

Over the last few months, I have traveled across the First Congressional District, speaking with Virginians, small business owners, city and county government officials, and so many others. I hosted town halls, met with many of my First District Advisory Councils, and even visited schools as the new school year began. The input and the feedback I receive from constituents are critical, as I remain a public servant of this community and the Commonwealth. Overwhelmingly, the unsustainable growth of government and concern for lost jobs remain the top issue.

The numbers are clear: The national unemployment rate stands at 9.6 percent and nearly 15 million Americans are looking for a job. While Virginia's rate stands lower than the national average, our unemployment rate remains at 7.1%. This year's projected annual national deficit of nearly \$1.4 trillion is forecast to be the second of three years with deficits surpassing a trillion dollars. That's a number hard to grasp.

But we don't need numbers or national figures to illustrate the problems we've already seen: the next-door neighbor cutting back after a layoff; our local organizations asking for more help because donations are down; or even, your own family cutting back simply because of the uncertainty. Numbers do not tell the story of parents worried about providing for their children, or seniors returning to work to supplement their retirement savings lost in the market. There's worry about the American Dream. Parents and grandparents fear that the future for their children and grandchildren is dim.

During my travels, it is especially helpful to hear from local business owners and their employees and for me to understand their concerns and needs in relation to the state of our economy. On a recent small business tour, one of the retail storeowners in Fredericksburg emphasized that his top concern is the cost of health care. Another talked of the need to focus on local issues, such as development to attract visitors and the need for improved transportation options. Others talked of the need for simply creating an atmosphere for growth and innovation, and easing the burdens on their business.

As we discussed job creation, their message was clear that what's coming out of Washington, DC, is not helping the atmosphere for small businesses looking to expand and create jobs.

***“Get out of the way.”***

Small businesses provide jobs for so many in the First District, and across the country. Focusing on enabling our small businesses is what's going to get our economy back on track and get Virginians back to work. Over 70% of the new jobs nationwide are provided by small business. I can't tell you how many times these business owners tell me the best thing the government can do is just get out of the way. Harmful initiatives in Washington are making it tough for America's entrepreneurs. As *The Heritage Foundation* recently put it, "government regulations usually backfire and generate unintended consequences."

Following the 2008 elections, a time of promises of bipartisanship and reform, the subsequent session of Congress has come to represent what folks deeply resent about Washington and "Beltway" politics. As the new administration took hold and Congress began its new session of the 111<sup>th</sup> Congress, the first order of business in 2009, the \$787 billion stimulus package, became public law on February 17, 2009, while the national unemployment rate stood at 7.7 percent. Nearly 3.6 million jobs have been lost since it became law. 283,000 jobs were lost in June, July and August 2010.

Congress continued on this downward path in the summer of 2009 to consider, debate and pass cap and trade legislation, which proposed to fundamentally alter both energy markets and the U.S. economy in an attempt to curb carbon dioxide emissions. As an environmental scientist, I believe crafting legislation to protect our environment and transition our economy to clean energy is a top priority; however, we must pursue the transition to alternative and renewable energy in the least disruptive method for our economy. While cap and trade legislation stalled in the Senate, its passage in the House of Representatives echoed in the business climate across the country.

Debate on health care quickly followed, and from the very beginning, the legislative process of holding fair hearings on the proposed healthcare reform was ignored, by writing this bill entirely behind closed doors. The non-partisan Congressional Budget Office estimates the health care overhaul signed into law will cost around one trillion dollars over the next ten years. The health care overhaul law is already having a fundamental impact on all aspects of our economy. Nowhere will that be felt more than at both large and small businesses, burdened by new taxes and regulations. Without a doubt, this will affect their current employees and prospects for new hires.

These new laws and burdensome regulations have only added more government intrusion upon American families and businesses. Legislation crafted by Washington insiders has created a tough climate in an already struggling economy; stifling the confidence of American entrepreneurs to expand operations, hire new employees or offer competitive wages. Businesses and individuals alike recognize that in a struggling economy, we've witnessed an exponential, unhealthy growth of government.

## To Create Jobs: Create incentives and Stop the Tax Hike

I am a strong advocate for pro-growth policies that will help eliminate uncertainty and get investment dollars off the sidelines. Instead of holding our entrepreneurs back, we must work together to provide our small businesses with the tools they need to prosper. Specifically, here are some of the measures I'm supporting:

*Keeping taxes low:* With the current tax rates set to expire at the end of the year, action is needed to keep taxes low for individuals, families and businesses. According to the non-partisan organization, The Tax Foundation, an average middle-income family in Virginia's First District would lose \$1,749 if the 2001 and 2003 tax cuts are allowed to expire. According to the National Federation of Independent Business, 75 percent of small businesses are organized as pass-through entities (sole proprietors, partnerships, and S Corps), suggesting their business income is subject to the individual tax rates. Congress should reduce the capital gains and dividends taxes (H.R. 470), cut the payroll tax rate and the self-employed tax rate (H.R. 4100), lower the corporate tax rate (H.R. 4100), and extend the 2001 and 2003 tax cuts.

*Lower the costs to start and maintain a small business:* A recent [op-ed](#) in the *Wall Street Journal* titled "Why I'm Not Hiring" written by a business manager showed the deliberation that an employer undertakes today in deciding whether to hire a new employee. He writes: "When you add it all up, it costs \$74,000 to put \$44,000 in Sally's pocket and to give her \$12,000 in benefits. Bottom line: Governments impose a 33% surtax on Sally's job each year." One of the largest considerations in employment decisions is the effect of taxes on the costs of labor. In order to ease the burden, I support raising the small business start up tax deduction (H.R. 1552) and allowing a seven-year carryback of operating losses in the calculation of tax liability (H.R. 470).

*Create incentives to innovate:* A report by The Information Technology and Innovation Foundation makes the case that *expanding the federal research and development tax credit would help create 162,000 jobs in the near term and enhance the nation's long-term economic competitiveness.*

I'm a cosponsor of legislation, H.R. 1545, to extend the research and development tax credit, which provides incentives for innovation.

*Eliminate bureaucratic red tape:* For example, under the new health care bill, businesses will be forced to issue paper-filed "1099-MISC" IRS information reporting forms to any person or company from whom they purchase at least \$600 in services or goods. I am a cosponsor of a bill that would repeal this requirement (H.R. 5141).

### **To Create Jobs: Cut Spending, Make it Sustainable**

Part of the uncertainty felt in the economy and across the country is a direct result of the out-of-control deficit spending in Washington, DC. In order to create certainty, we need to undertake a true review of federal spending. Without taking action, total federal spending will reach 50 percent of our Gross Domestic Product by 2054. Washington, DC, consistently spent \$21,000 per household annually through the 1980s and 1990s. However, this year the projection is \$31,000 per household, on its way to \$37,000 by 2020. I opposed legislation such as the TARP bailout and stimulus bills, and I will continue to because it is this type of unchecked spending that adds to our deficit. It must not continue.

Each dollar has value; we must work to eliminate waste, fraud and abuse, and squeeze every bit of value out of each dollar entrusted to us by taxpayers. For the federal government to spend responsibly and efficiently, I support measures to:

*Balance the federal budget:* Families, and local and state governments must balance their budgets and the federal government should too. That's why I am a cosponsor of H.J.Res. 1, proposing a balanced budget Constitutional amendment, which will force Congress to enact responsible spending measures. As Thomas Jefferson said, over 200 years ago: "To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude."

*Repeal, Replace and Defund the Trillion-Dollar Health Overhaul:* We should focus efforts on true reforms to lower the costs, create better accessibility, and raise quality standards. Reforms should include: allowing small businesses and associations to band together to purchase health insurance, tort reform, expanding the access and sale of insurance across state lines, and allowing those with preexisting conditions to purchase insurance. In July, I signed a "discharge petition," supporting an effort to bring a proposal to repeal the health care overhaul to the House floor for full debate ( [H.R. 4972](#) ).

*Stop automatic pay increases for Members of Congress:* One of the first places to cut government spending is Congress's own pocket. I have consistently supported legislation to stop automatic increases in pay for Members of Congress (H.R. 4255), and support legislation to cut pay for Members of Congress by 5%, the Taking Responsibility For Congressional Pay Act, H.R. 4720.

America is and must remain a nation of ideas. A nation of dreams. To revitalize the American Dream, Congress must focus on commonsense principles that put Americans back to work, reduce government expansion, and get our economy back on track. Our nation has survived

many ups and downs throughout history, and we can do so again. Let's encourage an economic turnaround through innovation, and the entrepreneurial spirit that has made this nation great.

*Rob Wittman represents the First Congressional District of Virginia.*