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figuratively spun their feet in the air, then turned back and found solid ground by reaching agreement that will prevent the otherwise automatic tax increases that would have hit all Americans. Those taxes would have resulted from the automatic expiration of the "Bush Tax Cuts."

Isaac M. O'Bannon • Jan. 02, 2013



The U.S. Congress pulled a move reminiscent of Wile E. Coyote on this evening of the first day of 2013, except they did it in a way the not-so-cunning cartoon character

never could... they found solid ground again.

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Republicans had wanted to continue the cuts for all U.S. taxpayers, while President Obama and Democrats campaigned and supported the extension of those tax rates for all Americans except the top one or two percent who have taxable income over about \$250,000 per year. The compromise bill in the Senate upped that income level to \$400,000 for single filers and \$450,000 for married taxpayers.

The Senate passed its version of the bill around 2 am on New Year's with a very bipartisan vote of 89-8. But it took the House of Representatives another day to cobble together enough of support from the majority Republicans and minority Democrats to come to a final agreement.

The vote came after a New Year's Day of political maneuvering for GOP leaders, who are in control the House of Representatives. House Speaker John Boehner and other senior representatives had to, at least temporarily, forego their desire for spending cuts in order to avoid the potential that the Senate might not allow amendments the House might make in the "fiscal cliff" bill. Had the House done so, the bill might have been put into limbo, which could have left the public perception that Republicans were to blame for increases to middle class taxes.

Not all of the House Republican leadership was in favor of the bill, however. "I do not support the bill. We are looking, though, for the best path forward," said House Majority Leader Eric Cantor (R-Va.), after meeting with members of the GOP delegation. Cantor is the second-highest ranking member of the House of Representatives, behind Speaker Boehner. Earlier in the day, the House had attempted to pass a bill that included amendments, but that bill had no support from House Democrats and only modest support from House Republicans, and did not pass.

As with most compromises, not all Democratic legislators are satisfied, either. In

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The bill would also stop \$24 billion in “sequester” spending cuts that are set to take effect over the next two months.

The non-partisan Congressional Budget Office said the measure would add nearly \$4 trillion over a decade to federal deficits, a calculation that assumed taxes would otherwise have risen on taxpayers at all income levels. There was little or no evident concern among Republicans on that point, presumably because of their belief that tax cuts pay for themselves by expanding economic growth and do not cause deficits to rise.

When reached for comment, Road Runner said, “Meep, Meep.”

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