

Congress, start 2014 with changes

YOUR TURN

By Frank Clemente

Americans for Tax Fairness

When holiday shoppers make a bad choice, the worst result may be an ugly sweater. But Congress recently made a bad choice that will ruin the holidays for more than a million families and spoil the coming new year for millions more.

Their decision — imposed by conservatives — was not to extend unemployment benefits for the long-term jobless while maintaining huge tax loopholes for wealthy Wall Streeters and multinational corporations. Congress can reverse its choice in early January, but the clock is ticking.

Jobs lost

We are emerging from the worst employment crisis in three-quarters of a century. Job losses in the Great Recession were very deep. The unemployment rate hit 10 percent for only the second time since the 1930s, according to the Bureau of Labor Statistics. Moreover, the ranks of the long-term unemployed — those out of work for more than 6 months — hit a post-World War II record. Even now, more than a third of those out of work have been so long term.

And little wonder: In November, there were almost three unemployed people for every job opening. The problem isn't that people don't want to work; it's that there aren't enough jobs.

Faced with this cruel reality, in the recent budget deal, members of Congress had the chance to extend unemployment benefits for 1.3 million Americans — including 20,000 recent vet-

erans — whose benefits ran out three days after Christmas. Instead, they turned their backs on those in need and headed home for the holidays. What's more, without Congressional action, another 3.6 million long-term unemployed will lose their benefits in 2014.

Extending unemployment benefits is not only a lifeline for the jobless, it also boosts our economy, as hard-pressed families immediately use the money to buy essentials.

What's fair

While playing Scrooge to constituents, Congress played Santa Claus to campaign contributors by refusing in the budget deal to close any tax loopholes that benefit corporations and the wealthy. Closing just three tax loopholes would raise four times more revenue than the \$25 billion it costs to extend expiring unemployment benefits for millions of Americans next year.

A recent poll by Hart Research Associates shows that the American public strongly supports such measures.

Congress could raise \$60 billion if it closed one loophole that subsidizes the offshoring of American jobs. Corporations are allowed to deduct from their federal income taxes all the costs of sending a U.S. plant or office offshore. Yet companies don't have to pay U.S. taxes on the foreign operations' profits until those earnings are brought home, which many companies never do.

Make Wall Street pay

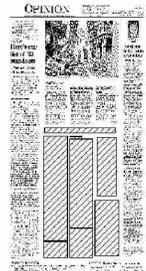
If Wall Street billionaires

were required to simply treat their salaries as salaries, we could bring in \$17.4 billion, according to the Congressional Budget Office.

Corporations play lots of financial games with their stock options. When they award them to top executives, corporations write off on their taxes more than their own books say the options are worth. They also use them to get around a \$1 million limit on the deductibility of salaries — fueling excessive executive compensation. Stopping this option abuse would raise \$25 billion, the exact cost of the unemployment extension.

So Congress has to reverse course. It's spoiled the Christmas holiday. Now it needs to make a resolution that the first order of business when it returns will be to renew benefits for the long-term unemployed. And if it wants to pay for it, close a tax loophole or two to make sure big corporations and wealthy money managers pay a fairer share of taxes.

This is the opinion of Frank Clemente, executive director of Americans for Tax Fairness, a campaign of national, state and local organizations that believes the country needs comprehensive, progressive tax reform that results in greater revenue to meet growing needs. A version of this commentary was distributed nationally by American Forum, a nonprofit media organization that works to encourage more citizen debate on important societal issues.



YOUR TURN GUIDELINES

Your Turns should:

- » Focus on timely local, national or international issues of concern to the community.
- » State your opinion and use facts and well-reasoned arguments.
- » Be typewritten and about 600 words.
- » Include a paragraph at the end explaining who you are and any expertise you have on the issue.
- » Include your name, address and daytime phone number.
- » Articles submitted to the Times may be published or distributed in print, electronic or other forms.
- » Your Turns may be edited for length, clarity and accuracy.
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