

## OPENING STATEMENT

The Honorable José Serrano  
Chairman, Financial Services and General Government Subcommittee  
House Committee on Appropriations

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Hearing on the Treasury Department  
Fiscal Year 2011 Budget Request  
March 10, 2010

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The subcommittee will come to order. Today, the subcommittee meets to consider the budget request and conduct oversight of the Department of the Treasury. We welcome the Secretary of the Treasury, Timothy Geithner, back for his second appearance before the subcommittee.

For fiscal year 2011, the Treasury Department is requesting authority to spend \$14.1 billion dollars, an increase of \$551 million, or 4 percent, above 2010. I welcome the second straight requested increase for IRS enforcement efforts to prevent offshore tax evasion. While most Americans rely on salaries from employment that are taxed before they receive their paycheck, many wealthy individuals and businesses continue to use offshore accounts to hide billions of dollars in income generated by investments and income from abroad. I note that Treasury's budget request also proposes to reform our taxes on international activity and to counter the use of offshore tax havens. These proposals would increase revenue by more than \$120 billion dollars over the next ten years. These are good initiatives.

I also welcome your proposed increase in funding for financial and technical assistance by the CDFI Fund and look forward to learning more about the proposed new CDFI initiatives on healthy food and banking the unbanked. I believe the CDFI has done some of the most important work in lifting up disadvantaged communities, and look forward to discussing their work with you.

The Treasury budget request has other notable increases, including a 13 percent increase for Treasury's Departmental Offices after a 9 percent boost for this year.

I am concerned that the Treasury budget proposes to reduce grants for low-income taxpayer clinics, Tax Counseling for the Elderly, and the Volunteer Income Tax Assistance grant program. All three programs assist low and moderate-income taxpayers. I believe that supporting these taxpayers is of paramount importance and have made them a priority in my years as chairman of this subcommittee.

In addition, I am dismayed that the Administration has once again included a \$106 million proposal to tax all stores selling alcohol and tobacco the same amount, regardless of size. I am opposed to charging my neighborhood bodega the same flat fee as big suburban mall liquor

stores, and Congress under both parties has repeatedly rejected it. As a practical matter, under the current budget circumstances, I will probably have no choice but to consider budget cuts elsewhere to make up for this unrealistic proposal.

Mr. Secretary, you may have come here to defend your budget, but as you know we never allow you to leave without a discussion of economic policy, too. You are the highest Administration official with a major role in economic policy who is required to testify before Congress. From the outset, you have been at the center of the debate over how to respond to the financial crisis, first as president of the New York Fed and then as Treasury Secretary. Much of that debate here in Congress has been concerning the Troubled Asset Relief Program, TARP, which continues to be a point of great interest among members on both sides of the aisle.

Thankfully, it seems that perhaps the worst of the economic crisis is behind us, and yet we still have plenty more to do to get the economy back on its feet again. To that end, over the course of the last year, you have announced initiatives to respond to the concerns of everyday Americans: small business credit, mortgage relief, and limits on executive compensation at firms rescued by taxpayers.

Many of the next steps for these issues remain in the hands of Congress, but as a matter of practice we must trust that you are looking out for the American people on a day-to-day basis. I feel confident that you are doing so and look forward to discussing the Administration's efforts on behalf of the American people with you.

With those opening remarks, I would like to recognize Ms. Emerson for any opening statement that she wishes to make.