



REVIVING *the* ECONOMY:

LINDA'S PLAN TO PUT AMERICA BACK TO WORK

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This plan to revive the economy and put America back to work is why I am running for the United States Senate - to preserve the American promise of opportunity.

I am passionate about creating the opportunity for everyone to participate in the American Dream. While success cannot be guaranteed in America, the opportunity to achieve it must be.

I've built a business from scratch and I know what job creation is. It starts with a risk taker who has an idea - with the small businesses that create 65% of all new jobs.

Small businesses fuel the economic engine, and I believe we need to make it easier, not harder, for small businesses to succeed. That's how we'll put Connecticut back to work.

Now, the jobs plan I'm proposing isn't just my plan, it's truly Connecticut's plan. It's the product of visiting and listening to thousands of people across our state. It's the voice of working families, single moms and small businesses from Southington to Groton, Norfolk to Ansonia and Litchfield to Stamford.

My plan consists of six common-sense solutions to help get America working again. I believe we must:

- Pass a middle-class tax cut for individuals and families.
- Level the playing field for America's job creators.
- Eliminate over-regulation and red tape that are killing growth and job creation.
- Stop out-of-control spending, borrowing and debt.
- Provide the unemployed the training and skills they need to fill available jobs.
- Move responsibly and rapidly to produce more energy in America.

These are six solutions that can and will ignite stronger growth, jobs, and prosperity.

I want to make it my job to restore jobs to Connecticut. I want us to be able to say Connecticut is working again. And with your help and support, that's exactly what we'll do.

A handwritten signature in black ink that reads "Linda". The script is fluid and cursive, with the first letter 'L' being particularly large and stylized.

MIDDLE CLASS TAX CUT

TODAY: CONNECTICUT WILL SEND **\$47 BILLION** TO THE
FEDERAL GOVERNMENT IN PERSONAL INCOME TAX.

2013: PERSONAL INCOME TAX
WILL INCREASE TO **\$52 BILLION**

What Linda Proposes: **CUT MIDDLE CLASS TAX RATE**

 **(25% to 15%)**

**NEXT YEAR A FAMILY OF FOUR
WITH AN INCOME OF \$125,000 SAVES:**

\$115 **A** WEEK **\$500** **A** MONTH

\$6,000 **A** YEAR



1. MIDDLE CLASS TAX CUT

- **CUT THE MIDDLE-CLASS RATE FROM 25% TO 15%**

This will move brackets to 10%, 15%, 28%, 33%, and 35%. Projected top end for the 15% bracket in 2013 would be about \$86,000 for a single person and \$143,000 for a married couple.

- **ELIMINATE CAPITAL GAINS TAX FOR MIDDLE CLASS**

Those individuals formerly subject to the 25% income tax rate, now 15% under this plan, should no longer be required to pay taxes on capital gains.

- **KEEP THE TOP RATE FOR CAPITAL GAINS & DIVIDENDS AT 15%**

Both the capital gains tax rate and the dividend tax rate have been 15% for almost a decade. Let's make them permanent at that level so people can plan their businesses and investments. This would also encourage saving and investment. A higher tax rate on dividend income would greatly affect senior citizens, who disproportionately hold dividend-paying stocks.ⁱ

- **END THE CAPITAL GAINS TAX ON INFLATION**

Currently, the capital gains tax is based on the difference in the original purchase price of the asset and the sale price of the asset. However, some of this difference, or "gain," is the result of inflation. We should index this difference to adjust for inflation when calculating the capital gains tax on assets.ⁱⁱ

- **ELIMINATE THE DEATH TAX & THE GIFT TAX**

These taxes represent less than 1% of federal tax revenue. The death tax is the cruelest of all taxes, often forcing American families to sell farms and businesses at the moment a family member dies. Moreover, people should be able to give their own after-tax money to their children, or anyone else they choose, without talking to anyone in the government and without paying taxes on the same money again.

- **GREATER DEDUCTIONS FOR EDUCATION EXPENSES**

The unemployment rate for college graduates is 4.2% but 13.1% for those without a high school diploma. There is no better way to create jobs than to educate

our children and adult learners. We should increase the tax deduction on student loans and qualified higher education expenses and allow all families to be eligible.

- **REPEAL THE ALTERNATIVE MINIMUM TAX (AMT)**

Repealing the AMT was included in the President's budget, and I agree with him. The AMT was created in 1969 to prevent 155 wealthy taxpayers from using loopholes in the tax code to avoid paying taxes altogether. Congress passes a "patch" every year or two to minimize the reach of this tax; however, if they do not act, some 34 million taxpayers will incur this tax in 2012. There is a broad agreement that this is both an inadvertent and unfair effect.ⁱⁱⁱ

- **MAKE ALL WITHDRAWALS FROM IRAs TAX- & PENALTY-FREE FOR UNEMPLOYED**

While the unemployment rate is over 6.5%, create a temporary exemption for those collecting unemployment for a minimum of 12 weeks in which they can make withdrawals from their IRAs for general expenses without being subject to the 10% penalty. Currently, there are multiple exemptions for disbursements, including home down payments, college expenses and health insurance premiums.



2. LEVEL THE PLAYING FIELD FOR AMERICAN JOB CREATORS

- **CREATE A 25% TOP BRACKET FOR ALL BUSINESS INCOME, THEREBY REDUCING TAXES ON BUSINESSES AND ENTREPRENEURS**

As suggested in the President's National Commission on Fiscal Responsibility and Reform, we should reduce the federal corporate income tax rate. I propose moving the rate from 35% to 25% to be more competitive with the rest of the world and keep jobs here in America. Moreover, we should simplify the tax code for all businesses by enacting a top rate of 25% for business income, no matter the size or structure.

- **ALLOW BUSINESSES TO DEDUCT 100% OF CAPITAL EXPENSES**

This stimulates investment in American businesses and increases the productivity of American workers. Make this permanent so people can plan their businesses and create jobs.^{iv}

- **MOVE TO TERRITORIAL TAXATION**

As proposed in the President's National Commission on Fiscal Responsibility and Reform, we should bring the U.S. system more in line with our international

trading partners. To do so, we must change the way we tax foreign-source income by moving to a territorial system.^v Under such a system, taxes are only collected in the country in which business is actually conducted.

- **ELIMINATE "LOOPHOLES"**

As recommended in the President's National Commission on Fiscal Responsibility and Reform, after lowering the rates, we must simplify the tax code by removing special carve-outs and credits.^{vi} There are roughly 80 separate corporate tax credits with a total budgetary cost of roughly \$660 billion over the five fiscal years 2012 to 2016.^{vii} I support eliminating all of these tax credits except those for charitable deductions.

- **END CORPORATE WELFARE**

According to the Cato Institute, the federal government spends about \$90 billion annually to benefit corporations. That includes direct cash payments to businesses, such as subsidies to farmers. It also includes indirect benefits, such as loans, research, and marketing support for businesses. The government's record in picking winners and losers has been dreadful.^{viii} Taxpayers should not be bankrolling particular industries favored by politicians.



END JOB-KILLING REGULATIONS



3. END JOB-KILLING REGULATIONS

The annual cost of regulation - \$1.75 trillion, according to the Small Business Administration - is greater than the total of all income taxes collected last year. It equates to approximately \$15,500 per household in 2011 dollars without accounting for the cost of all the new regulations added since 2008. ^{ix}

Regulation costs fall most heavily on America's 27 million small businesses, which employ approximately half of all U.S. workers, produce half of the GDP, and have generated 65% of new jobs over the past 17 years. Businesses with fewer than 20 employees spent \$10,585 per employee in 2008 to comply with federal regulations, 36% more than large firms. ^x Put another way, for every four employees earning \$40,000 per year, small companies' regulatory compliance costs would have more than paid for hiring one more worker. Excessive regulation kills jobs.

Regulatory costs fall more severely on manufacturing firms than other types of businesses. This is especially important for Connecticut's 166,200 manufacturing workers, where

manufacturing makes up 10.5% of the state's output. ^{xi} Regulations cost the average manufacturing company \$14,070 per employee (29% of payroll), 74% more than average for all businesses. ^{xii} For manufacturing companies, regulations kill roughly one job for every three people working.

Small manufacturing companies - the heart of Connecticut's economy - bear the brunt of regulations; \$28,316 per employee for a company with fewer than 20 employees (more than double the cost of their larger rivals). ^{xiii} With costs like these, it is no wonder Connecticut's small manufacturers are struggling to survive.

- **PASS THE REINS ACT**

The Regulations from the Executive in Need of Scrutiny (REINS) Act would require Congress to take an up-

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or-down, stand-alone vote; and require the President to sign off on all new major rules before they can be enforced on the American people, job-creating small businesses, or state and local governments. The REINS Act is about improving the regulatory process. If the REINS Act becomes law, members of Congress will be accountable to their constituents on the question of whether a new regulation is truly needed or is an unnecessary burden. This will encourage Congress and agencies to work together to develop and pass regulations that implement the original intent of laws. Furthermore, the REINS Act would prevent administrations from either party from bypassing Congress to implement a political agenda through regulation. ^{xiv}

- **REFORM FINANCIAL REGULATION**

The Dodd-Frank financial reform law has significantly increased the costs and reduced the viability of small,

community banks upon which Connecticut's small businesses rely for business loans. This law mandated some 259 rules along with its 188 other rule suggestions - all of which will be decided by unelected bureaucrats. ^{xv} Financial regulation should focus on disclosure and transparency. While certain parts of the law are praiseworthy, too much is left unidentified. We must amend the regulations to make sure business growth is not obstructed and lending to Connecticut's small businesses is trouble-free.

- **REPEAL OBAMACARE**

Repealing this costly and intrusive government mandate will cut the deficit by \$701 billion. ^{xvi} We should replace it with a market-based proposal that reduces costs to individuals and increases competition, allowing consumers more freedom to choose their health care.



1% SPENDING REDUCTION EACH YEAR



just one penny from every dollar

IT'S THAT SIMPLE.

4. END RECKLESS WASHINGTON SPENDING

With the most recent debt ceiling increase, the nation's borrowing limit jumped to \$16.394 trillion. An individual's share will be \$52,402.28, give or take, which comes out to about \$210,000 for a family of four. More outrageous, the United States Senate has not passed a budget in more than 1,000 days. It is no wonder the spending in Washington is out of control.

- **1% SPENDING REDUCTION EACH YEAR**

If the American household can cut back, surely the federal government can find a way to save 1% - just one penny for every dollar. Congress and the President should agree to cut 1% from the federal budget each year until balance is reached. This 1% reduction would be a real cut in spending, not just a reduction in the rate of growth of government. Once a balanced budget is reached, then spending could again be allowed to grow, but at rates consistent with the growth in the overall economy so that relative fiscal balance is maintained. A 1% reduction in spending does not necessarily mean a 1% across-the-board cut. Proper budgeting requires setting priorities and making decisions - it is about making trade-offs between competing wants and limited resources. ^{xvii}

- **INSTITUTE A BALANCED BUDGET AMENDMENT**

Families and small businesses must balance their budgets; I believe our government must do the same. This will prevent deficit spending except during emergencies, such as war or natural catastrophes. Almost every state has a legal requirement of a balanced budget; the federal government should have one, too.

- **ZERO-BASED BUDGETING**

Budgeting for agencies and programs should start at zero and not be based on whatever amount was allocated the previous period. This will force the justification of all expenditures. It is easy for agencies to simply say we need more this year, but requiring them to prove the need for every dollar is a step in the right direction to curb government waste.

- **INCORPORATE ALL SPENDING IN THE BUDGET**

Include the receipts and disbursements of Social Security as well as Fannie Mae and Freddie Mac in

the budget. In 2010, the federal government outlaid more than half a trillion dollars in funds that were not considered to be within the budget. Families and small businesses cannot simply ignore spending and liabilities by keeping it out of their budget; the federal government should not be able to do so either.

- **ELIMINATE OUTDATED/INEFFECTIVE AND DUPLICATIVE PROGRAMS**

The Government Accountability Office (GAO) released a report^{xviii} examining 34 missions of the federal government, identifying hundreds of duplicative and overlapping programs costing approximately \$217 billion a year. GAO stated that “reducing or eliminating duplication, overlap, or fragmentation could potentially save billions of taxpayer dollars annually and help agencies provide more efficient and effective services.” GAO found there are 47 separate job training programs, 88 economic development programs, 82 teacher quality programs, and 56 financial literacy programs.^{xix} Additionally, laws should include sunset

provisions that require programs to be reviewed every five or ten years. If a program is effective and needed, it will continue; but if it is not, it should be revised or canceled. The President agrees, as witnessed by his State of the Union address and his recent proposal to consolidate agencies, including the Department of Commerce and the Small Business Administration.

- **STOP EARMARKS**

Projects should be funded on their merits and not based on the connections of those who support them. In FY 2010, Congress approved more than 9,000 earmarks costing taxpayers close to \$16 billion.^{xx} According to research from Harvard Business School, the increased federal spending causes local companies to lose sales and cut back on research, payroll and other expenses. The research shows federal dollars “directly supplant private sector activity - they literally undertake projects the private sector was planning to do on its own.”^{xxi}





5. EMPOWER A SKILLED WORKFORCE

The United States continues to face an economic crisis, and America's families are suffering. The national unemployment rate remains high, while our country sinks deeper into debt. Many have sought to refocus attention on innovative ways to put people back to work. We must be willing to consider every responsible step that can be taken to encourage and accelerate employment in this country, now and in the future. Millions of Americans are in a frantic search for work and for the necessary job skills to achieve that employment. We must focus our efforts on programs that will prepare workers quickly so they can fill the jobs that are currently open.

Jeff Immelt, General Electric CEO and a member of President Obama's Jobs Council, summed up the situation in the June 13, 2011, *Wall Street Journal*:

There are more than two million open jobs in the U.S., in part because employers can't find workers with the advanced manufacturing skills they need.

The private sector must quickly form partnerships... to match career training with real-world hiring needs.

- **END OVERLAP**

A report by the GAO found there are 47 different federal employment and training programs, with substantial overlap among them. More importantly, the report said that "little is known about the effectiveness of employment and training programs we identified." ^{xxii}

While well-intentioned, the current system is solely focused on "jobs of the future" and "high-wage jobs." Much of this training is housed in community colleges and can take up to three years with no guaranteed job waiting for an individual once he or she finishes. In this economy, we should be placing people immediately

into the jobs that are currently available and providing short-term skills training specific to those positions.

- **REMOVE UNNECESSARY BARRIERS**

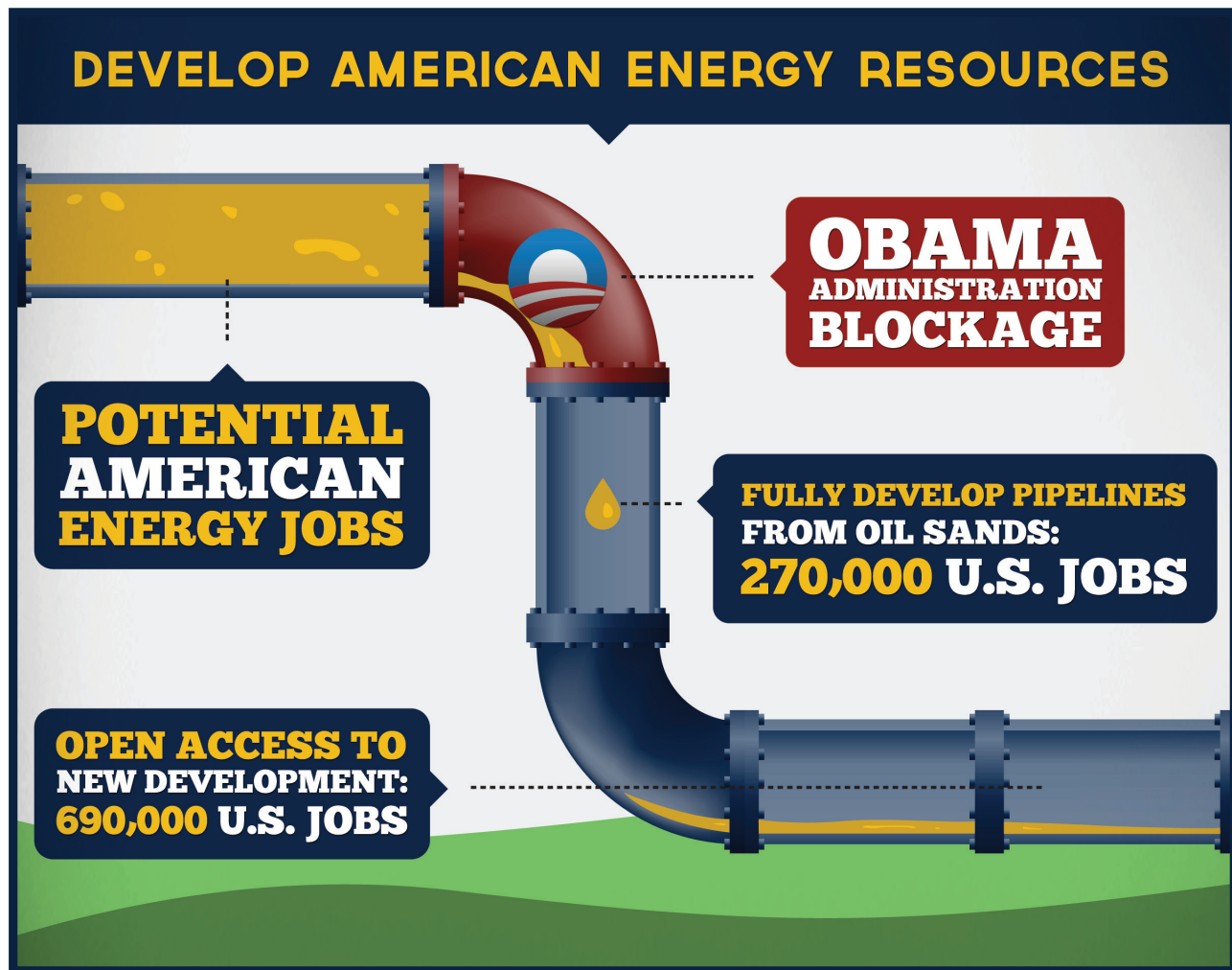
If a person can get the training and a job in a short period of time, regulations should not hold him or her back. Private-public partnerships that match employers looking for workers with workers willing to accept immediate training to get back to work are what we need. Some states, including Florida, Massachusetts, Maine and Mississippi are already working to use a more job-friendly training model in relation to manufacturing jobs. We should cut the strings attached to the training dollars and allow states to use the money in whatever way works best for their citizens.

- **VALUE OUR VETERANS**

In the military, troops develop a range of skills - including adaptability, teamwork, and mission-focus - that every employer should value. Yet many troops still face serious challenges finding employment in the civilian workforce. One obstacle returning veterans face in their employment search is simply explaining their military experience to a civilian employer. According to a 2007 survey by Military.com, 61% of employers do not believe they have “a complete understanding of the qualifications ex-service members offer;” and more than three-quarters of veterans entering the civilian workforce reported “an inability to effectively translate their military skills to civilian terms.”^{xxiii} We must ensure employers fully understand the value of our veterans.



Use of military rank, job titles, and photographs in uniform does not imply endorsement by the Department of Defense.



6. DEVELOP AMERICAN ENERGY RESOURCES

The United States must develop a national energy policy that diversifies and improves our country's energy supply in economically and environmentally friendly ways. As detailed in the 2011 year-end report of the President's Jobs Council:

[W]e need to take advantage of all our natural resources to spur economic growth, create jobs and reduce the country's dependence on foreign oil. First, we should allow more access to oil, natural gas and coal opportunities on federal lands. Where sources of shale natural gas have been uncovered, federal, state and local authorities should encourage its safe and responsible extraction.

More than 9.2 million American jobs are supported by the oil and gas industry; and on average, nearly \$90 million a day is provided to the U.S. Treasury from this industry. Increased energy supply means lower costs for businesses, lower prices for consumers, and more jobs for workers. A recent report

released by the Institute for Energy Research reveals the extent of America's natural riches. North America has 1.79 trillion barrels of recoverable oil - almost twice as much as the combined reserves of OPEC nations. We also have 4.244 quadrillion cubic feet of natural gas - enough to provide the U.S. with electricity for 575 years at current rates.^{xxiv} We need to increase drilling and production. Federal lands and waters hold enough oil to fuel 65 million cars for 60 years, and enough natural gas to heat 60 million homes for 160 years.^{xxv}

- **DEVELOP WHAT WE ALREADY HAVE**

We should utilize the vast resources in our country and encourage shovel-ready energy projects, such as the Keystone Pipeline, to drive economic growth. Areas including Pennsylvania, the Gulf of Mexico, the Western

States, and Alaska contain oil and natural gas deposits that will promote our economic recovery, create jobs, and lessen our dependence on overseas foreign oil.

Current regulatory barriers only permit production on less than 6% of federal lands onshore and 2.2% offshore. Permitting must be adjusted to allow faster access to these areas without compromising environmental safeguards.^{xxvi}

A Wood Mackenzie study analyzing the energy supply and government revenue implications of enacting policies in the U.S. that encourage development of North American resources found the following:

Total Potential Jobs Impact: Approximately 1 million jobs by 2018 and more than 1.4 million jobs by 2030.

Total cumulative potential government revenue: Additional \$36 billion by 2015 and nearly \$803 billion by 2030.

Total Potential Production impact: By 2015, an additional 1.27 million barrels of oil equivalent per day (BOE/D) could be produced, rising to 10.4 million BOE/D by 2030. Over the period 2012 to 2030, it is estimated an additional cumulative 35.4 billion BOE/D of reserves could be produced through development policies. As a reference, we currently import 4,885,000 barrels per day of crude oil from OPEC countries.^{xxvii}

• EXPLORE ALTERNATIVE OPTIONS

Renewables

Examine promising renewable energy technologies. This is especially important for Connecticut, which has private sector initiatives underway in wind, solar, and geothermal energy, as well as the development of synthetic fuels. Connecticut is already recognized as the fuel-cell capital of the world. We should focus on policies that will allow businesses to grow.

Nuclear

Nuclear power currently makes up 20% of U.S. energy production. We should build more modern nuclear power plants. The federal government should clear the way for the construction of more nuclear plants with predictable, effective regulation that ensures safety and security. The current structure is both extremely unwieldy and obstructive. For example, the Nuclear

Regulatory Commission (NRC) is outfitted to review only one kind of reactor design, a restraint that increases prices, reduces competition, and suppresses innovation. Modification in this area will allow for smoother permitting and expanded use of nuclear power.

I am encouraged by the recent NRC decision to approve construction of the first nuclear power plant in the United States in 35 years. Manufacturers use one-third of the energy consumed in the United States, so building new, reliable sources of energy is essential to our competitiveness. Building new nuclear power plants also means the creation of quality jobs for Americans at a time we need them the most. The new plant alone will create 5,000 new jobs; have a tremendous, positive impact for the many jobs in the nuclear energy supply chain; and be a long-term, emission-free energy source.^{xxviii}

ⁱ <http://www..org/research/reports/2010/09/obama-tax-hikes-dividend-tax-increase-hurts-seniors-and-the-economy>

ⁱⁱ http://rsc.jordan.house.gov/UploadedFiles/Econ_Recovery_Act_Highlights_Jan_14_2009.pdf

ⁱⁱⁱ *Ibid*

^{iv} *Ibid*

^v http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomen-tofIruth12_1_2010.pdf

^{vi} *Ibid*

^{vii} Tax Foundation, Who Benefits from Corporate "Loopholes"?, Scott Hodge, March 2, 2011

^{viii} <http://online.wsj.com/article/SB10001424052970204002304576631192120542046.html>

^{ix} <http://archive.sba.gov/advo/research/rs371tot.pdf>

^x *Ibid*

^{xi} <http://www.nam.org/~media/28BC8F1B2077453BBFBD72A52997593.ashx>

^{xii} <http://archive.sba.gov/advo/research/rs371tot.pdf>

^{xiii} *Ibid*

^{xiv} <http://geoffdavis.house.gov/REINS/about.htm>

^{xv} WSJ.com, Regulation for Dummies- <http://online.wsj.com/article/SB10001424052970204770404577082920364818792.html>

^{xvi} <http://budget.house.gov/healthcare/>

^{xvii} The 1 Percent Solution, Jason Fitchner, Mercatus Center, George Mason University

^{xviii} <http://www.gao.gov/new.items/d11318sp.pdf>

^{xix} http://www.coburn.senate.gov/public/index.cfm/pressreleases?ContentRecord_id=dc297130-b3a3-4f16-ac14-18edfa1ae92b

^{xx} http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomen-tofIruth12_1_2010.pdf

^{xxi} http://online.wsj.com/article/SB10001424052748704026204575266651344397616.html?mod=googlenews_ws_j

^{xxii} <http://www.downsizinggovernment.org/labor/employment-training-programs>

^{xxiii} http://iava.org/files/iava_careers_after_combat_2009.pdf

^{xxiv} <http://www.ntu.org/governmentbytes/new-study-domestic-energy.html>

^{xxv} <http://www.api.org/policy/exploration/expanded-access.cfm>

^{xxvi} <http://www.ntu.org/governmentbytes/new-study-domestic-energy.html>

^{xxvii} U.S. Energy Information Administration

^{xxviii} <http://www.nam.org/Communications/Articles/2012/02/Manufacturers-Nuclear-Energy-Is-Key-to-Competitiveness.aspx>

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