

We're from many different areas. All of us have nuances to the needs for health care reform. Many of us have different hospital issues. But we have been working on this now for almost a year, and what I like about what I heard on the floor today is I heard Members saying that we now are at the hour of no return.

□ 2115

We're at Martin Luther King's, "If not now, then when?"

As I listen to a number of colleagues speaking about the lack of health care reform or health insurance—there are many numbers—I hear 18,000 people die every year without health insurance and because they don't have health insurance, and those numbers are mounting. I hear as well that there are people with breast cancer who are trying to get insurance, but they have a pre-existing disease, and that is called acne.

We heard of the tragic story, which happened about 7 years ago or about 5 or so years ago, of the leukemia victim, of the 8-year old, who literally had her parents take her to the insurance company's office in California and beg for the opportunity to have a bone marrow transplant, which they repeatedly denied over and over again. Tragically, that little girl lost her life.

So I just want to say to my colleagues that a vigorous public option is about lower premiums, saved dollars and saved lives, and I believe that now is the time.

To my dear friend, as you well know, you will be joining us in a very special hearing on Tuesday, October 27, in room 2141, when Members will open themselves up to hearing from those patients, or from those Americans, who will come to this Hill.

There will be no tickets. We will not bar you from coming to give witness to health crises that you've experienced alone and without help because you had no health insurance. A number of us will be hosting this hearing where we will listen to patients and doctors. We open it up, and we ask that you come to the Rayburn room—to the Judiciary Committee room—which is 2141, Rayburn, on Tuesday, October 27, with JACKSON-LEE, CONYERS, ELLISON, JOHNSON, BARBARA LEE, KUCINICH, CLARKE, WOOLSEY, and many others.

I'm going to yield to the gentleman by simply saying this: When you think of health care, let us not selfishly think of the people who, in essence, have their own. Maybe they have employer-based insurance. Just look beyond. Look at your working neighbor. I would imagine that two houses on your block or more are without health care insurance. That is what we will be addressing on Tuesday, and that is what we will be doing when we take this vote as we go into this period of time of no return to vote for a health care bill that helps those who have helped America—a vigorous public option and, as well, health care reform that ad-

dresses the question of America's needs.

I yield back to the gentleman, and I thank him for his kindness.

Mr. ELLISON. Let me thank the gentlewoman from Texas. It was great to get her in at the end of this Progressive hour.

I just want to say that I just got a message which says, I'm a health care worker who continues to see people come into the hospital who are sicker than they should be due to no insurance.

Ms. JACKSON-LEE of Texas. Wow.

Mr. ELLISON. With that, I think the gentleman from Colorado is probably going to have the last word, but I just want to say this has been the Progressive hour. We come here week after week to talk about progressive values that make America better and stronger, and we're going to continue to do that.

So I yield to the gentleman, and I think you'll probably take us out.

Mr. POLIS. I thank the gentleman from Minnesota, and I thank you for your ongoing leadership and for fighting for working families and for fighting to make America stronger.

You know, there are a lot of slogans that are tossed out. What's in this bill, if you look at it, is not the government takeover of health care. There are not government-employed doctors or government-run hospitals. There are no death panels. Who would support that? I wouldn't support that.

Would you, Ms. JACKSON-LEE?

Ms. JACKSON-LEE of Texas. Absolutely not. Absolutely not.

Mr. POLIS. No. Who the heck would support it?

So what we're talking about supporting is making health care more affordable for American families. That's what we're talking about doing here.

I yield back.

Ms. JACKSON-LEE of Texas. And protecting seniors.

Mr. ELLISON. We might have about 10 more seconds, but I just want to say this has been the Progressive hour. I am so honored to appear with you great Members, with you great servants of the people.

I believe we're going to get a public insurance health care option with major health care reform. The time is now. Let's not back down.

We yield back.

#### THE IMPACT OF HEALTH CARE REFORM ON SMALL BUSINESS IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Colorado (Mr. COFFMAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. COFFMAN of Colorado. Thank you, Mr. Speaker.

Tonight, I am joined by Congressman DOUG LAMBORN of Colorado and by Congressman GLENN THOMPSON of Pennsylvania.

What we want to talk about tonight is the impact that health care reform, or the Democrat proposal, is having on small businesses throughout this country. It wasn't that long ago that the President's chief economic adviser, Christina Romer, looked at the proposal, H.R. 3200, and said that this could cost up to 5.5 million jobs. So it is important that we talk about why this happens.

About \$900 billion is the target for the cost of the proposal, of H.R. 3200, with half of it coming from Medicare and with half of it coming from increased taxes, surcharges and penalties.

So, with that, let me first refer to my colleague from Colorado, Congressman DOUG LAMBORN, to talk about the effects of these new taxes, surcharges and penalties on small business.

Mr. LAMBORN. Well, I thank the gentleman for yielding. Representative COFFMAN, I want to thank you for your leadership and for taking the time to speak on this important issue of the economic impact of H.R. 3200, the Democrats' health care proposal, here in the House. It's a little different from the one in the Senate, but there is an impact that it will have on small business.

I remember very fondly, Representative COFFMAN, when you and I served in the Colorado legislature together. It was before you were either the State treasurer or the Secretary of State in Colorado. I really knew at that time, as I think you knew with me, that we were proponents of small business and that we wanted to have lower taxes and a more favorable economic environment and climate for the State of Colorado so that young people would have jobs when they graduated from high school and college, so that we would have a strong economy and, I think, as a result of that, so that we would have a better quality of life.

Sure enough, with some other tax-saving kinds of measures the State voters passed, like TABOR, Colorado had the best business environment in the United States. Now it has slipped a little bit, but we're still, in the latest ranking I've seen, No. 4 in the country. That's an excellent thing. It's because of trying to hold the line on taxes. So I'm concerned that, when we talk about H.R. 3200, the Waxman bill for health care which my colleagues on the other side of the aisle are promoting, it is going to have a negative impact.

For instance, House Democrats pay for a portion of their health care in this bill by imposing a 2 percent surtax on individuals with more than \$280,000 in income, or \$350,000 for a couple. That's a lot of money. Keep in mind that many small businesses file as individuals. They use the subchapter S type of status for their tax returns. So this is actually the income that a small business can have when it's hit with a 2 percent surcharge.

Mr. COFFMAN of Colorado. Will the gentleman yield back just for a moment?

Mr. LAMBORN. Yes, Representative COFFMAN.

Mr. COFFMAN of Colorado. Congressman LAMBORN, let's talk about that whole thing.

It starts out at 2 percent. As we know, in looking at section 313 of the bill, when we talk about the gross annual payroll of \$250,000 to \$300,000, it's at 2 percent. Then it moves up to 4 percent when going to \$350,000. Then with \$400,000 of gross annual payroll and above, it goes to 8 percent. So it's at 4, 6 and 8 percent.

Many small businesses which cannot afford health care insurance are going to be hit with a penalty of 8 percent. Clearly, they're going to have to make a decision: Either they're going to have to reduce that payroll to be able to pay that tax or they're going to have to close their doors—one of the two.

I think what Washington doesn't understand is that these small businesses are hanging on by their fingernails right now trying to keep their doors open, and unlike the Congress of the United States, they can't simply print money when they don't have it. So this is putting them in an impossible position. I think, simply, that the liberals in this Congress just don't get it. They're just not understanding the stresses of small businesses in America today, small businesses which have been, historically, the greatest job creators in our economy.

I yield back.

Mr. LAMBORN. I thank the gentleman.

Yes, you're right. You're exactly right. There is that 2 to 8 percent surcharge on small business or on individual income, and there's the 8 percent penalty if you don't provide government-approved health care for all of your employees.

So, when you add that all together, like you said, Barack Obama's own economic adviser, Christina Romer, said that there would be about 5 million jobs lost as a result of those tax increases, and this is the worst possible time to have tax increases on small business. Small business is the backbone of our Nation's economy. I think the figure is 72 percent of new jobs created in this country are created through small business.

So, in the middle of a recession, is this the time to be raising taxes? I really don't think so. In Colorado alone, Representative COFFMAN, 16,500 small businesses will be required to pay this surtax.

I yield back.

Mr. COFFMAN of Colorado. At this time, I would like to recognize Congressman GLENN THOMPSON from the State of Pennsylvania.

Congressman THOMPSON, what do you think about this issue in terms of H.R. 3200, which is the Democratic bill before the Congress, and its impact on small business in the State of Pennsylvania?

Mr. THOMPSON of Pennsylvania. Well, it certainly will have.

First of all, I thank my good friends—both of my colleagues from Colorado—and I thank Mr. COFFMAN for hosting this very important session tonight because what we're talking about is truly the economic engine of this country, and that's small business. Small business is so important. It has been and always has been our economic engine. You know, small businesses employ half of the workforce, and they create 72 percent of all new jobs.

Old fables would refer to small businesses as the geese that laid the golden eggs, and last month, unfortunately, we lost 263,000 jobs in this country.

Now, we normally would encourage small business, with incentives, to help the economy and to grow those jobs and to maintain those good family-sustaining jobs—jobs that provide health care benefits in most of those positions. Well, unfortunately, instead, the Democrats are going to tax the few golden eggs that are left and will probably kill the goose.

According to data from the IRS, more than half of those targeted under the Democrats' health care surtax are small business owners. When you look at those businesses that are organized as S corporations or as limited liability corporations, they constitute over 60 percent of individuals who file their taxes as individuals who are making over \$200,000. These are small businesses. Out of those moneys, they pay a payroll every week. Then there will be the \$208 billion in new taxes on businesses that can't afford to pay now for their employees' health care.

I was in the little town of Emporium, which is in Cameron County. It's a great county. It's in the middle of my district. Unfortunately, unemployment there is significant. Cameron County unemployment is among the highest in the Commonwealth of Pennsylvania.

I was there. I was with a young lady who was an entrepreneur. She was somebody who had that American dream, that drive to strive for something better. She had created this small business, and she had a payroll she was maintaining. In fact, it was early in the first couple years of this small business where she was at the point she was willing to sacrifice, and she wasn't taking a salary because she was dedicated to seeing this business be successful and because she was faithful to her employees and to the jobs that she had created. She chooses not to take a salary, and she doesn't offer health care. She would like to, but she can't.

□ 2130

She knows that under the proposals, any kind of mandation, any taxes, any penalties that would be incurred wouldn't result in health care for the employees she has. She wouldn't be able to sustain that business.

Mr. COFFMAN of Colorado. I yield to my fellow Congressman from the State of Colorado, Mr. JARED POLIS.

Mr. POLIS. Sometimes there is common sense that we share across the aisle. I have said from the start, I think this surtax is a bad idea.

To explain it, there is a set tax structure for those of us who haven't—and I have run small businesses, created over several hundred jobs. There is C corps, S corps, and LLCs. When we are talking about increasing this rate, this is the rate that affects S corps and LLCs. Those tend to be the small to midsize businesses, the backbone of America, a lot of family businesses, a lot of stores. I talked to a brewery in my town, those are the types of businesses that we are talking about.

The big corporations pay a tax rate of 35 percent. That is the corporate income tax rate. Currently, the marginal rate for these S corps and LLCs is also that same 35 percent. Now it's scheduled to go up, that rate for S corps and LLCs anyway, because the Bush tax cuts are set to expire.

Now, I support that. I expect that you might oppose that, but that will raise it to 39.6 percent. It is that very same rate that this surcharge is scheduled to impact that would increase it at the margins an additional 5 percent. It would actually go up to 44.6 percent. In many States, that means that small businesses would be taxed at above 50 percent.

Now, I am hopeful that in the final version they will make some adjustments to that surtax. I sure hope they do. But I think it's an excellent point to bring up to show this disparity between what large businesses and corporations are paying, 35 percent, and what our family-owned businesses and small businesses are paying, which could, under the taxation mechanism, be a higher one.

Now, there are several ways to address that. We could, of course, reduce the cost of the bill, and I hope that that's a path that my party takes. There also are alternative payment mechanisms out there, some of which have been discussed in the Senate, some of which have more bipartisan support. I think it's critical, particularly in a recession, but at any time, that we make sure that however we pay for health care is not harmful to small business, which is the goose that laid the golden egg and the job engine that will lead us out of this recession.

Mr. COFFMAN of Colorado. In this proposal, that it is not—I think the Congressman well-stated it as to the issues on the income tax and that this is an additional burden, but this is on the payroll tax. This is a payroll tax. This is whether or not the business is profitable.

The business could be hit hard, could be stressed, losing money, trying to keep his doors open. If it cannot afford health care, then it will be hit with an 8 percent surcharge of its gross annual payroll.

We also have Congressman ROB BISHOP. I yield to Congressman BISHOP to address this issue.