

(Washington, DC) - **Congressman Wally Herger, (R-CA), Ranking Member of the Ways & Means Health Subcommittee, released a statement in response to the testimony of Treasury Secretary Timothy Geithner and Office of Management and Budget (OMB) Director Peter Orszag.** **Congressman Herger, along with other members of the Ways & Means Committee, questioned Secretary Geithner and OMB Director Orszag regarding President Obama's FY 2010 budget proposal.** **The budget proposal contains numerous tax increases and massive increases in spending.** **Herger's comments follow below:**

"Earlier this week I spoke with a woman whose family is struggling financially and husband's small business stands on the brink of closing. She expressed her concern that the government is taking steps that will make things even harder than they are now. A self-described moderate, this woman had no political motive for voicing her concerns, but is deeply worried that higher taxes will force her husband to close his company. Sadly, her story is not unique. There are thousands just like it all across the country. And unfortunately, she has good reason to be concerned.

"The President's budget proposal would increase taxes on all Americans through a cap and trade energy plan. Additionally, it contains massive tax increases on the top two income brackets. We must remember that nearly two-thirds of all people in those brackets are small business owners that file for their companies as individuals. President Obama's chief economist has said that these types of tax increases would have a negative impact on the economy. And doing so could stop any economic recovery before it even begins. By any measure, the President's plan will impose a job-killing tax hike on millions of small businesses – the very businesses that employ about half of all private-sector workers and have created nearly 80% of the new jobs in the U.S. in recent years.

"I believe that if we follow this budget proposal we will be treading on dangerous ground. The massive new spending is paid with borrowed money and this crushing debt will be visited on generations to come. This is why I have supported alternative recovery methods to the Majority's stimulus bill that would have provided a new deduction for small business income without spending ourselves even further into debt. That alternative would encourage job creation during these challenging economic times. Unfortunately, the President's budget heads in the opposite direction by imposing higher tax rates on millions of "mom and pop" businesses across the country. These tax increases will make things more difficult for the people of Northern California and across our nation. This is why I will continue to stand by the American taxpayer and I will remember the struggles of the woman I spoke with and the countless others just like it as Congress considers future budget decisions."