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Chris Van Hollen,  
Ranking Democrat

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## **Van Hollen On CNN: Democratic Plan Provides Tax Cuts to All Americans**

*House GOP Holding Middle Class Hostage to Get Bonus Tax Breaks for Top 2 Percent*

**Washington, DC** – Today Maryland Congressman Chris Van Hollen, Ranking Member of the House Budget Committee, appeared on CNN's *Starting Point* with Soledad O'Brien to discuss how House Republicans should stop holding the middle class tax cuts hostage in order to give the top 2 percent additional tax breaks. You can watch the interview [here](#). Below is the transcript:

**SOLEDAD O'BRIEN, CNN:** All of that brings us to Maryland's Democratic Congressman Chris Van Hollen; he's the ranking Democrat on the House Budget Committee. He is also an Obama campaign surrogate. Nice to see you, as always, thanks for talking with us this morning. We certainly appreciate it.

**REP. CHRIS VAN HOLLEN:** Soledad, it's good to be with you.

**O'BRIEN:** Thank you very much. We know that the Democrats had passed – the tax cuts passed in the Senate last week. What do you think is the likelihood that, in fact, in the House a similar thing will happen?

**VAN HOLLEN:** Well, we would like it if our House Republican colleagues would take up the President's plan, the plan that passed the Senate last week, which would provide tax relief, really to 100 percent of the American people compared to what the current law provides. It provides total tax relief to 98 percent of the American people. The top 2 percent don't get quite as much.

But Republicans in the House have said that they are going to prevent the tax relief for 98 percent from going forward unless they get this bonus tax break for folks at the top. I hope they'll reconsider. We're going to put forward a proposal, the Democrats, that's identical to the Senate proposal, which means that if our House Republican colleagues agreed to it, it would go directly to the White House and the President could sign it next week. If it were only so easy.

**O'BRIEN:** Very unlikely, right, that your House Republican colleagues are going to agree to it?

**VAN HOLLEN:** That's right. But I think it is important to understand what they're saying. They are saying that, even though they say they want to provide this tax relief to 98 percent of the American people, they will only allow that to go forward if we provide this extra bonus tax cut for folks at the very top, which increases the long-term deficit at everybody else's expense.

**O'BRIEN:** Well they are saying tax cuts for all, and it sounds like Democrats are saying tax cuts up to \$250,000 if you're talking about a family and \$200,000 if you're talking about an individual. So as the fiscal cliff approaches us, and every day I say that I get more and more anxious about it, is it better to extend, given the option, better to extend the tax cuts for all or better to just let them all expire – if you were given those two options?

**VAN HOLLEN:** First of all, just a clarification. So people who making over \$250,000, under the Democratic proposal, get tax relief on the first \$250,000, the same tax relief that everybody else gets on that income. Number one.

The reason it's important not to continue with this trickle-down theory we inherited from the Bush years is it's blowing a big hole in our long-term deficit. And if we don't ask folks at the very high end to pay a little bit more to contribute to the deficit, it means everybody else gets whacked that much harder. It means seniors on Medicare have to end up paying more. It means we cut our kids' education and investments in important infrastructure and other areas that are important to the economy.

Which is why every bipartisan group that's looked at our deficit challenge has recommended a balanced approach; cuts – and we did about \$1 trillion in cuts over ten years as part of the Budget Control Act, we should do more over time. But they also recommended that we deal with the revenue side of the equation, because if you don't ask folks at the high end to pitch in more, as I say, everybody else gets hit. It comes at other people's expense.

**O'BRIEN:** So, Congressman Van Hollen, hold it right there for a second while I talk to Margaret Hoover for a moment. Because he's sort of stating what the Republicans position is about the balanced approach. Of course, the position doesn't spell out how you get to that growing revenue, clearly.

**MARGARET HOOVER, PANELIST:** Right, and it also doesn't spell out how you change – how you make reforms. Because, as we all know, on the spending side, reforms have to be made on Medicare, Social Security, and Medicaid in order for these programs to be sustainable for people my age and younger into the future. So a balanced approach where everybody is happy to have and talk about if it's an honest balanced approach, not "kabuki" Congress, things that are passed before November that are simply for show.

**O'BRIEN:** Let's go back to the Congressman for a moment. You mentioned the Budget Control Act and you voted in favor of it but you said this, "the cuts, \$1.2 trillion over ten years are a

reckless and irresponsible way to reduce the deficit. It was designed to be so unpalatable that the Democrats and Republicans would come together to avoid this Sword of Damocles.

**VAN HOLLEN:** The Sword of Damocles, yes.

**O'BRIEN:** Sorry, my Greek tragedies are not that strong – I'm much better in English literature, that's what my degree was in. You wrote that op-ed in Politico back on July 18<sup>th</sup>. You voted for that. I mean ultimately, isn't your vote, and that of your colleagues, what brought us to where we are today, which is dealing with the massive cuts in military spending that everybody is saying are potentially a disaster?

**VAN HOLLEN:** Well Soledad, I did vote for that because I believe we do have to reduce our long-term deficit. And what we did in the Budget Control Act was two things: one, we immediately put spending caps for ten years on discretionary spending – that's \$1 trillion in savings. But we also understood that we needed to get another about \$1 trillion at least in savings, and there was no agreement on how to get there because our Republican colleagues refused to take the balanced approach that's been recommended by bipartisan groups, which involves not just cuts, but also asking folks at the very top to contribute more to deficit reduction, beginning to close some of these big loopholes like the big taxpayer giveaways to the Big Oil companies. They refused to take that kind of approach, which is why we're right here.

We put forward – the Democrats in the House put forward a proposal to prevent the sequester from taking place by replacing it with a combination of cuts to, for example, farm subsidies that are unnecessary right now. And secondly, we eliminated a lot of tax breaks for big oil companies. That would have prevented the sequester, at least in the first year, by replacing it with a much smarter approach to deficit reduction.

But again, because it had some revenue, in this case generated from closing tax breaks for Big Oil companies, Republicans said no to that.

If I could quickly address the health care issue, which is very clearly something we have to address in the long term. And what we've put forward is a change in Medicare that would move us away from a strict fee-for-service system, which does drive up use and costs, and replace it with a system that rewards physicians and providers based on the quality of care they provide, not the quantity of care. And in that way we can begin to bring down costs.

We do reject the Republicans approach, which is just to simply shift costs on to seniors. We don't think that that is the right way to do it, especially since the median income of a senior on Medicare is under \$23,000.

**O'BRIEN:** As you describe it, it sounds like both sides are very far apart. You're going to take your recess for five weeks in two more days, today and then you've got tomorrow and Friday,

and then you're gone for five weeks. Then, overall, before the end of the year you don't have much time to get this worked out. Congressman Chris Van Hollen joining us this morning, we appreciate your time sir.

**VAN HOLLEN:** Thank you. I just want to say that the bipartisan groups provide a model. I wish we would all start looking at those.

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