

# “Pass This Jobs Bill”: President Obama Promotes “American Jobs Act” Before Joint Session Of Congress

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With so much on the line for the country, and with the [President and Congress experiencing dismally low approval ratings](#), the [President’s address before a Joint Session of Congress last night](#) needed to be, as we [mentioned recently](#), “absolutely bold, powerful, and substantive.” It needed to “ignite a revitalizing effect upon a citizenry already long-fatigued by the impact of continuing economic woes and the seeming intransigence by a government captive to empty, unproductive talk and little to no viable action.”

We can agree that the President’s *tone* was bold during his address, and that his *passion* was visibly powerful in his delivery. We can agree that the jobs package he proposed was substantive.

“The purpose of the American Jobs Act is simple,” the President explained in his speech. “To put more people back to work and more money in the pockets of those who are working. It will create more jobs for construction workers, more jobs for teachers, more jobs for veterans, and more jobs for long-term unemployed. It will provide a tax break for companies who hire new workers, and it will cut payroll taxes in half for every working American and every small business. It will provide a jolt to an economy that has stalled, and give companies confidence that if they invest and if they hire, there will be customers for their products and services. You should pass this jobs plan right away.”

But whether the package or the President’s impassioned plea to see it passed will “ignite a revitalizing effect” across the nation has yet to be seen. It is a critical first step that the Congress, and certain of its main players, move beyond the unnecessary political posturing that has thus far been an obstruction to a much needed forward momentum on healing the economy.

Some highlights of the [American Jobs Act](#):

## **Tax Cuts to Help America’s Small Businesses Hire and Grow**

- Cutting the payroll tax in half for 98 percent of businesses: The President’s plan will cut in half the taxes paid by businesses on their first \$5 million in payroll, targeting the benefit to the 98 percent of firms that have payroll below this threshold.
- A complete payroll tax holiday for added workers or increased wages: The President’s plan will completely eliminate payroll taxes for firms that increase their payroll by adding new workers or

increasing the wages of their current worker (the benefit is capped at the first \$50 million in payroll increases).

- Extending 100% expensing into 2012: This continues an effective incentive for new investment.
- Reforms and regulatory reductions to help entrepreneurs and small businesses access capital.

### **Putting Workers Back on the Job While Rebuilding and Modernizing America**

- A “Returning Heroes” hiring tax credit for veterans: This provides tax credits from \$5,600 to \$9,600 to encourage the hiring of unemployed veterans.
- Preventing up to 280,000 teacher layoffs, while keeping cops and firefighters on the job.
- Modernizing at least 35,000 public schools across the country, supporting new science labs, Internet-ready classrooms and renovations at schools across the country, in rural and urban areas.
- Immediate investments in infrastructure and a bipartisan National Infrastructure Bank, modernizing our roads, rail, airports and waterways while putting hundreds of thousands of workers back on the job.
- A New “Project Rebuild”, which will put people to work rehabilitating homes, businesses and communities, leveraging private capital and scaling land banks and other public-private collaborations.
- Expanding access to high-speed wireless as part of a plan for freeing up the nation’s spectrum.

### **Pathways Back to Work for Americans Looking for Jobs**

- The most innovative reform to the unemployment insurance program in 40 years: As part of an extension of unemployment insurance to prevent 5 million Americans looking for work from losing their benefits, the President’s plan includes innovative work-based reforms to prevent layoffs and give states greater flexibility to use UI funds to best support job-seekers, including:
  - Work-Sharing: UI for workers whose employers choose work-sharing over layoffs.
  - A new “Bridge to Work” program: The plan builds on and improves innovative state programs where those displaced take temporary, voluntary work or pursue on-the-job training.
  - Innovative entrepreneurship and wage insurance programs: States will also be empowered to implement wage insurance to help reemploy older workers and programs that make it easier for unemployed workers to start their own businesses.
  - A \$4,000 tax credit to employers for hiring long-term unemployed workers.
  - Prohibiting employers from discriminating against unemployed workers when hiring.
  - Expanding job opportunities for low-income youth and adults through a fund for successful approaches for subsidized employment, innovative training programs and summer/year-round jobs for youth.

### **Tax Relief for Every American Worker and Family**

- Cutting payroll taxes in half for 160 million workers next year: The President’s plan will expand the payroll tax cut passed last year to cut workers payroll taxes in half in 2012 – providing a \$1,500 tax cut to the typical American family, without negatively impacting the Social Security Trust Fund.

- Allowing more Americans to refinance their mortgages at today's near 4 percent interest rates, which can put more than \$2,000 a year in a family's pocket.

As for paying for the American Jobs Act, the President said this: "The American Jobs Act will not add to the deficit. It will be paid for. And here's how. The agreement we passed in July will cut government spending by about \$1 trillion over the next 10 years. It also charges this Congress to come up with an additional \$1.5 trillion in savings by Christmas. Tonight, I am asking you to increase that amount so that it covers the full cost of the American Jobs Act. And a week from Monday, I'll be releasing a more ambitious deficit plan — a plan that will not only cover the cost of this jobs bill, but stabilize our debt in the long run."

In a noteworthy change of tone absent of the combativeness that has been seen in recent months, House Speaker [John Boehner \(R-OH\) said the President's jobs proposals "merit consideration."](#)

"It's my hope that we can work together to end the uncertainty facing families and small businesses and create a better environment for long-term economic growth and private-sector job creation," Boehner said in a statement last night.

In stark contrast to Boehner's conciliatory tone, GOP presidential candidates, unsurprisingly, [slammed the President's speech and proposals.](#)

"Mr. President, you are 960 days too late," said Mitt Romney in a video on a new website he launched which criticizes President Obama's economic proposals. It's worth noting that the criticism was made before Obama gave his speech before Congress.

Texas Governor Rick Perry had this to say in a statement: "Like the president's earlier \$800 billion stimulus program, this proposal offers little hope for millions of Americans who have lost jobs on his watch, and taxpayers who are rightly concerned that their children will inherit a mountain of debt."

Rick Santorum offered his own characteristic political shot: "Sadly, the president seems to have forgotten his own charge that our country should come before party or his own even reelection. Instead, President Obama kicked off his campaign for reelection in the most disingenuous way possible – by using the Congress as a his political toy."

Former House Speaker Newt Gingrich, whose poll numbers for months have consistently remained in the low single digits, expressed a rather curious, if not strange, observation during a conference call last night: "I checked with Speaker Boehner's office. There is no bill."



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