

Instead of making reforms that empower States instead of bureaucrats in Washington, the bill relies on Washington-style accounting gimmicks and proliferates costly mandates that sharply raise the cost of highway spending to the American taxpayer. I agree with my colleagues that we need to pass a transportation bill, but not when we cannot meet the financial obligations that the bill requires. Therefore, I did not support it.

EXTENSION OF TAX EXTENDERS

Mr. REID. Mr. President, I would like to engage in a colloquy with my good friends the Senator from Kentucky, the Republican leader, and the Chairman of the Finance Committee, Senator BAUCUS.

Earlier today the Senate completed action on a transportation measure that provides for investment in our Nation's infrastructure. The Senate works best when we work together, as evidenced by the broad bipartisan support for this bill.

I would like to take a moment to raise another issue of mutual interest—the extension of tax provisions that have expired or are expiring this year. These provisions, although temporary, are long-standing features of our tax system, including the research credit, renewable energy production and efficiency incentives, and the State sales tax deduction. They provide important benefits, not just for American families and businesses, but to our economy as a whole.

Although we were unable to address the package of tax extenders as part of the transportation bill, I was encouraged by the level of Senators' interest in extending these provisions in a timely fashion.

I would welcome the opportunity to work with my friend from Kentucky in finding a path forward soon on tax extenders. It is important that we take care of this early in the year so that taxpayers can plan and make investment decisions.

Mr. MCCONNELL. I am happy to respond to my friend, Majority Leader REID.

These tax provisions certainly are important to millions of American families and businesses, and I would expect that Congress would act on these sooner rather than later. The uncertainty that follows when we allow these to expire and don't allow families, small businesses, and job creators generally to properly plan is unacceptable and damaging to our economy.

That said, there are a number of members of my conference who have serious questions about some of the provisions that were voted on today. For a number of years Congress has reflexively extended all of these measures without any meaningful review or oversight. I know that the Republican members of the Finance Committee would gladly join in a bipartisan effort to conduct a much needed critical re-

view of these measures and recommend to the Senate which should be dropped, which need modification and which are worthy of support as currently constructed. The repeated expiration and renewal of these various targeted tax credits and the fact our corporate tax rate will soon be the highest among our major trading partners underscores the need for Congress to take on corporate tax reform at the earliest possible date.

So while I join the majority leader in welcoming the opportunity to work together to find a path forward, I would hope that both bodies of Congress would have the opportunity to look carefully at what is in this package and see if we can't come to an agreement on what is best for the country.

Mr. REID. I thank the Republican leader. I look forward to working with him and our Senate colleagues to pass tax extenders on a seamless and timely basis. It is important that we provide taxpayers with much-needed certainty.

Mr. BAUCUS. Mr. President, I would like to thank leaders REID and MCCONNELL for emphasizing the importance of getting extenders done. As we prepare for tax reform, it will be important for us to examine these provisions to determine whether we are getting the most bang for our buck. Tax reform, however, will take some time and these provisions have already expired. We should provide certainty to taxpayers by extending them through this year as soon as possible.

These provisions are important to American families and businesses. These provisions include college tuition relief for working families. These are tax provisions that help create jobs, support research and development, and bolster growth of American businesses across the globe. It is also critical for our energy sector. A dozen energy tax incentives expired at the end of last year and several more expire this year. Each day we fail to extend these incentives means jobs for our economy. I am glad we are working on a bipartisan basis to extend these provisions and I hope we can do so as soon as possible. We need to make sure that taxpayers don't see tax increases because Congress failed to do its duty.

Mr. HATCH. I thank leaders REID, MCCONNELL, and Chairman BAUCUS for discussing tax extender provisions this afternoon.

I want to reinforce a couple of points I raised earlier this year when the Finance Committee held a hearing on tax extenders.

My first point is that the explosion of temporary tax provisions in recent years has been a very notable and problematic trend. The number of temporary tax provisions has grown from 42 in 1998 to 154 in 2011. Not many people can be found that will say that Congress should continue dealing with tax extenders in a business-as-usual manner. And we should not continue doing business as usual when it comes to extenders. Recently, Congress has al-

lowed important temporary tax incentives such as the research and development credit to expire. Then, after the business decisions have already been made, Congress has retroactively extended the tax provisions. If a provision is worthy of being in the tax code, then optimally it should be permanent. For instance, the R and D credit is an extremely worthy provision, and it should be an enhanced and permanent tax incentive. That is what Chairman BAUCUS and I have proposed in a bill we introduced in September 2011.

My second point is that tax incentives play a very important role in businesses' planning of their affairs, making investments, and creating jobs. And these job creators don't want bad certainty they don't want to hear that their taxes are going up. Congress should provide this certainty by making permanent the provisions that are worthy of remaining in the law, and eliminating those that are not. Chairman BAUCUS and I agree, along with many of our colleagues, that the current tax code needs to be reformed. In the meantime, before tax reform is accomplished, Congress needs to decide what to do about the tax extender provisions that have expired. The Finance Committee should play its role in considering these time-sensitive issues. The members should debate the merits of each of these provisions and vote accordingly. After that exercise, then the full Senate should consider the Finance Committee's recommendations and move that product through the legislative process.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will be in a period of morning business until 2 p.m. with Senators permitted to speak therein for up to 10 minutes each with the time equally divided and controlled between the two leaders or their designees.

The PRESIDING OFFICER. The Senator from Oklahoma.

FINAL PASSAGE OF S. 1813

Mr. INHOFE. Mr. President, I didn't want to take a lot of time before the vote because I knew we were anxious to get it done, and certainly we have been through this so many times—passing a transportation bill and a reauthorization bill. I was asked by one of my Republican Members: We have done so many of these extensions, what would be the difference between an extension and a short 2-year bill? I commented: You can't get any of the improvements. You can't do any of the planning.

I would also like to say this to my Republican friends: I regret some of them voted against it, not being fully aware of some of the great reforms we have in the bill. I appreciate the fact that Senator BOXER was agreeing to some aspects that she didn't agree with