



Insight

Political Points

GORDON GRAY | DECEMBER 14, 2011

Political Points?

If there was a more transparent effort to “score political points” it would be the veto threat issued by the White House today on the House payroll tax extension plan. Go to the White House website, and right at the top of the screen is a clock, counting down to when the current payroll tax relief expires, “if Congress doesn’t act.”

Well. Congress acted.

Today the House of Representatives passed an extension of the payroll tax cut “for 160 million hardworking Americans.” It is offset by savings that have received bipartisan support, such as the federal freeze pay proposed by the president’s own fiscal commission (is it really fair to call it that anymore, since he blew it off?). The measure also includes the usual year-end doc fix, phased reforms to UI to promote employment, and a number of other proposals aimed at fostering job creation.

What it does not include is a new surtax on millionaires. Presumably the House decided that it wasn’t a good idea to prevent a tax increase by enacting a tax increase. Hence the president’s veto threat. According to the statement of administration policy (SAP), the official vehicle for the veto threat, “This debate should not be about scoring political points. This debate should be about cutting taxes for the middle class.” Nothing could be more disingenuous. It has become abundantly clear that this is only about scoring political points for this administration. If this really were about preventing payroll tax relief from expiring, Obama wouldn’t take shots from the sidelines at measures that seek to do just that. Instead, the administration has indicated that it intends to cling to its class warfare campaign message – one that has the lofty public policy goal of raising taxes – at the expense of continuing payroll relief.

The SAP blithely suggests that Congress should be “working together to find a balanced

approach that will actually pass both Houses of the Congress.” That’s laughable from an administration that has been campaigning on a “Jobs” bill that never had a chance to pass both Houses of Congress. But let’s be honest, they didn’t really want it to - it’s too useful on the campaign trail.