



Construction Industry Round Table

Economic/Legislative News

A force for positive change in the design/ construction industry

1/02/2013 – U.S. Goes Off Steep Slope, Averts Cliff

With the passage of a bill to address the so-called “fiscal cliff” it appears the country is now headed for a “steep slope” with the hard spending cut decisions put off until debate starts in earnest over the debt ceiling. The bill (which some estimate contains over \$600 billion in tax increases but only around \$12 billion in spending cuts – a far cry from Obama’s off-repeated campaign claim he was seeking a “balanced” approach of \$2.5 in cuts for every \$1.0 in tax increases) passed in the House on Tuesday, New Year’s Day, 257-167 to send it to the President to sign into law. Eighty-five House Republicans and 172 Democrats backed the bill, which had sailed through the Senate by a lopsided 89-8 margin shortly after 2 A.M. The legislation will raise taxes on households earning \$450,000, (including dividends and capital gains) as well as increase taxes on estates over \$5 million and extend unemployment benefits (but not the payroll tax holiday). The bill does little to address sequestration, however, but extends the deadline for the spending cuts by two months.