

Dear Friend,

California has always been a place where with a good idea, hard work and a little courage, you could succeed. This is why throughout our history, when times were tough in America, people like my great-great-grandparents chose to come to California in pursuit of the American Dream. Understanding that the freedom to innovate and turn ideas into commerce is the foundation of economic success, California has created some of the greatest economic successes in the world.

Unfortunately, many in Washington have lost sight of this. Our businesses are taxed at the highest corporate rates in the world, and our tax code is arcane and confusing. Federal regulations are preventing the creation of new start-ups and stunting small business growth and job creation. The grim reality is that Americans continue to face tough economic times – unemployment has been above 8 percent for 42 straight months, and currently stands at more than 10% in California and at 13.9% locally. 13 million Americans are out of work, and our economy is barely growing at an anemic 1.5%. It astonishes me that the Obama administration and congressional Democrats are calling for a massive tax hike on American families and small businesses, especially since the President said as recently as 2010 that increasing taxes in a down economy would hurt economic growth and job creation. When I talk with small business owners across Kern County, they tell me not much has improved since then. The Democrats' change of heart on tax increases astounds me.

The nonpartisan Joint Committee on Taxation found that automatic tax hikes set for next year would impact over 900,000 small businesses – our most important job creators in this country. Furthermore, an independent study found the President's plan for massive tax hikes will destroy more than 700,000 American jobs and add to the uncertainty that is already holding back our economy.

That is why I led a bipartisan majority of my colleagues on August 1st in the House to pass the Job Protection and Recession Prevention Act (H.R. 8), which stops the automatic tax hikes on hardworking American families and small business owners during these tough economic times. In addition, the House passed the Pathway to Job Creation through a Simpler, Fairer Tax Code Act (H.R. 6169), which establishes a blueprint for comprehensive tax reform that could add 1 million jobs to our economy in the first year alone. This legislation is the first step in the right direction to putting the economy on a better path through much-needed comprehensive tax reform.

I believe American taxpayers deserve a tax code that is simpler, flatter, fairer and easier to understand, which protects their interests and not the interests of bureaucrats in Washington or special interest groups. I believe in the resiliency of the American people and despite tough economic times, I believe California and the United States can come roaring back, and I will continue to fight so that future generations of Californians and Americans have the same opportunities to create, innovate and prosper that my generation and those before mine had.

Sincerely,

Congressman Kevin McCarthy