



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

December 8, 2011
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 1944 – Middle Class Tax Cut Act of 2011 (Sen. Casey, D-Pennsylvania, and 5 others)

The Administration strongly supports passage of S. 1944, which would continue and expand the payroll tax cut in place this year and put more money in the pockets of working and middle class Americans. The President proposed this measure to the Congress as part of the American Jobs Act as a way to create jobs and spur economic growth.

By extending and expanding the payroll tax cut, the bill would cut in half the amount of payroll tax paid by employees and the self-employed on their wages and salaries for 2012. Approximately 160 million workers would benefit from this tax cut, which would increase the size of the payroll tax cut for a family earning \$50,000 from \$1,000 in 2011 to \$1,500 in 2012.

S. 1944 is paid for through a balanced and fair set of measures, including asking the Nation's wealthiest to contribute a small percentage more and modestly increasing the fees that Fannie Mae and Freddie Mac charge mortgage lenders to guarantee repayment of new mortgage loans. What is most important is putting Americans back to work, and S. 1944 would meet the test of paying for the extension and expansion of the payroll tax cuts in a way that is fair.

If the Congress does nothing, the typical working family will see its taxes go up by \$1,000. Independent economists have confirmed that these tax cuts for working families would add hundreds of thousands of jobs to the economy next year. By enacting S. 1944, the Congress and the President can work together to create jobs, and the Administration urges prompt and favorable action.

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