

Republican Bills To Avert Fiscal Cliff

Sequester Reconciliation Act of 2012, H.R. 5652

The legislation would provide mandatory spending reductions in order to replace automatic cuts to discretionary spending (primarily from defense accounts) in 2013 under the Budget Control Act and to reduce the deficit. The savings generated from these reforms to mandatory programs would first be used to offset the approximately \$78 billion cost of replacing the automatic across-the-board discretionary spending cuts that are scheduled to occur on January 2, 2013, under what is known as sequestration. The amount of \$78 billion reflects the remainder of the FY 2013 discretionary sequester after accounting for lowering the FY 2013 discretionary cap from \$1.047 to \$1.028 as provided for in the House-approved Budget Resolution. The additional savings achieved through reconciliation beyond the \$78 billion (over \$180 billion in the next ten years) would further reduce the deficit.

National Security and Jobs Protection Act, H.R. 6365

H.R. 6365 would repeal the across-the-board defense and non-defense discretionary spending cuts scheduled to occur on January 2, 2013, upon the enactment of H.R. 5652, the Sequester Replacement Reconciliation Act of 2012, or any legislation that offsets the automatic sequester with equal or greater spending reductions over the next five years. The bill in and of itself would not repeal the sequester. However, it would ensure that if any legislation to replace the sequester with alternative spending reductions were enacted, the sequester would be shut off. In the event that the sequestration is replaced, the bill would lower the discretionary spending cap for FY 2013 from \$1.047 trillion to \$1.028 trillion.

Pathway to Job Creation through a Simpler, Fairer Tax Code Act of 2012, H.R. 6169

H.R. 6169 would provide an expedited pathway to pro-growth tax reform in 2013. H.R. 6169, the Pathway to Job Creation through a Simpler, Fairer Tax Code Act of 2012, would require the House and Senate to consider tax reform legislation according to an expedited timeline.

Job Protection and Recession Prevention Act of 2012, H.R. 8

H.R. 8 would provide a one-year extension of all current individual tax rates, as well as the 15 percent top rate on capital gains and dividends. The proposal would also extend for one year the estate tax rates at their current levels, the \$1,000 child tax credit, marriage penalty relief and certain educational tax credits. The bill would also provide higher small business expensing limits for one year and would repeal the personal exemption phase-out and the "Pease" limitations in 2013. Finally, the bill would provide a two-year AMT patch, which would be adjusted for inflation. Coupled with H.R. 6169, H.R. 8 will ensure that individual tax rates will not increase while comprehensive, pro-growth tax reform is crafted under expedited procedures in 2013.