



## Senate Republican Jobs Plan

### *An outline for creating American jobs and prosperity*

America continues to suffer through high unemployment and a weak recovery. It has been more than two years since President Obama's massive stimulus plan was signed into law, yet businesses are still reluctant to hire, families are hurting from job loss and our country is losing its competitive edge. The government should not try to create jobs by growing the size of government: spending our way to prosperity has not worked. It's time for a new approach. Government should create an environment for private sector growth through fiscal discipline and pro-growth economic policies that will turn things around and add jobs.

This involves spending restraint to address the record debt and deficit that are dragging down the economy; new tax policies that encourage innovation and investment while making American companies more competitive; sensible regulatory reform that makes America more competitive; improvements to our job-training system to strengthen the American workforce; export agreements that open new markets for job creators; a new energy policy that makes us less dependent on foreign oil and uses American resources to ensure reliable and affordable energy; and health care reform that reduces costs and puts the consumer in charge - not the government.

Below are Republican budget, tax, regulatory, workforce, trade, energy, and health care proposals that form the basis of a pro-growth plan to foster American private sector job creation and turn the economy around.

**Begin Living Within Our Means** – The explosion of federal spending and the record-setting \$14 trillion debt should alarm all American families who struggle to live within their means. Washington's fiscal irresponsibility passes the problem to future generations, mortgaging the future of our children and grandchildren. This out of control spending spree creates uncertainty in the economy and stops the investment and risk taking that will fix the economy and encourage economic growth.

- ***Require a Balanced Budget Amendment to the Constitution.*** This proposal would limit the ability to raise taxes to pay for runaway spending and codify what every family and small business owner already knows: that you can't spend more than you take in.
- ***Require a Statutory Spending Limit.*** This proposal would set up a statutory process that provides a budget strait-jacket so that Congress is forced to make difficult decisions each year to live within its means, as every American family must, and turns toward a path of fiscal balance.
- ***Cut Spending to Immediately and Substantially Reduce Deficits.*** Freezing existing spending as the President has proposed is an inadequate measure of fiscal restraint. We

must cut spending relative to current levels to make a down payment on future spending restraint. This effort should also involve reforms to control entitlement spending and strengthen these programs for future generations.

**Reform Tax Code To Spur Economic Growth** – We must create incentives for our entrepreneurs to invest in the future, innovate and grow. Unfortunately, instead of rewarding job creators, the government penalizes their success by hitting them with sky high taxes. We should pursue policies that provide incentives for entrepreneurs to invest in plants, equipment and workers.

- ***Simplify and Reduce Business and Individual Tax Rates.*** High marginal tax rates discourage work, savings, and investment and reduce incentives for businesses, small and large, to grow and invest. The U.S. can't be competitive with the highest business tax rate in the world. We should reform both the individual and corporate tax systems to provide lower rates with fewer deductions and credits and transition to a territorial system. These changes would encourage growth and job creation. For example, reducing the corporate tax rate to 25% would create 5.3 million private-sector jobs over 10 years.
- ***Make Research and Development Tax Credit Permanent.*** This proposal would support innovation in the United States by providing the assurance and certainty that the temporary nature of the credit currently does not provide.
- ***Extend and Make Permanent the Small Business Investment Tax Incentive.*** Small businesses should be able to immediately write off equipment purchases as tax deductions.
- ***Reduce Taxes on Capital Gains and Dividends.*** We should eliminate the uncertainty hanging over investors by making lower taxes on capital gains and dividends permanent. Low rates should be pursued because capital taxation harms economic growth and productivity, and ultimately lowers wages for workers.

**Unburden The Economy From Washington Regulations** – Business owners are often forced to fight cumbersome rules and regulations rather than spend that time investing in their companies and creating new jobs. Reforms are needed to mitigate the impact of the increasing regulatory burden on employers.

- ***Codify the President's Proposal to Require Cost Benefit Analysis in the Formulation of Regulations.*** The legislation would ensure that regulations put forth by the Administration consider the economic burden on American businesses, ensure stakeholder input and promote innovation. These metrics should be applied to costly new mandates and burdens associated with Dodd-Frank and ObamaCare.
- ***Support passage of S.299 REINS Act.*** which would require congressional approval by joint resolution of any federal rule that may result in an effect on the economy of at least \$100 million.
- ***Prohibit EPA from Regulating Greenhouse Gases under the Clean Air Act.*** The uncertainty being created by this regulatory overreach is a continuation of the failed cap and tax proposal that threatened to harm employment and economic growth.

**Create Competitive Workforce** – Unfortunately, U.S. workers looking to improve their skills or receive job training, get mired down as they navigate the bureaucratic complexities and red-tape of 44 different federal employment and training programs administered by nine different federal agencies. The federal government must once and for all end the bureaucratic complexities of federal job training programs. It is time for workers, taxpayers and businesses to get a better return on this investment. We also need to recognize the imperative for educating the children of today to be the innovators, entrepreneurs and workers of tomorrow.

- ***Reform Federal Retraining Programs.*** U.S. workers looking for retraining deserve better than the bureaucracy and red-tape associated with federal training programs. Instead of paperwork, forms, applications and eligibility determinations, workers should be able to quickly access relevant training that will help provide them with the skills they need to return to the workforce.
- ***Stop Card-Check.*** “Card-Check” would threaten basic rights and the viability of employers and the small business community. The approach embraced by this proposal would deny employees the ability to privately cast their vote for or against union representation and eliminate the personal and flexible negotiations between small business owners and employees on contracts and working arrangements. The result is a higher cost of doing business, and creating a one-size-fits-all approach to wages and benefits.

**Increase Exports To Create More Jobs** – In order to bring back jobs as our economy recovers, America’s workers, farmers and service providers need access to consumers and markets around the world. American exporters do not enjoy the same opportunity for entry into new markets as their global competitors. Export agreements would reduce barriers to entry, level the playing field for our entrepreneurs and increase job growth at home.

- ***Ratify Three Pending Export-Opening Agreements.*** We should ratify the pending agreements with Korea, Colombia and Panama before July recess. This proposal is estimated to create 250,000 jobs.
- ***Provide Trade Promotion Authority for the President.*** This proposal will get the U.S. back in the business of engaging in market opening agreements.

**Power America’s Economy** – America needs a low cost, not high tax national energy plan that ensures we have access to reliable, affordable and cleaner domestic energy. We must champion policies that responsibly harness all of our nation’s natural resources – including oil, coal, natural gas, biomass, hydro, solar, wind, and nuclear – and match them with our skilled workforce, advanced technologies, and strong research and manufacturing capabilities in a way that creates more jobs and opportunities. Further, we should not single-out American energy developers through higher taxes, particularly at a time when we should be supporting efforts for American development of energy sources.

- ***Lift the Outer Continental Shelf Prohibitions.*** We need to increase access to U.S. oil and natural gas reserves on the Outer Continental Shelf (OCS). This will create jobs, drive investment, and reduce our nation’s dependence on foreign sources of oil. A

February 2006 report released by the Department of the Interior estimated OCS reserves to be 8.5 billion barrels of oil and 29 trillion cubic feet of natural gas.

- ***Increase Federal Loan Guarantee Authority for Nuclear Power.*** Furthering the nuclear renaissance would significantly enhance the energy portfolio and energy security of the U. S. by providing reliable base-load electricity, reducing greenhouse gas emissions, and strengthening our manufacturing bases with good quality jobs.
- ***Require Greater Access to Federal Lands for Exploration of Resources.*** The U.S. has a natural abundance of energy resources including coal, natural gas, solar, wind, oil, bio-mass, and water resources. Expansion of access to federal lands for the development of these resources would take advantage of these resources while diminishing our reliance on foreign fuel sources of fuel.

**Adopt Common Sense Health Care Solutions** – Health care is one of the greatest costs and concerns for job creators. Any meaningful health reform must begin with repealing and replacing ObamaCare, which will forestall the loss of 800,000 workers from the labor force. But beyond this approach, we must pursue reforms that reduce costs further to stop the job losses occurring because of the skyrocketing cost of care.

- ***Enact Meaningful Medical Malpractice Reform.*** Such common-sense reform would lessen the wasteful practice of defensive medicine, save the federal government billions of dollars and reduce health care costs passed on to employers.
- ***Allow for Purchases of Insurance Across State Lines.*** This proposal would induce competition among insurance companies, driving down costs and improving access.
- ***Provide Additional Risk Pools for Small Business.*** This proposal would allow small businesses to benefit from the economies of scale enjoyed by larger corporations and insurance plans in the group-market.
- ***Strengthen Health Savings Accounts and Patient-Centric Health Care.*** HSAs are savings accounts for medical expenses that offer flexibility for employees and reduce costs for employers. Improving HSAs will bring down costs for job creators and encourage personal responsibility. Reforms should also build on successful state-level initiatives to strengthen the transparency and value of health care services.