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Romney campaign nixes revenue raisers

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Republican presidential frontrunner Mitt Romney backs the congressional Republicans refusing to increase government revenue as part of a deal to raise the debt ceiling and avoid default.

Romney's position on "revenue raisers" to bring more money into the government as a way to help balance the budget "would be the same as those in the Congress who hold the view that we cannot have tax increases as part of the debt ceiling," a Romney aide told POLITICO.

The aide said Romney would support closing loopholes in the tax code only if those are offset by equivalent tax decreases.

"You could lower the corporate tax rate, for example, but you would close some loopholes," the aide said. "The governor would not entertain revenue raisers as part of the debt deal."

As the frontrunner, Romney has faced criticism for not commenting on the talks from both Democrats and rivals within his party. On Friday, Tim Pawlenty, who has been vocal in his opposition to raising the ceiling, took to Twitter to knock Romney's silence.

"My thoughts on the debt ceiling...what say you @MittRomney? Help us fight back," Pawlenty wrote.

The campaign's comments are the most detailed yet on Romney's position on the debt ceiling negotiations, even as the default deadline grew closer and the ongoing negotiations grew more tense this week. The question of revenue raisers is at the center of the debate — at a news conference about the talks on Friday, President Obama warned Republicans that polling shows even their own supporters think the deal should include more money coming into the government.

"The clear majority of Republican voters think that any deficit reduction package should have a balanced approach and should include some revenues," Obama said Friday.

It's an issue that has driven some of the fissures in the congressional GOP: House Speaker John Boehner has shown some willingness to back a larger, \$4 trillion deal that would likely have to include some revenue raisers. House Majority Leader Eric Cantor opposed the larger plan in part because it would likely eliminate the tax cuts for wealthier Americans passed during the Bush administration. Senate Minority Leader Mitch McConnell backed a compromise plan that would allow the president to raise the debt ceiling unless denied by a super-majority vote in Congress.

At a New Hampshire event Thursday, Romney didn't mention his own party's role in the talks, instead insisting that President Obama had sole responsibility for avoiding a default.

"For me that's the line in the sand: come on Mr. President, you can by yourself cut spending, agree to cut spending, cap the spending, and put in place a balanced budget amendment. And that for me is the course," Romney said.

The Romney aide spoke to clarify the general position on tax loopholes that Romney outlined at town hall meeting later that day. When a voter asked if he would be willing to end subsidies to oil companies, Romney said he would be willing to close loopholes if accompanied by lower overall tax rates.

“What I would like to see us do philosophically is to bring our [corporate] tax rates down to be competitive with the world but get rid of a lot of these special breaks that exist,” Romney said, according to a report in The Washington Post. “We ought to look industry by industry and say, ‘Where are the lobbyists striking special deals for companies?’ Let’s get rid of that stuff and bring our rate down.”

Romney has also run into trouble with fiscally conservative groups over taxes before. While governor of Massachusetts, he included closing several tax loopholes as part of his plan to balance the state’s budget, and the libertarian Cato Institute rapped him for it in their annual fiscal report card.

Cato called Romney’s claim that he adhered to a “no new taxes” pledge “mostly a myth.”

“His first budget included no general tax increases [but] later proposed \$140 in business tax hikes through the closing of ‘loopholes’ in the tax code,” the 2006 report said.

A Romney aide refuted that characterization. “Gov. Romney balanced the budget primarily by cutting waste and inefficiency, by streamlining and economizing, and by reducing non-essential state spending,” the aide said.

“Loophole closings are not tax increases. Companies sometimes use aggressive accounting techniques to lower their tax liability in ways that were never intended by the law. When that happened, the state closed the loophole. That’s called tax enforcement,” the aide said.