

"Most Americans won't really think about their tax bill for 2011 until April of 2012, but there is good reason to pay attention to the tax policy being set - actually the policies NOT being set - in Congress right now.

Next year, tax relief across the board begins to expire, and Democratic leaders in Congress have allowed any discussion about renewing that tax relief to languish until after the election. At a time when American families and businesses need certainty about their near-term financial futures, some in Congress are setting this important issue aside. Whether the motivations behind the delay are political or procedural is irrelevant - the resulting effect is the same: there is less information for Americans making decisions about how to spend their retirements, save for college, buy a first home, start a new job, or hire more employees.

The possibilities they must consider range from relieving to frightening.

Congress could extend all of the tax relief of 2001 and 2003, which was slated to last only for ten years, ensuring that no American is subject to a tax increase during a tough time of recovery for our economy. The estate tax relief, elimination of the marriage tax penalty, lower capital gains tax rates and income tax relief could be extended for all Americans, and Congress could vote to extend the child tax credit and other tax relief intended to place more purchasing power with families - tax relief which has become the standard for federal tax filers. This course of action would maintain the present tax code in its entirety.

Alternatively, Congress could extend some of the tax relief, or extend it only for certain tax filers. In this scenario, some taxes on high-income earners would rise, but those Americans are likely to be small business owners, many of whom file their taxes as individuals. They are Americans who are right now making hiring decisions in our economy and investing in new opportunities which are necessary to a full economic recovery. Subjecting that segment of our economy to a tax hike could have dire consequences for working Americans.

Finally, Congress could entertain a nightmare scenario in which the liberal majority allows most tax relief to expire (as many of their budget projections assume) in order to fully fund a liberal agenda driven by higher taxes, more government and broader regulation. This administration has taken on many expensive priorities, not the least of which is a \$1.2 trillion health care bill, and it is running deficits even bigger than that amount. I would be shocked if the ruling party were to actually pursue this course of action, but some policymakers and economists are already suggesting that the tax code should return to the form it took in the late 1990's, when taxes were higher for every working American in the nation.

The truth and the answer likely lies somewhere in between, but one thing is clear. Higher taxes at this point in our nation's history and in this economic condition ask a great deal from every American family, whether their income, their businesses, or their jobs depend upon the tax code. Higher taxes should absolutely not be extracted from Americans to continue to finance a big-spending agenda on unpopular and expensive federal policies. More taxes should NOT be used to justify a federal spending habit that far exceeds the ability of a single generation of

Americans to pay the bill, even over their entire lifetimes, no matter how high our taxes climb."