stalemate with Congress. But it appeared to have the opposite effect. Congressional Republicans immediately balked, saying it would be a mistake to raise taxes on anyone while the economy was still struggling to recover. The House GOP plans to make its own push this summer for a full extension of the tax cuts. Obama said later Monday that he would veto such a bill if it landed on his desk.

Obama and Romney are using the tax debate to decide the election

Xinhua 7/11-Official press agency for the People’s Republic of China (“Tax at center stage as Obama, Romney campaign”, Xinhua News, 7/11/12, http://news.xinhuanet.com/english/world/2012-07/11/c\_131707253.htm)

WASHINGTON, July 10 (Xinhua) -- The issue of tax took center stage on Tuesday as U.S. President Barack Obama and his presumed Republican challenger Mitt Romney in the 2012 presidential race hit the campaign trail in the states of Iowa and Colorado, respectively. The two candidates made the issue of tax central themes of their remarks after Obama on Monday called on Congress to pass a one-year extension of the Bush-era tax cuts for Americans earning less than 250,000 dollars a year, renewing the tax debate and drawing battle lines with the Republicans. At the Kirkwood Community College in Cedar Rapids, Iowa, Obama slammed Romney and other Republicans for wanting to extend the Bush-era tax cuts for everyone -- not just the middle class. "Doesn't it make sense to agree to keep taxes low for the 98 percent of Americans who are working hard and can't afford a tax hike?" asked Obama, adding that it doesn't make sense to "give a trillion dollars worth of tax breaks to folks who don't need it." Romney, on the other hand, branded Obama's tax plan as an " extreme liberal" position that would halt job creation, at a town hall meeting in Grand Junction, Colorado, stressing that all of the Bush-era tax rates should be continued. "The very idea of raising taxes on small businesses and job creators at the time we need to create more jobs is the sort of thing only an extreme liberal could come up with," Romney said. By contrast, Romney said he wanted to lower marginal tax rates in an attempt to spur economic growth. Tax became a major campaign issue after Obama drew the line with Republicans by announcing that he supports partially renewing tax cuts initially enacted by George W. Bush, which are set to expire at the end of the year without Congress action. He has been consistently striking a populist tone on the issue, as polls have shown that the American public support taxing the rich. "In many ways, the fate of the tax cut for the wealthiest Americans will be decided by the outcome of the next election," said Obama on Monday from the White House East Room. "My opponent will fight to keep them in place. I will fight to end them. But that argument shouldn't threaten you. It shouldn't threaten the 98 percent of Americans who just want to know that their taxes won't go up next year."

The tax cut debate will hurt Romney

Mackowiak 7/11-Political consultant and President of Potomac Strategy Group, B.A. from the University of Texas, Austin (Matthew, “Barak Obama is Using Tax Cuts to Target Mitt Romney’s Wealth”, US News, 7/11/12, http://www.usnews.com/debate-club/will-barack-obamas-tax-gambit-work/barack-obama-is-using-tax-cuts-to-target-mitt-romneys-wealth)//RP

In proposing a one-year extension of the Bush tax cuts for everyone making $250,000 or less, President Barack Obama sought to put his opponent, Mitt Romney, on defense on what is typically a winning issue for Republicans. But the Obama team's tax argument is both phony and clever. President Obama agreed to a two-year extension of all of the Bush tax cuts in 2010, signing it Dec. 17, 2010, with five Republicans and 29 Democrats in attendance. At the time, President Obama said the bill would create jobs and boost the struggling economy. Two years later, four months from his own re-election, he has changed his tune. If it was good policy to extend all of the tax cuts then, it should be now. But the Obama tax political argument didn't hatch this week. It started early last year when the Obama team embraced the Occupy movement, using the 1 percent language. It continued when Obama repeatedly sought to use Mitt Romney's wealth against him, citing disproven "outsourcing" in ways that fact checkers have called false. On Sunday, in a coordinated attack, the Democratic headliners on all the major tax shows (Robert Gibbs, Gov. Martin O'Malley, Sen. Dick Durbin, Rep. Debbie Wasserman-Schultz, Rep. Xavier Becerra) all recited talking points about Romney's "offshore bank accounts." Then Monday, Obama launched, in an East Room press announcement, his urging of the "middle class" tax cuts to be extended for one year. As Charles Krauthammer noted, if Obama believes his plan is a good idea, why not extend them permanently, instead of for just one year? Plain and simple: This is a ploy. Make Romney defend wealthy people, like himself. If this election is waged over Mitt Romney's wealth, Romney will lose. Indeed, the negative attack ads run by Obama against Romney have had an effect. But wealth can be a positive attribute as most people wish to be wealthy and believe it is indeed possible in America. Every day, the Obama campaign wakes up with one mission: Make this race about anything other than the direction of the economy after three and a half years. The Romney campaign must continue to force each debate, each news cycle back to the central question: Are you better off now than you were four years ago? Everything else is white noise.

### IL – Tax Cuts = Election Win

Obama’s tax cut strategy will help him in the election

Lee 7/11-President of Venn Strategies, a government relations and public affairs firm, analyst on MSNBC, FOX News Channel, FOX Business Channel, ABC News Now, and CNN, previous Executive Director of the Democratic Governors Association, serves on the Bloomberg Government Advisory Board, BA in Journalism and Political Science from Baylor University (Penny, “Americans Favor Extending Tax Cuts for Those who Make Under $250,000”, US News, 7/11/12, http://www.usnews.com/debate-club/will-barack-obamas-tax-gambit-work/americans-favor-extending-tax-cuts-for-those-making-under-250000)//RP

I would hardly characterize President Barack Obama's proposal as a "gambit." The proposal has been a consistent theme with this administration, which recognizes that Americans want the president to focus on the issues that affect them most—how to create jobs, provide opportunities to advance, and secure a better future for their children. On Monday, President Obama laid out a vision for the fiscal policies he will pursue to ensure for a better tomorrow—offering additional middle-class tax cuts while asking some to pay a little more. Some might call it risky or foolish to ask to raise taxes during an election, but I believe the American people are often ahead of politicians in understanding what is fair, what works, and want to be offered a choice. For the eight years of "Bushonomics," those in the middle class got a clear picture of what didn't work as they lost their jobs, their incomes shrunk, and their homes were devalued or lost while corporate profits rose and executive pay increased. In the latest National Journal/United Technologies poll, 60 percent favored extending tax cuts for those making $250,000 and below. They understand that economic growth will not come from more failed trickle-down economic theories, but instead by responsibly balancing the need to cut spending, increase revenue, and make sound investments in our future, especially in areas like education, new market development, and infrastructure. In contrast, Mitt Romney continues to offer ideas that advance little meaningful change and instead, a return to the failed policies from the past of cutting taxes for those who can most afford them, while exploding the deficit, increasing our future debt obligations, and leaving no means to invest in growth. The president's proposal, along with an offer to discuss real tax reform after the election, put Republicans back on the defensive and elevated the debate to a referendum for the American voter in November—49 percent of independents in a recent Washington Post poll said the president's vision for the future is more important to them than what he did in his first term. By proactively controlling the debate and focusing the attention on the "do-nothing" Congress and Romney's policies of the past, the president will continue to look like the true leader and that is a winning formula. Focusing on America's future

### IL – Tax cuts key to economy

Tax increases damage middle-class consumers

Tamara Keith 7/11/2012 - NPR's Congressional Reporter on the Washington Desk (“Bush Tax Cuts: The New Middle-Class Norm,” NPR, <http://www.npr.org/2012/07/10/156493984/bush-tax-cuts-the-new-middle-class-norm>)

"That's a substantial amount of money," says Cartmill. "Generally ... what we do with our tax refund is we use that as kind of our savings in the bank for [if] the car breaks down or the water heater goes or whatever and we have a big expense all at once." The way Walling sees it, that's like a 5 percent cut to their income on top of other blows they've taken as a result of the tough economy. "I don't think my wife was explaining quite how hard it is, you know, but that's pretty much where it's at," Walling says. And they're not alone. The nonpartisan Tax Policy Center estimates 96 percent of taxpayers at the middle of the income distribution would see their taxes go up "an average of about $1,800 a year," says Roberton Williams, a senior fellow at the center. "That will reduce their after-tax income by about 4 percent," Williams says. "Four percent if you're spending every dollar you've got makes a noticeable dent in your budget." To give a sense of the other side of the ledger, according to the Joint Committee on Taxation, extending just the higher child tax credit over the next decade would add almost $270 billion to the deficit.

**Allowing tax cuts to expire for top 2% first step to economic recovery – achieves up to 965 billion in deficit reduction – maintaining them leads to inevitable cuts in key programs like Medicare and Education**

Marr & Huang 5/30 (Chuck, Director of Federal Tax Policy at the Center on Budget and Policy Priorities. From 1999 through 2004, he was Economic Policy Advisor to Senate Majority Leader Tom Daschle and Senior Advisor for Budget Policy at the National Economic Council from 1997 through 1999 during the second term of President Clinton, holds a BA in Economics from University of Rochester and an MBA in Finance from Columbia Business School, and Chye-Ching, tax policy analyst with the Center’s Federal Fiscal Policy Team, where she focuses on the fiscal and economic effects of federal tax policy. She rejoined the Center in July 2011 after working as a Senior Lecturer at the University of Auckland in New Zealand, where she taught graduate undergraduate tax law and conducted research in tax law and policy, “Joint Tax Committee: Raising Threshold for Bush Tax Cuts from $250,000 to $1 Million Would Lose $366 Billion — Nearly Half the Revenue”, Center on Budget and Policy Priorities, May 30th, 2012, http://www.cbpp.org/cms/index.cfm?fa=view&id=3785)//AMV

House Minority Leader Nancy Pelosi's proposal to extend President Bush's income tax cuts for households making up to $1 million a year would lose nearly half of the revenue that President Obama's proposal to extend the tax cuts only for households making up to $250,000 would raise, according to new estimates from Congress' Joint Committee on Taxation (JCT). The higher threshold would raise 44 percent — or $366 billion — less in revenue over the coming decade than the lower threshold. Citizens for Tax Justice has released estimates showing a virtually identical percentage revenue loss. **This means that policymakers ultimately would need to find $366 billion more in deficit savings to offset the cost.** That would make key programs ranging from Medicare to Medicaid and other low-income programs to education, basic research, food safety, defense, and homeland security significantly more vulnerable to deep cuts**. The Obama proposal** to extend income tax cuts only for those with incomes up to $250,000 **would achieve $829 billion in much-needed deficit reduction** over the next ten years, according to JCT (**and $965 billion in total deficit reduction when debt-service savings are included**). Nor, despite common misconceptions, would the $1 million threshold end the Bush tax cuts for people making over $1 million. In fact, millionaires would benefit substantially from the Pelosi proposal; they would receive roughly half of the tax cuts from raising the threshold from $250,000 to $1 million, according to Citizens for Tax Justice, because they would continue to get the full benefit of the Bush tax cuts on all of their income between $250,000 and $1 million.[1] After last year's Budget Control Act (BCA), which locked in more than $1 trillion in cuts to defense and nondefense spending over the next decade (relative to fiscal year 2010 levels adjusted for inflation) and produced additional savings in interest payments, policymakers will still need to find more than $3 trillion in additional ten-year budget savings to stabilize the federal debt by the latter part of the decade so that it doesn't grow faster than the economy. That goal ultimately will require wrenching policy choices. But letting the tax cuts expire on schedule for people making over $250,000 (about the top 2 percent of taxpayers) **would be a sound first step**, especially given the dramatic cuts in tax rates at the top in recent decades and the large increase in income inequality. **Extending tax cuts for high-income people also is a poor way to support the economic recovery.** An economy in a recession or the early stages of recovery needs more spending, not more saving.[2] But research shows that high-income taxpayers save, rather than spend, a greater share of any tax cut they receive than low- and moderate-income households. That's why the Congressional Budget Office (CBO) has noted that legislation to extend most of the Bush tax cuts while letting tax cuts exclusively for high-income taxpayers expire would deliver a higher bang-for-the-buck as stimulus — that is, more stimulus per dollar of fiscal cost — than a package that also allows tax cuts for those at the top to continue.[3] Raising Threshold Loses Nearly Half of Potential Revenue Gains and Gives Millionaires Large New Tax Cuts Letting the Bush income tax cuts expire for people making over $250,000, as President Obama has proposed, **would raise $829 billion over ten years,** according to JCT, Congress' official scorekeeper on tax legislation. Raising the income threshold from $250,000 to $1 million would reduce those savings by 44 percent, or $366 billion over the next ten years, JCT reported. That would put intense additional budget pressure on vulnerable populations and core government functions and also would make it much harder to stabilize the debt as a share of gross domestic product (GDP), as explained below. Despite misconceptions to the contrary, raising the threshold to $1 million would not deny continuing tax cuts for those who earn more than $1 million a year. In fact, millionaires would receive fully half of the benefits of raising the threshold. That's because they would receive a tax cut on that portion of their income between $250,000 and $1 million — which would continue to be taxed at the Bush rates, rather than at the rates scheduled to return after December 31 under current law.[4] In the same vein, even extending the tax cuts for households making up to $250,000 would give millionaires a tax cut — in this case, on the first $250,000 of their incomes — compared to letting all of the tax cuts expire. In fact, in dollar terms, millionaires will receive larger tax cuts than middle-income households even if the threshold is set at $250,000. The disparity will grow substantially if the threshold is set at $1 million. Loss of Substantial Revenue Savings Would Likely Force Even Larger Program Cuts **There is broad bipartisan consensus, and a strong economic case, that policymakers should stabilize the debt as a share of the economy over the next decade.** Stabilizing the debt requires more than $3 trillion in deficit reduction over the next ten years[5] — on top of the deficit reduction already scheduled to take place over the next decade under the BCA's strict limits on funding for discretionary programs. **Achieving this $3 trillion in additional savings solely on the spending side of the budget would require enormous cuts.** The impact would be particularly severe given that they would largely have to come from just half of the budget. Consider the following: Both parties have signaled that they will make no changes to Social Security that affect current retirees or those nearing retirement (with the possible exception of modifying the inflation index that is used to make annual cost-of-living adjustments, which would yield relatively small savings in the initial decade). Big additional near-term Medicare savings, beyond those enacted as part of health reform, are unlikely.[6] Even the radical Medicare changes that some have proposed, such as House Budget Committee Chairman Paul Ryan's "premium support" proposal, would not take effect until 2023.[7] Policymakers are highly unlikely to cut defense spending below the levels set by the BCA caps, particularly since many policymakers are calling for increases above those cap levels. These items account for roughly half of federal non-interest spending. The two main remaining categories of spending are nondefense discretionary programs — which include a wide variety of public services such as education, law enforcement, veterans' health care, environmental protection, and biomedical research and which make up another one-sixth of federal spending — and other mandatory programs, mostly targeted to low-income families and individuals. The BCA already imposed substantial cuts in nondefense discretionary spending; large additional cuts would be painful to achieve. And the low-income assistance programs serve the nation's poorest and most vulnerable people, and do so at a time when poverty has risen (and is well above poverty levels in most other Western nations) and inequality is at strikingly high levels. By forgoing $366 billion in revenue, maintaining all of the Bush tax cuts on the first $1 million of wealthy households' incomes ultimately would likely lead to much deeper cuts in these other parts of the budget.

# Tax Cuts DA – Aff Ans

### No Pass – 2ac

Democrats not voting for Tax Cuts – Obama push not effective

Wong 7-11-12 - congressional reporter for POLITICO, was a staff writer for The Arizona Republic, graduated from UCLA, where he wrote for The Daily Bruin.(Scott, “Senate theatrics over taxes,” Politico, 7-11-12[http://www.politico.com/blogs/on-congress/2012/07/senate-theatrics-over-taxes- 128627.html](http://www.politico.com/blogs/on-congress/2012/07/senate-theatrics-over-taxes-%20128627.html)) Political theatrics dominated the opening minutes of Senate floor action on taxes Wednesday morning. Senate Majority Leader Harry Reid blocked an attempt by his Republican counterpart to hold two dueling votes on extending tax cuts, including a plan President Barack Obama called for earlier this week. Minority Leader Mitch McConnell (R-Ky.) requested that the Senate take up a GOP-backed plan to extend all Bush-era tax cuts for one year as well as Obama’s narrower plan to temporarily extend tax cuts for the first $250,000 a family makes in one year. Reid, a Nevada Democrat and close Obama ally, promptly objected, ridiculing the GOP plan as the “Help Paris Hilton legislation.” “It would give people like her a tax break for doing nothing,” he said of the wealthy socialite and former reality TV star. The majority leader accused Republicans of trying to distract from a Democratic jobs bill currently on the Senate floor that would give small businesses tax breaks for hiring new employees and giving raises, and allow them to quickly write off purchases of new equipment. But McConnell said he was dumbfounded why Reid would not allow a vote on a tax plan the president had called for only two days earlier, even as Republicans argue such a limited approach would cause small businesses to pay higher taxes at the end of the year. “On Monday, the president said that if the Senate passes this tax hike on small businesses he’d sign it right away,” McConnell said. “I can’t see why Democrats wouldn’t want to give him the chance.”

### No Pass – 1ar

They can’t cook the books – opposition and data overwhelm UQ and the IL

Gleckman 7-11-12 - resident fellow at The Urban-Brookings Tax Policy Center, the author of Caring for Our Parents, and former senior correspondent in the Washington bureau of Business Week. (Howard, “Trimming tax breaks to cut rates is a lot harder than it looks,” The Christian Science Monitor, 7-11-12. <http://www.csmonitor.com/Business/Tax-VOX/2012/0711/Trimming-tax-breaks-to-cut-rates-is-a-lot-harder-than-it-looks>)

It won’t be impossible for pay for substantial individual tax rate reductions by cutting tax expenditures. But it will be very, very hard. The challenges are political, administrative, economic, and, in a key way, mathematical. While “broadening the base and lowering the rates” is a goal often advanced by politicians and economists, a [new study](http://www.taxpolicycenter.org/publications/url.cfm?ID=412608)by my [Tax Policy Center](http://www.csmonitor.com/tags/topic/Tax+Policy+Center) colleagues Jim Nunns, [Bob Williams](http://www.csmonitor.com/tags/topic/Bob+Williams), Eric Toder, and Hang Nguyen shows just how tough it would be to accomplish. One of the biggest and least understood challenges is the interaction between rates and tax preferences. In short, deductions, exemptions and the like lose their value as rates fall. Thus, the very act of cutting rates shrinks the pile of money Congress has available to pay for those rate reductions. To understand why, first think of it first from the taxpayer’s point of view. A $100 tax deduction is worth $35 to a taxpayer who is in today’s top bracket of 35 percent, but would be worth only $28 if that rate is cut to 28 percent. From government’s perspective (to oversimplify a bit), eliminating that deduction would produce $35 today but only $28 if rates are cut. To see what this means, my TPC colleagues looked at what would happen if Congress slashes individual tax rates by 20 percent across the board and eliminates the [Alternative Minimum Tax](http://www.csmonitor.com/tags/topic/Alternative+Minimum+Tax), two elements of a much broader tax reform proposed by [Mitt Romney](http://www.csmonitor.com/tags/topic/Mitt+Romney). As a result, the Treasury would collect about $320 billion less in individual income taxes in 2015 than under today’s tax rules (aka current policy). Thus, if Congress wants to generate the same amount of revenue, it would need to reduce individual tax expenditures by $320 billion (Of course, it could find the money elsewhere—say, by cutting spending or raising corporate taxes– but that’s another story). The math is unforgiving. By lowering rates Congress reduces the total value of individual tax preferences by about $200 billion—from $1.3 trillion under current policy to less than $1.1 trillion. And that means it would need to cut those tax expenditures by nearly one-third ($320 billion out of $1.1 trillion) to make up the revenue lost by the tax cuts. If Congress wants to generate the same amount of money as current law, the hole would be much deeper. Lawmakers would have to cut tax preferences by $730 billion. In the real world, coming up with those bucks is even harder than that. Because many of these tax subsidies are deeply ingrained in the economy, Congress is likely to phase them out slowly. In addition, taxpayers will adjust their own behavior in response to these tax changes. Both would further reduce the amount of revenue from base-broadening. Then, there is the matter of what is administratively and politically feasible.

### PC Low

Political capital is drained—DREAM Act

Biron and Freedman, 6/16/12 (Carey and Ethan, Inter Press Service, "U.S.: OBAMA WINS CAUTIOUS PRAISE FOR ENDING DEPORTATION OF MINORS IPS", Lexis)

President Barack Obama's administration announced on Friday that the United States would no longer deport certain young immigrants. While the move, made by executive order, was hailed by immigration advocates as a small but positive first step, many others pointed to the political motivations in play - an issue that President Obama implicitly acknowledged on Friday. "As long as I'm president, I will not give up on this issue," Obama said, "not only because it's the right thing to do for our economy - and CEOs agree with me - not just because it's the right thing to do for our security, but because it's the right thing to do, period. "And I believe that, eventually, enough Republicans in Congress will come around to that view as well." Reversing previous policy, undocumented immigrants who come to the United States as children and are deemed to pose no security risk will no longer be under threat of deportation. Instead, the administration ordered that the government begin to make available work permits for those who qualify. A few other prerequisites also apply: The candidates must have come to the U.S. before they turned 16, must be in school or have graduated from high school (or have been honorably discharged from the U.S. military), and have a relatively clean criminal record. The changes are to take effect immediately, largely skirting immigration legislation known as the DREAM Act. That bill would offer a route to citizenship for certain young immigrants, but has languished in Congress for years. Following Friday's announcement, the National Immigration Law Center here in Washington called the day "momentous a hard-won victory". The non-partisan Migration Policy Institute said that the policy reversal could have a direct impact on 1.4 million youths, while cautioning that implementation would be tricky with a program of this size. At Lafayette Park outside of the White House, a crowd of jubilant supporters cheered the news, holding up signs that read "Keep the DREAM alive" and "You have my vote now." "This is a matter of human rights," Sebastian Roa, a student at the University of Maryland at the rally, told IPS. "I was undocumented for 13 years, and I always had to wonder what would happen to me." "It's a Hispanic issue but it's also an overarching issue for many races," he continued. Another at the rally, Deepak Bhargava, a community organizer, called the news a "big victory", but cautioned that it was "not the final step". "The biggest challenge is to get people to vote in November," he said. "Alienating Latinos now, is a recipe to becoming a minority party in the future." Political gambit Indeed, despite the accolades, it is hard to see the timing of the issue outside of its political context. The move comes as the 2012 presidential race heats up, with immigration receiving vastly increased attention from both of the frontrunners. Mitt Romney, the Republican candidate to oppose Obama, has in the past stated that he would veto the DREAM Act if he were to become president. Romney is also fighting the president for the Latino vote. According to the Washington Post, Romney told supporters in April, "We have to get Hispanic voters to vote for our party" or they would lose the election. President Obama, while keen to take credit for Friday's announcement, has suffered severe criticism over the past three and a half years of his presidency for failing to push through a significant immigration overhaul, despite repeated promises. When Obama took on health-care reform as a signature issue shortly after becoming president, many suggested that immigration would be next on the agenda. As the health-care issue led to massive resentment from Republicans, however, the resulting ratcheted-up polarization in Washington took away much of President Obama's motivation - and political capital - to tackle another contentious issue so quickly. Since then, the administration has been unable to deliver for those calling for immigration reform. Meanwhile, the strength of the Latino vote has been growing. This is based in part on demographics, with an estimated 50,000 Latinos every month turning 18, the legal age to vote in the United States. Some experts have suggested that whoever wins the presidency in November will need around 40 percent of the country's 14 million Latinos to do so. A recent analysis put out by the Brooking Institution suggested that the broader minority vote would be even more important for an Obama victory this year than last time around. In addition, however, reports suggest a higher political consciousness among Latino, particularly youths - spurred in particular by the country's nasty immigration debate in recent years. This week, Jeb Bush, the popular former governor of Florida and brother of former president George W. Bush, made political waves when he suggested that the Republican Party needed to change its tone on immigration. On Friday, another Florida Republican, Senator Marco Rubio, thought to be a frontrunner to become Mitt Romney's vice-presidential candidate, criticised Obama's move for its unilateral legislation. "Today's announcement will be welcome news for many of these kids desperate for an answer, but it is a short-term answer to a long-term problem," Rubio said. "And by once again ignoring the Constitution and going around Congress, this short-term policy will make it harder to find a balanced and responsible long-term one." Another Republican member of Congress, Steve King, went even further, saying that he plans to sue the Obama administration over the new policy. King charged President Obama with "planning to usurp the constitutional authority of the United States Congress and grant amnesty by edict to one million illegal aliens".

### PC Not Key – 2ac\*\*

Political capital’s not key—Obama is expending it but ideology and election year politics outweigh—this proves our Dickinson argument and it’s issue specific

**Saviano, 4/2**/12 (Nino Saviano, BA in political science from East Carolina University, master's and PhD in politics at Georgetown University's Edmund Walsh School of Foreign Service and Government Department, political strategist, "Strategy 101: Obama, taxes, and political fault lines", thehill.com/blogs/congress-blog/politics/219485-strategy-101-obama-taxes-and-political-fault-lines)

President Barack Obama is at it again. The tax increase on the rich, that is. The president used his Saturday radio address to demand Congress pass a tax increase on millionaires and billionaires. With virtually no chance his plan will be turned into legislation, Obama is sending it to Congress anyway. Known as the “Buffet Rule” – and first proposed back in September 2011 – the tax plan is scheduled for a vote in the Senate on April 16. But it has no chance of passing in the Democratic-controlled chamber or even be considered in the GOP-controlled House. On fiscal grounds, the Buffet Rule falls short on delivery. According to Congress' Joint Committee on Taxation, it would collect a mere $47 billion over 10 years – very little compared to the projected federal deficits of $7 trillion over that same period. Alongside this millionaire tax, the president also renewed his call for ending tax cuts for those earning more than $250,000. Enacted during President George W. Bush's first term, those cuts are due to expire at the end of this year. Obama’s tax increase calls capped a week filled with unwelcome news about another form of tax rate – corporate tax. The United States now leads the developed world with the highest corporate tax rate, overtaking Japan just on Sunday. On this backdrop and amid a slow recovery, one must wonder why Obama is pushing for higher tax rates and expending political capital that is unlikely to yield any legislative return. The answer lies in the president’s campaign strategy. It has nothing to do with actually getting any of these tax increases passed any time soon. Or, for that matter, reducing the budget deficit. In fact, if this was about the deficit, why focus on a mere $47 billion reduction over 10 years when the Bush-era tax cuts repeal alone could account for $600 to $900 billion over that same period? Obama is outlining the presidential election’s ideological battleground. With about eight months left until election day, and with Mitt Romney as his likely Republican opponent, President Obama is drawing the political fault lines between the “haves” and the “have-nots.” The strategy is simple: draw clear political and ideological fault lines between you and your opponent, shake the electoral ground, and hope for a landslide in your favor and one which buries your opponent. In his radio address, Obama said it was time "to stop giving tax breaks to people who don't need them." By people, he meant Romney – a multi-millionaire who pays a lot less in tax than he allegedly should. Sure, he is also a successful businessman, but one who is depicted as out of touch with every day, hard-working Americans. To Obama and his White House, it is the national conversation around tax increases that matters. With a likely opponent in Romney who struggles to identify with average Americans – and amid gaffes in trying to do so – Obama hopes to leverage the class warfare-rich political discourse to alienate voters away from his opponent. It is an age-old approach that this president believes it will work. Unless, of course, Republicans and likely-nominee Mitt Romney and his campaign team can craft and deliver a message that exposes and exploits inherent flaws in Obama’s campaign strategy and message. The reality when it comes to taxes, particularly without meaningful action on reducing spending, has to do not only with the size of government, but much more. It is about shifting investment decision-making from the private sector to the government. It is no longer just about income redistributive programs. It is about whether to invest in one specific industry as opposed to another – or even investing in one company and not another. It is, in other words, governing à la socialiste – politicians and bureaucrats decide the fate of private industry. But these can appear lofty ideological goals in times of economic hardship. It will be no easy task for Republicans to explain them to voters. That task can only be achieved through a clear and precise message and an impeccable and flawless delivery. All of which seem to be lacking in this GOP presidential primary race.

### PC Not Key – 1ar

It won’t pass—pol cap’s not key

Elmore, 7/10/12 (Charles, staff writer for Palm Beach Post, "TAX-CUT DividE; Obama and Romney split over limits on the Bush-era cuts, and there's a lot at stake in big-money Florida.", ProQuest)

President Obama unveiled his latest proposal Monday to extend for one year tax cuts for those making less than $250,000, a move widely viewed more as staking out campaign territory in an election year than a cause for Palm Beach accountants to call urgent meetings with clients who make more. "Let's not hold the vast majority of Americans and our economy hostage while we debate the merits of another tax cut for the wealthy," Obama said. Obama urged Congress to pass a one-year extension of the Bush-era tax cuts for most Americans, but aides said he would veto a bill that included providing relief to households earning $250,000 or more, as GOP congressional leaders and presumptive Republican presidential nominee Mitt Romney want to do. Romney attacked the plan as raising taxes for those making more than $250,000 while the economy is still sputtering. The president says higher rates will affect only 3 percent of small businesses, but Romney's camp says it would affect 53 percent of all small business income. "The president is saying 'the American people are with me,' but even members of his own party are not agreeing with him," said Romney's Florida communications director, Jeff Bechdel. A number of Democrats in Congress have spoken in favor of extending tax cuts for a larger group. Florida Sen. Bill Nelson's spokesman said Monday that his favored position is "to permanently extend the Bush-era tax cuts for those making under $1 million." Obama's appeal drew a disdainful response from Republicans in Congress. "President Obama is still asleep at the switch when it comes to our economy and jobs," said House Speaker John Boehner of Ohio. Romney spokeswoman Andrea Saul echoed that sentiment, calling Obama's proposal "a massive tax increase." She added that it "proves again that the president doesn't have a clue how to get America working again." Obama's plan would mean a return to tax rates for higher earners in effect at the end of President Clinton's administration, the last time the federal government reported an annual surplus. That would mean rates above 39 percent for top earners, up from 35 percent now. Obama's plan "has no chance" to pass Congress but is simply raising a campaign issue, said Palm Beach County GOP Chairman Sid Dinerstein. "His proposal is for a massive tax increase on the job creators," he said. Obama upped the ante Monday by framing the November election as a referendum on his advocacy of middle-class tax cuts vs. Romney's desire to extend tax relief to all Americans regardless of income. "In many ways, the fate of the tax cut for the wealthiest Americans will be decided by the outcome of the next election," Obama said. "My opponent will fight to keep them in place. I will fight to end them." State Sen. Chris Smith, D-West Palm Beach, said the president is sending the right message and fighting for what he believes in. "I come down with the president -- 250 is a good middle-class number," Smith said. If higher rates do return, accountants say they're ready to advise clients on such matters as postponing certain deductions to higher-tax years or reporting some income earlier. But they want to wait and see what happens by October or November. Whatever its political significance, Monday's announcement was "mainly for show, I think," said accountant Richard Rampell in Palm Beach. Nationally, 2.09 percent of households earned $250,000 or more in 2010, according to Census Bureau statistics that don't provide a precise breakout for states and counties. But it's a safe bet a higher proportion of households will be affected by higher tax rates in a relatively affluent county like Palm Beach. Census Bureau survey numbers show more than 6 percent of Palm Beach County households earn at least $200,000, compared with 4.2 percent nationally and 3.6 percent in Florida. In the town of Palm Beach, 32.7 percent of households earn more than $200,000. There's plenty at stake for both parties in Florida. It's the nation's most populous swing state in the presidential election, and the county has been a popular stop. It's a home to big donors for both parties. Speaking at Florida Atlantic University in Boca Raton in April, Obama called for changes to ensure that those with incomes of more than $1 million paid what he called their fair share of taxes. He's scheduled to return for a debate at Lynn University in Boca in October. Staff Researcher Michelle Quigley, McClatchy Newspapers and The Associated Press contributed to this story. charles\_elmore@pbpost.com Obama's proposal One-year extension of the Bush-era tax cuts for families earning less than $250,000. Romney's proposal Extend the Bush-era tax cuts for families of all income levels.

### Tax Cuts =/= S Econ

Tons of alternate cause overwhelm the benefits of tax cut extension

Burns 7-10-12 - A graduate of Harvard College, where he edited the Harvard Political Review, staff writer for Politico, has appeared in National Journal and American Heritage magazine. (Alexander, “GOP begins outsourcing pushback,” Politico, 7-10-12,<http://www.politico.com/blogs/burns-haberman/2012/07/gop-begins-outsourcing-pushback-128479.html>)

Several weeks after the Obama campaign began airing ads tying Mitt Romney to outsourcing, the Romney campaign and Republican National Committee are moving to counter the charges. RNC Chairman Reince Priebus is set to appear in Cedar Rapids, Iowa, today ahead of Obama's campaign stop in the state, where he'll speak about federal stimulus money that created jobs overseas and unveil a related website, ObamanomicsOutsourced.com. The RNC also blasted out this [story from the Washington Post raising questions](http://www.washingtonpost.com/business/economy/obamas-record-on-outsourcing-draws-criticism-from-the-left/2012/07/09/gJQAljJCZW_print.html) about whether Obama has done much to combat outsourcing as president: While White House officials say they have been waiting on Congress to act, Obama’s critics, primarily on the political left, say he has repeatedly failed in other ways to protect American jobs from being moved overseas. They point to a range of actions they say he should have taken: confronting China, reining in unfettered trade and reworking a U.S. visa program that critics say ends up sending high-tech jobs abroad. The issue of overseas outsourcing has returned to the center of the presidential campaign, with Obama hammering the record of Mitt Romney’s financial company. The debate intensified in recent weeks with Obama’s campaign attacking his Republican rival after a Washington Post article reported that Romney’s private-equity firm, Bain Capital, had invested in companies that specialized in helping other firms relocate work overseas. American jobs have been shifting to low-wage countries for years, and the trend has continued during Obama’s presidency. From 2008 to 2010, U.S. trade with China alone cost about 450,000 American jobs because of the growth of Chinese exports, said Robert E. Scott, a pro-labor advocate at the liberal Economic Policy Institute. That figure was less than in previous years, but the decrease was probably tied to the U.S. economic slowdown, which crimped demand for imports. “I think he has walked away from the campaign commitments,” said Scott, the institute’s director of trade and manufacturing policy research. “He has done far too little to improve U.S. trade.” The counterattack is coming late and on ground that Democrats have chosen to fight on, and it seems like a message designed mostly to neutralize or balance out the Democrats' outsourcing hits. In that respect, it's like Romney's early attempt to undercut the Democrats' Bain attacks by arguing that the Obama administration presided over auto sector layoffs in order to save the industry. The Obama campaign responded with this statement: President Obama has fought continuously to end tax breaks for companies that ship jobs overseas, fostered incentives for companies to bring jobs back to America and doubled the rate of trade enforcement actions we've taken against China to ensure an even playing field for American workers. That's a record that stands in stark contrast to Mitt Romney, who personally profited from investments in companies that were pioneers in shipping American jobs to India and China, vetoed legislation that would have prevented outsourcing MA jobs, and currently supports a tax policy that would encourage companies to ship American jobs overseas. We understand that the Romney campaign wants us to share in their outsourcing misery, but the record doesn't support their attacks.

Even if taxes are key the payroll tax outweighs

Jeanne Sahadi 7/9/2012 – staff writer at CNN Money (“Middle class taxes may rise anyway,” CNNMoney, <http://money.cnn.com/2012/07/09/news/economy/middle-class-taxes/index.htm>)

NEW YORK (CNNMoney) -- President Obama and Republicans battled Monday over a familiar dividing line: the Bush tax cuts. While they disagree over taxing the rich, both support extending the Bush tax cuts for the middle class for one year. Still, middle class Americans may end up paying more in taxes next year anyway. That's because neither side is pushing to extend the payroll tax cut. The payroll tax cut is worth 2% of one's wages up to $110,100 for 160 million working Americans. It was originally intended as a temporary measure for 2011 but was then extended for this year. As a result, a person making $50,000 has enjoyed roughly $83 extra a month, while someone making $110,100 has been taking home an extra $183.50 a month. On an annual basis, if the payroll tax cut is allowed to expire, those making $50,000 will pay another $1,000 in payroll taxes, while those making $110,100 and up will pay another $2,202. Revenue from the payroll tax is intended for Social Security, which is a pay-as-you-go system. And at this point the system uses every dollar of payroll tax revenue it gets to pay benefits. The estimated total cost of the payroll tax cut is roughly $120 billion a year. Social Security is not absorbing that loss, however, because the Treasury Department has been replacing the lost payroll tax revenue with money from general funds. In reality, it's doing so by borrowing money, thereby adding to the country's debt. So unless Congress decides on a new way to fund Social Security, the payroll tax cut cannot go on forever.

### Tax Cuts =/=S Obama Election

**The tax cuts debate will not be enough to help Obama in the election**

**Brown 7/11**-Assistant Professor in the Department of Political Sciences at Villanova University, Board of Directors at The New Agenda, previously an education policy and public affairs consultant, served in the Department of Education under Clinton, Ph.D in Political Science from the University of California, Los Angeles (Lara, “Americans will See Through Obama’s Sleight of Hand on Tax Policy”, US News, 7/11/12, http://www.usnews.com/debate-club/will-barack-obamas-tax-gambit-work/americans-will-see-through-obamas-sleight-of-hand-on-tax-policy)//RP

It's not about jobs, but taxes on the rich. It's not about a sluggish GDP, but ruthless outsourcing. It's not about the private sector's weakness, but private equity's rapaciousness. It's not about the devastation in the housing market, but the bounty in healthcare insurance. Confused? You're supposed to be. Politicians run on what they can, not necessarily what they want. President Barack Obama is no different. The many assurances he received early on from his economic advisers and fellow Democratic officeholders that the public would be supportive of the healthcare reform legislation and the economy would be booming by the time his re-election rolled around have proved false. Fifty-four percent of Americans in the latest *Washington Post*/ABC News Poll disapprove of Obama's handling on the economy, and according to Gallup, more Americans say the 2010 healthcare law "will hurt the national economy (46 percent) rather than help it (37 percent)." Not only have three recovery summers melted away like ice cream on hot asphalt (i.e., unemployment remains above 8 percent and GDP has hovered around 2 percent), but what is worse is that "56 percent of likely voters believe Obama's first term has transformed the nation in a negative way." It's no wonder that Obama's campaign is trying to play a game of three-card monty. Obama's latest taxes backtrack (this was his position prior to the compromise struck during the "lame duck" congressional session in 2010) will only help his prospects if Americans decide to believe his campaign's spin that the 2012 election isn't about Obama's presidency, but about George W. Bush and Mitt Romney. While the jury is out on whether Americans will again take a bet on Obama, history doesn't look good. Only one of four modern incumbent presidents in similar circumstances (Gerald Ford, Jimmy Carter, George H. W. Bush, and George W. Bush) has managed to pull off this kind of sleight of hand. And that president, George W. Bush, did it on issues related to foreign policy, not the economy. Even though Obama's campaign is trying every trick in the book, it's tough not to notice that even David Copperfield would have trouble with this economic illusion.

### Tax Cuts x Econ

Tax cuts cause taxmageddon – no part of the economy would be immune

Payne 7/10/12 - Assistant Director of Strategic Communications at The Heritage Foundation. In that capacity, Amy serves as Managing Editor of The Foundry, Heritage's public policy news blog, as well as the "Morning Bell," one of Washington’s most widely read and influential e-newsletters, (Amy, “Morning Bell: Obama’s Tax Hike on Job Creators,” The Foundry, 7/10/12,

.<http://blog.heritage.org/2012/07/10/morning-bell-obamas-tax-hike-on-job-creators/>) MSD

“The last thing you want to do is to [raise taxes](http://freebeacon.com/flashback-2009-obama-against-raising-taxes-on-anyone-in-a-recession/) in the middle of a recession, because that would just suck up—take more demand out of the economy and put businesses in a further hole.” That was President Obama in 2009, trying to reassure Americans that he was going to wait until after the recession to raise taxes. Yesterday, he began pushing again for higher taxes on the “[wealthy](http://www.whitehouse.gov/the-press-office/2012/07/09/remarks-president-extending-tax-cuts-middle-class-families)“—which would actually hit 1.2 million of the country’s most successful job creators. As if the [Obamacare tax hike](http://www.heritage.org/research/reports/2012/06/delaying-obamacare-tax-increases-key-part-of-stopping-taxmageddon) and the rest of [Taxmageddon](http://www.heritage.org/issues/taxes/taxmageddon) weren’t enough. The [tax increase du jour](http://www.foundry.org/2012/07/09/obama-finally-enters-the-taxmageddon-debate-with-a-tax-increase/) is a recycled one: The President’s long-held plan to raise taxes on incomes over $200,000 ($250,000 for families). Interestingly, President Obama is to the left of his liberal allies in Congress such as Senator Charles Schumer (D–NY) and House Minority Leader Nancy Pelosi (D–CA) on the definition of the “rich.” Schumer and Pelosi set the mark at as those making more than $1 million annually. That is five times higher than President Obama’s $200,000 mark. Apparently even they recognize the President’s plan would be too punitive on job creators (although they are still willing to stick it to the most successful job creators for the sake of class warfare). This misguided plan would hurt Americans at all income levels, because it would slow job creation. As Heritage’s Curtis Dubay [explains in new research](http://www.heritage.org/research/reports/2012/07/obama-s-taxmageddon-tax-increase-would-hurt-job-creation), the President’s tax increase would fall heavily on important job-creating businesses that pay their taxes through the individual income tax, known as [flow-through businesses](http://www.heritage.org/research/reports/2012/07/obama-s-taxmageddon-tax-increase-would-hurt-job-creation). There has been considerable debate about whether flow-through businesses that pay the higher rates are job creators. A [report](http://www.heritage.org/research/reports/2012/07/obama-s-taxmageddon-tax-increase-would-hurt-job-creation) from Obama’s own Treasury Department, however, provides data that settle the point conclusively. For the first time, this report breaks out the number of flow-through businesses that have employees. According to the Treasury study, 4.3 million of these small businesses employed workers in 2007 (the most recent year for which data are available). The Treasury report shows that 1.2 million, or 28 percent, of them earned more than $200,000—the income threshold over which President Obama’s tax increase would apply. More importantly for job creation, those 28 percent of businesses earned almost all—91 percent—of the income earned by flow-through employer-businesses. Yet, yesterday the President said “this isn’t about taxing job creators, [this is about helping job creators](http://www.whitehouse.gov/the-press-office/2012/07/09/remarks-president-extending-tax-cuts-middle-class-families).” Not exactly, Dubay says: By pinpointing his tax increase on incomes over $200,000, Obama has maximized the detrimental impact that his tax increase would have on job creation. A higher tax bill would deprive the most successful flow-through employer-businesses of resources they would otherwise invest back into their businesses—and into hiring new employees President Obama often states that his plan would raise taxes only on “the rich” to force them to pay their “fair share.” But less job creation as a result of this tax increase would make it harder for unemployed Americans at all income levels to find new jobs. Most Americans would find those diminished opportunities anything but fair. The list of prominent economists and influencers calling for Congress and President Obama to stop Taxmageddon now has been [growing longer by the day](http://www.foundry.org/2012/06/20/taxmageddon-is-slowing-the-economy-now/), but the President and his allies had been perfectly content to continue to allow Taxmageddon to weigh on the economy and then deal with it in some fashion in the lame duck period after the November election. He was reluctantly [drawn into the debate](http://www.foundry.org/2012/07/09/obama-finally-enters-the-taxmageddon-debate-with-a-tax-increase/) now—not because he is trying to lead on the nation’s most important economic policy issue, stopping Taxmageddon, but because of recent dismal economic data capped off by the June jobs report. As the President often does, he seems to be trying to distract people from the bad economic news that reflects poorly on his policies. Instead of leading, the President is reacting. And he’s reacting with recycled rhetoric. The President has pushed for this tax increase ever since he started running for President back in 2007. It is old hat by now, and since he has failed to get it through Congress for three and a half years running, the proposal has nearly zero chance of prevailing now. Yet he continues pushing this unpopular, economically damaging tax increase even as the economy continues to languish. The best thing the President and Congress can do for the economy is to stop Taxmageddon.

### Tax Cuts x Obama Election – 2ac

**The tax cut proposals can only hurt Obama in elections**

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President Barack Obama's decision to refuse to extend the Bush tax cuts for Americans earning $250,000 or more is a bet that's already going bad. A number of prominent but vulnerable Democrats, including Sens. Bob Kerrey and Bill Nelson, are backing away from the president, stating publicly that they don't support raising taxes on families who make less than $1 million. Perhaps they realize that almost 900,000 small businesses will see their taxes go up under the president's proposal. In an economy adding a paltry 75,000 jobs a month, one can hardly blame them for worrying that 14 million unemployed Americans might not take kindly to a tax on the people most likely to put them back to work. Over at the *Washington Post*, Ezra Klein wrote that Obama is eschewing attempts to work with Republicans to find a resolution to the looming "fiscal cliff" of automatic tax hikes and enormous spending cuts set to go into effect in January. Instead, the president is pandering to the liberal base that wants to be able to hit Republicans for supporting "tax cuts for millionaires." He is willing to give them this issue even if it means increasing the likelihood of a market panic that puts more Americans out of work. Klein calls this strategy "standing and fighting," but even he acknowledges people are disinclined to appreciate a president who thinks an election is more important than their country's economic health. Adding insult to injury, Obama's proposal doesn't even offer lasting tax relief to the middle class, opting instead for yet another one-year extension of temporarily lower rates. Far from putting Americans' minds at ease, this layers new uncertainty on top of existing uncertainty at a time when businesses and consumers already feel paralyzed by a fiscal climate that could change at any moment according to the administration's whims. Obama's only hope is that voters are not savvy enough to recognize this for what it is—a transparent attempt to buy them off with 12 months of lower taxes and no commitment not to soak them next year if he's re-elected. But Americans aren't dumb. They want more than just low taxes for themselves—they want pro-growth policies that benefit us all. I suspect the president is about to learn that lesson the hard way.

### Tax Cuts x Obama Election – 1ar

**Their polls are flawed – voters will not like Obama’s tax proposal**

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In late 2010, President Barack Obama went against his party's grain and extended the Bush-era tax cuts for another two years because, as he said at the time, raising taxes in a struggling economy is "the last thing you want to do." Two years later, the economy continues to struggle, but the president has changed his tune. He wants to raise taxes on those making in excess of $250,000. His goal is to put Republicans, principally presumptive presidential nominee Mitt Romney, in a bind. Either they oppose a tax cut for middle-class Americans, or they accept the president's plan and try to preserve the Bush tax cuts for the $250,000 to $1 million-per-year set in stand-alone legislation that would paint them as coddling the rich. So far, the only politicians to feel the heat from this are Democrats in tight Senate races. Bill Nelson in Florida, Heidi Heitkamp in North Dakota, Claire McCaskill in Missouri, Bob Kerrey in Nebraska, Tim Kaine in Virginia, and Shelley Berkley in Nevada all have expressed reservations about the president's plan. Even Sen. Charles Schumer of New York, a reliable ally of the president, has suggested the limit might be too low for those in large metropolitan areas, where $250,000 doesn't go far. And Republicans, at least so far, seem unwilling to take the bait. They point to the 940,000 small business owners who put business income on their individual returns and ask if a president who can't get unemployment below 8 percent truly wants to increase taxes on job creators. They point out the rich will take a hit on Jan. 1, 2013, regardless of whether the Bush cuts are extended because of the increase in capital gains taxes—from 15 percent to 18.8 percent—that will be used to finance Obamacare. It's unlikely President Obama's plan will put Romney or any Republicans into a bind. Americans understand the economy won't recover until investors invest, small businesses expand, and hiring improves. They hear about billions of dollars sitting on the sidelines awaiting some signal that certainty, growth, and vitality—as opposed to class warfare—again have become the goals of administration's economic policy. They, like Democrats running for Congress, know 3.8 million American households make $200,000 or more, and those households are unlikely to look kindly on the president's plan come November. Charles Krauthammer says President Obama's proposal shows he has given up on growing the economy and now pins his re-election hopes on fomenting class warfare. All Romney has to do is ask Americans if it's worth it to tax away all that potential growth to raise $65 billion in additional government revenue in a country with a $1.2 trillion annual deficit. No one serious about economic growth could say it is.