

The President's Weekly Address

December 8, 2012

Hello, everybody. Over the last few weeks, there's been a lot of talk about deadlines we're facing on jobs and taxes and investments. But with so much noise and so many opinions flying around, it can be easy to lose sight of what this debate is really about. It's not about which political party comes out on top or who wins or loses in Washington, it's about making smart decisions that will have a real impact on your lives and the lives of Americans all across the country.

Right now middle class tax cuts are set to expire at the end of the year. Time's running out. And there are two things that can happen.

First, if Congress does nothing, every family in America will see their income taxes automatically go up on January 1. A typical middle class family of four would get a \$2,200 tax hike. That would be bad for families, it would be bad for businesses, and it would drag down our entire economy.

Now, Congress can avoid all this by passing a law that prevents a tax hike on the first \$250,000 of everybody's income. That means 98 percent of Americans and 97 percent of small businesses wouldn't see their income taxes go up by a single dime. Even the wealthiest Americans would get a tax cut on the first \$250,000 of their income. And families everywhere would enjoy some peace of mind.

The Senate has already done their part. Now we're just waiting for Republicans in the House to do the same thing. But so far, they've put forward an unbalanced plan that actually lowers rates for the wealthiest Americans. If we want to protect the middle class, then the math just doesn't work.

We can and should do more than just extend middle class tax cuts. And I stand ready to work with Republicans on a plan that spurs economic growth, creates jobs, and reduces our deficit, a plan that gives both sides some of what they want. I'm willing to find ways to bring down the cost of health care without hurting seniors and other Americans who depend on it. And I'm willing to make more entitlement spending cuts on top of the \$1 trillion dollars in spending cuts I signed into law last year.

But if we're serious about reducing our deficit while still investing in things like education and research that are important to growing our economy, and if we're serious about protecting middle class families, then we're also going to have to ask the wealthiest Americans to pay higher tax rates. That's one principle I won't compromise on.

After all, this was a central question in the election. A clear majority of Americans—Democrats, Republicans, and Independents—agreed with a balanced approach that asks something from everyone, but a little more from those who can afford it the most. It's the only way to put our economy on a sustainable path without asking even more from the middle class. And it's the only kind of plan I'm willing to sign.

Everyone agrees we need to bring down our deficit and strengthen our economy for the long term. The question is whether we can do it in a responsible way that allows us to keep investing in the things that have always made America strong. I'm convinced we can. And if

both sides are willing to compromise, I believe we can give businesses and families a sense of security going into the new year.

Thanks, and have a great weekend.

NOTE: The address was recorded at approximately 4:35 p.m. on December 7 in the Map Room at the White House for broadcast on December 8. The transcript was made available by the Office of the Press Secretary on December 7, but was embargoed for release until 6 a.m. on December 8.

Categories: Addresses and Remarks : Weekly addresses.

Locations: Washington, DC.

Subjects: Budget, Federal : Deficit and national debt; Budget, Federal : Entitlement spending, reform; Budget, Federal : Government programs, spending reductions; Business and industry : Small businesses :: Promotion efforts; Economy, national : Economic concerns; Economy, national : Strengthening efforts; Health and medical care : Cost control reforms; Taxation : Tax Code, reform; Taxation : Tax relief.

DCPD Number: DCPD201200938.