

United States Senate

WASHINGTON, DC 20510

November 29, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
S-221 Capitol Building
Washington, D.C. 20510-0001

Dear Leader Reid:

The nation's unemployment level, stuck near 10 percent, is unacceptable to Americans. Senate Republicans have been urging Congress to make private-sector job creation a priority all year. President Obama in his first speech after the November election said "we owe" it to the American people to "focus on those issues that affect their jobs." He went on to say that Americans "want jobs to come back faster." Our constituents have repeatedly asked us to focus on creating an environment for private-sector job growth; it is time that our constituents' priorities become the Senate's priorities.

For that reason, we write to inform you that we will not agree to invoke cloture on the motion to proceed to any legislative item until the Senate has acted to fund the government and we have prevented the tax increase that is currently awaiting all American taxpayers. With little time left in this Congressional session, legislative scheduling should be focused on these critical priorities. While there are other items that might ultimately be worthy of the Senate's attention, we cannot agree to prioritize any matters above the critical issues of funding the government and preventing a job-killing tax hike.

Given our struggling economy, preventing the tax increase and providing economic certainty should be our top priority. Without Congressional action by December 31, all American taxpayers will be hit by an increase in their individual income-tax rates and investment income through the capital gains and dividend rates. If Congress were to adopt the President's tax proposal to prevent the tax increase for only some Americans, small businesses would be targeted with a job-killing tax increase at the worst possible time. Specifically, more than 750,000 small businesses will see a tax increase, which will affect 50 percent of small-business income and nearly 25 percent of the entire workforce. The death tax rate will also climb from zero percent to 55 percent, which makes it the top concern for America's small businesses. Republicans and Democrats agree that small businesses create most new jobs, so we ought to be able to agree that raising taxes on small businesses is the wrong remedy in this economy. Finally, Congress still needs to act on the "tax extenders" and the alternative minimum tax "patch," all of which expired on December 31, 2009.

We look forward to continuing to work with you in a constructive manner to keep the government operating and provide the nation's small businesses with economic certainty that the job-killing tax hike will be prevented.

Sincerely,



MITCH McCONNELL
REPUBLICAN LEADER



JON KYL
REPUBLICAN WHIP

MM/rw

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