



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 24, 2010
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

House Amendment to Senate Amendment to H.R. 4213 - American Jobs and Closing Tax Loopholes Act of 2010

The Administration strongly supports House passage of the House Amendment to the Senate Amendment to H.R. 4213. Passage of this legislation will provide much-needed relief to families, including extended access to health care benefits for workers who have lost their jobs and extended unemployment insurance benefits for millions of Americans who are looking for work. It will also provide critical assistance to hard-pressed States while encouraging continued job creation by America's businesses. The importance of longer-term extensions for various authorities and programs – and the certainty that such extensions bring – has been highlighted by the severe problems caused by interruptions in authorities for these programs.

The House Amendment contains several important provisions, including: (1) an extension of extended unemployment insurance and COBRA subsidies through the end of the year; (2) reform of the physician payment formula; (3) an extension of increased American Recovery and Reinvestment Act (ARRA) Federal Medical Assistance Percentage (FMAP) rates that allow for additional Federal support for State Medicaid programs; (4) an extension of the Temporary Assistance for Needy Families (TANF) Emergency Fund to continue support for State-subsidized employment programs for needy parents and youth, among other purposes; (5) an extension of ARRA subsidies so that the Small Business Administration can continue certain lending programs with reduced fees and higher guarantees; (6) additional resources to create summer jobs for youth; (7) targeted pension-funding relief; and (8) extension of provisions that will support affordable housing and create jobs.

The President has long supported comprehensive, fiscally responsible reform of the physician payment formula to improve the quality of care. The House Amendment provision represents significant progress toward that goal, and the Administration strongly supports its passage.

The Administration applauds the Congress for including provisions in the bill to fulfill the obligations set forth in the *Cobell* and *Pigford II* settlement agreements. The settlements that have been achieved are historic and provide full and final resolution to two long-running disputes – a case involving the management of individual Indian trust accounts related to Indian lands and claims of prior discrimination brought by black farmers against the Department of Agriculture.

The bill also includes several other important measures supported by the Administration. The extensions to expiring tax cuts include several provisions that will encourage companies to invest in new technologies and create more high-tech jobs for the 21st century, including extending the research and experimentation (R&E) tax credit for another year. The legislation also extends the tax credit for biodiesel and renewable diesel, providing clean energy companies with the certainty they need to make critical investments in the Nation's energy future.

Finally, the House Amendment includes revenue-raising provisions similar to those included in the President's budget, including proposals to close international tax loopholes that currently allow companies to shift profits among overseas jurisdictions to lower their U.S. taxes and a sensible proposal to make certain that investment managers pay taxes on their earnings at rates closer to the ordinary income tax rates paid by other workers in the Nation's economy.

The Administration looks forward to continuing to work with the Congress on these and additional measures to spur private sector job creation, including measures focused on small businesses (including lending provisions, zero capital gains for small businesses and bonus depreciation) and energy (including retrofits and an expansion of the 48C tax credit for manufacturing).

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