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Rand Paul supports tax-cut extension despite large increase in federal debt

Supports McConnell plan despite impact on deficit

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BOWLING GREEN — Republican U.S. Senate candidate Rand Paul said he would vote to extend federal tax cuts even without proposed spending cuts, a move that would dramatically deepen a federal debt he has railed against.

Paul, who has built his campaign around opposing big government and a \$13.4 trillion national debt, said it would be better to pair the tax cuts with a plan to reduce spending.

However, asked if he would vote to extend the tax cuts without corresponding spending cuts, Paul said, "Absolutely. The money is not the government's. It is ours."

The tax cuts at issue are scheduled to expire at the end of the year unless Congress extends them.

"I'm for cutting spending and I'm not going to vote to let taxes go up. Basically, if you do nothing you're going to allow an automatic tax increase so we have to do something," Paul said Wednesday.

Paul was commenting on a proposal introduced by Senate Minority Leader Mitch McConnell, a Louisville Republican, to make the cuts permanent.

The Washington Post reported Wednesday that McConnell's office could not provide an estimate on how the cuts would affect the federal deficit.

However, the nonpartisan Congressional Budget Office estimated a similar plan would require the U.S. to borrow an additional \$3.9 trillion over the next decade, though that proposal would be somewhat more expensive than McConnell's because of a difference on the estate tax, the newspaper reported.

"We have a spending problem. We spend too much. We don't have a taxing problem. We don't tax too little," McConnell said Tuesday, according to the Post.

However, McConnell did not announce any spending cuts with his tax proposal.

The projected impact of the tax plan on the deficit would be greater than the combined total of last year's economic stimulus package and the federal health care reform bill — programs that Paul and Republicans have attacked because of their cost.

Democratic U.S. Senate nominee Jack Conway did not respond to questions about how he would vote on McConnell's bill.

Conway, the state's attorney general, has previously said he favors extending most of the tax cuts.

President Barack Obama has proposed extending the cuts only for households earning less than \$250,000.

Chris Edwards, director of tax policy at the libertarian Cato Institute and author of a book on downsizing the federal government, supports keeping the tax cuts, but he said he would also like to see a plan to cut spending.

Edwards said it's not necessary that the tax cuts and proposed spending cuts be in the same plan, but it is necessary to reduce spending.

"I've never seen a McConnell spending-cut plan," he said.

Edwards said he is concerned that the GOP doesn't seem to have a plan to deal with the deficit.

Paul, who has criticized both Republicans and Democrats for excessive spending, said he would introduce a plan to balance the federal budget if elected.

However, he said he couldn't spell out a proposal to do that before the Nov. 2 election.

He also said it would be difficult for him to propose specific numbers or percentages for proposed reductions in various federal programs, though he said all programs should be reviewed.

"My view is politicians are too chicken to talk about specific spending cuts," Edwards said.

As to how McConnell would cover the cost of his tax measure, aides pointed to a plan he has backed to save an estimated \$300 billion over the next decade — a fraction of the federal deficit, the Washington Post reported.

For other answers, McConnell has said he will rely on the same source as President Obama: a presidentially appointed, bipartisan deficit commission that is due to issue its report in December.

Jim Waters, vice president of the Bluegrass Institute for Public Policy Solutions, a free-market think tank in Bowling Green, said cuts are needed in both federal taxes and spending. But the tax cuts don't have to wait for spending cuts, he said.

To assume that tax cuts can't come until after spending cuts is to assume that government wouldn't have money to operate otherwise. "We just don't think that's true," he said.

Paul's comments on the tax-cut extension came during a news conference in Bowling Green's Town Square to announce the endorsement of his campaign by the U.S. Chamber of Commerce, the nation's largest business group.

The chamber started running a TV ad Wednesday criticizing Conway for supporting an overhaul of the nation's health insurance laws.