

2016 PRESIDENTIAL WHITE PAPERS SERIES

PAPER #3

SENATOR MARCO RUBIO

APRIL 14, 2015

INTRODUCTION

Marco Rubio was first elected to the U.S. Senate from Florida in 2010. Prior to serving in the Senate, he was a State Representative and the Speaker of the Florida House of Representatives. Rubio received a score of 92% on the Club for Growth's 2014 scorecard and has a lifetime score of 93%. The average Senate Republican score from 2011-2014 was 76%.

TAXES

The Club for Growth is committed to lower taxes – especially lower tax rates – across the board. Lower taxes on work, savings, and investments lead to greater levels of these activities, thus encouraging greater economic growth.

As a U.S. Senator, Rubio's record on taxes has been outstanding. He has consistently voted for tax cuts and opposed tax increases. For example, Senator Rubio voted:

- FOR repealing the Death Tax¹
- AGAINST the NAT GAS Act², an assortment of tax incentives for the natural gas industry
- FOR repealing the tax credit for ethanol³
- FOR extending the Bush tax cuts for one year⁴
- AGAINST the “fiscal cliff” tax increase that raised the top marginal rate⁵

marginal rate⁶

- FOR repealing Obamacare's tax on medical devices⁶
- FOR eliminating energy tax credits⁷
- AGAINST establishing a carbon tax⁸

Not only does Rubio have an excellent voting record on federal tax policy, he has also helped lead the fight for pro-growth tax reform. In 2015, Rubio, along with Senator Mike Lee (R-UT), released a comprehensive proposal to completely overhaul the tax code. The plan contains many strong, pro-growth changes to the tax code, including, but not limited to changes that would:

- Lower the top marginal rate from 39.6% to 35% and replace the current seven tax brackets with two (35% and 15%)⁹
- Eliminate taxation of dividends and capital gains entirely¹⁰
- Cut the business tax rate to 25%¹¹
- Eliminate extraneous business tax credits known as “tax extenders”¹²
- Eliminate the estate or “death” tax¹³



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- Eliminate the Alternative Minimum Tax¹⁴
- Eliminate all itemized deductions except the home mortgage deduction and the deduction for charitable giving¹⁵

Overall, Senator Rubio's proposal is massively and unquestionably pro-growth. It would be a huge step forward for the economy and for limited government. The non-partisan Tax Foundation estimated that over the next 10 years it would add 15% to Gross Domestic Product over current law.¹⁶ In short, the Rubio plan cuts marginal rates and eliminates taxes on investment, while at the same time eliminating billions in wasteful loopholes and deductions.

However, some of the proposals in the plan may strike free-marketers and supply-siders as robbing Peter to pay Paul. For example, instead of using the savings from eliminating various loopholes and deductions to further reduce marginal rates and promote more economic growth, Rubio's plan adds a new \$2,500 per child tax

5 Senate Roll Call Vote 251, 2012

6 Senate Roll Call Vote 47, 2013

7 Senate Roll Call Vote 40, 2012

8 Senate Roll Call Vote 58, 2013

9 Senator Marco Rubio and Senator Mike Lee, “Economic Growth and Family Fairness Tax Reform Plan”, Pg. 7-8, <http://1.usa.gov/1zYhTi8>

10 Ibid., Pg. 8

11 Ibid., Pg. 8

12 Ibid., Pg. 9

13 Ibid., Pg. 16

1 Senate Roll Call Vote 67, 2013

2 Senate Roll Call Vote 41, 2012

3 Senate Roll Call Vote 90, 2011

4 Senate Roll Call Vote 183, 2012

14 Ibid., Pg. 20

15 Ibid., Pg. 20

16 Tax Foundation, 3/4/15

credit.¹⁷ According to Rubio, this is because parents not only pay payroll taxes to fund America's entitlement programs, but also bear the cost of raising the very children who will pay the cost of entitlement programs in the future, which he describes as the "Parent Tax Penalty".¹⁸ The expanded child credit and emphasis on "family fairness" is a government-determined economic incentive for a very specific behavior, albeit with a much broader application and better intentions than cronyist breaks, like those for race track owners or ethanol manufacturers. In addition, the Inspector General of the Internal Revenue Service estimated that in Fiscal Year 2013 the IRS distributed nearly \$6 billion in potentially fraudulent child tax credit payments, a number that would likely increase if the size of the credit was expanded.¹⁹

While Senator Rubio's proposal for tax reform completely eliminates "tax extenders," Rubio did vote to continue them at the end of 2014.²⁰ The top marginal rate of 35% in the Rubio plan has raised some concerns. President Ronald Reagan's 1986 tax reform slashed the top marginal rate to 28%, a rate that Mitt Romney proposed returning to in 2012. The Cato Institute noted that the:

35 percent top tax rate will be imposed on any taxable income above \$75,000 for single taxpayers and \$150,000 for married taxpayers. Since the 35 percent and 39.6 percent tax rates currently apply only when income climbs above \$400,000, that means a significant number of taxpayers will face higher marginal rates.²¹

As a member of the Florida legislature, Rubio held a generally good record on taxes. He voted to eliminate Florida's

horrendous intangibles tax,²² to eliminate taxes on communications equipment²³ and alcohol,²⁴ and to require a two-thirds super majority vote by the public in order to approve future initiatives that might raise taxes or fees.²⁵ He also voted for a massive net tax cut that would have eliminated Florida's property tax while raising the state sales tax.²⁶ He later supported a property tax cap at 1.35% of assessed home value,²⁷ and Rubio twice voted against increasing the cigarette tax.²⁸

Rubio endorsed Mike Huckabee in 2007, in part because of Huckabee's Fair Tax platform. Rubio said he believed "that a consumption tax is fairer than an income tax or a property tax".²⁹

There are some blemishes in Rubio's otherwise good record on taxes in Florida. He voted for a tax on cruise ships to help pay for a new stadium for the Florida Marlins.³⁰ He voted for film production tax incentives³¹ and some fee increases.³² In his book, *100 Innovative Ideas for Florida's Future*, Rubio also proposed some tax incentives "to encourage homeowners and businesses to purchase energy-efficient appliances"³³ and "for clean alternative-fueled vehicles and hybrid passenger vehicles."³⁴

SPENDING

¹⁷ Ibid., Pg. 19

¹⁸ Ibid., Pg. 19

¹⁹ Politico, 12/9/14

²⁰ Senate Roll Call Vote 364, 2014

²¹ Cato Institute, 3/4/15

The Club for Growth is committed to reducing government spending. Less spending enhances economic growth by enabling lower taxes and diminishing the government's economically inefficient allocation of resources.

As a U.S. Senator, Rubio has a strong record on reducing spending. Rubio voted:

- FOR the Toomey budget in 2011 and 2012³⁵
 - AGAINST the Budget Control Act, which raised the debt limit by \$2.1 trillion³⁶
 - FOR cutting highway pork projects³⁷ and FOR barring funding for bike paths and scenic beautification³⁸
 - FOR a permanent ban on earmarks³⁹
 - FOR devolving the Highway Program back to the states⁴⁰ and AGAINST the bloated Highway Bill⁴¹
 - AGAINST the Ryan-Murray budget that partially unwound sequestration cuts from the Budget Control Act⁴²
 - FOR an amendment by Senator Mike Lee (UT) supporting a Balanced Budget Amendment to the Constitution⁴³
 - AGAINST the Farm Bill⁴⁴
 - AGAINST disaster aid for Hurricane Sandy relief without an offset⁴⁵ and
 - FOR offset emergency spending for the Hurricane Sandy disaster with an across-the-board cut to discretionary spending.⁴⁶
- Taken together, these votes place Rubio

³⁵ Senate Roll Call Vote 79, 2011; Senate Roll call Vote 99, 2012

³⁶ Senate Roll Call Vote 123, 2011

³⁷ Senate Roll Call Vote 170, 2011

³⁸ Senate Roll Call Vote 190, 2011

³⁹ Senate Roll Call Vote 8, 2012

⁴⁰ Senate Roll Call Vote 36, 2012; Senate Roll Call Vote 255, 2014

⁴¹ Senate Roll Call Vote 48, 2012

⁴² Senate Roll Call Vote 281, 2013

⁴³ Senate Roll Call Vote 30, 2011

⁴⁴ Senate Roll Call Vote 21, 2014

⁴⁵ Senate Roll Call Vote 4, 2013

⁴⁶ Senate Roll Call Vote 3, 2013

among the best spending cutters in the Senate.

He has also publicly called for the elimination of the federal Department of Education and the Export-Import Bank.⁴⁷

While Senator Rubio has an overall stellar record on spending at the federal level, there are a few blemishes. In 2011, Rubio voted against reducing funding for the Rural Development Agency by \$1 billion,⁴⁸ and in 2012 he voted against Rand Paul and Mike Lee's FY13 budget proposals, both of which contained massive reductions in federal spending.⁴⁹ He also voted against Rand Paul's FY14 budget proposal, which likely would have produced great reductions in federal spending.⁵⁰

Rubio's record on spending while in the Florida legislature was quite good. He proposed a constitutional amendment prohibiting Florida's government from growing faster than income growth.⁵¹ He voted for a similar amendment that would have capped increases in government revenue to population growth and inflation plus one percent.⁵² He also voted for legislation that allowed private companies to operate most of Florida's toll roads.⁵³

During Rubio's time as a state lawmaker, however, many budgets contained "turkeys," which are roughly equivalent to pork barrel projects in Washington. In 2007, Florida's budget contained \$270 million in pork, including \$800,000 "to install artificial turf on a South Florida recreational field where House Speaker Marco Rubio plays flag football,"⁵⁴ and in 2008 the budget contained \$3.6 million for a "children's

zone" supported by then-Speaker Rubio for helping "youngsters avoid crime".⁵⁵

ENTITLEMENT REFORM

America's major entitlement programs are already insolvent. The Club for Growth supports entitlement reforms that enable personal ownership of retirement and health care programs, benefit from market returns, and diminish dependency on government.

In general, Senator Rubio has expressed strong support for reforming our entitlement programs. He supports changing Medicare into a premium support system.⁵⁶ Rubio has also voted to repeal Obamacare⁵⁷ and he stood with other fiscal conservatives in the fight to defund Obamacare.⁵⁸ He has voted to restrict eligibility for food stamps and to block grant the program to the states.⁵⁹ Rubio also voted to block legislation to extend unemployment benefits without offsetting spending cuts,⁶⁰ and proposed replacing the current employer-based system of tax credits for health insurance with an individually based one.⁶¹

There are a few questionable votes and statements in Rubio's record. In 2013 he voted to prohibit making Medicare into a voucher program, contradicting his earlier support.⁶² The following year he voted twice for delaying reasonable subsidy cuts to the federal flood insurance program, which mainly benefits coastal states such as Florida.⁶³ In principle, this runs contrary

to his outstanding vote, as one of just four Republicans, against continuing the Terrorism Risk Insurance Act.⁶⁴ Rubio has also called Medicare Part D a "success story" because the estimated cost of the program has come in well under projections, despite the fact that the program itself is a massive expansion of the entitlement state.⁶⁵

In the Florida legislature, Rubio voted for legislation that would allow insurers to offer "bare-bones" health insurance plans for "about \$150 a month."⁶⁶ Such a plan would have been consistent with principles advocated for by the Club. He also voted for Gov. Jeb Bush's "empowered care" plan which allotted money for Medicaid recipients to purchase health care from private medical networks in two pilot counties.⁶⁷ And, Rubio voted for a bill which cut automatic annual cost-of-living increases in payments to Florida hospitals and nursing homes.⁶⁸

Rubio did support an entitlement change that should give pro-growth conservatives pause. He voted to expand the qualifications for enrollment in Florida's KidCare program and for an expansion of premium assistance to enrolled participants.⁶⁹

REGULATION

Excessive government regulation stymies individual and business innovation necessary for strong economic expansion. The Club for Growth supports less and more sensible government regulation as a critical step toward increasing freedom and growth in the marketplace.

Senator Rubio has strongly opposed anti-growth regulations. In the U.S. Senate he voted:

47 Politico, 4/28/15

48 Senate Roll Call Vote 189, 2011

49 Senate Roll Call Vote 100, 2012; Senate Roll Call Vote 101, 2012

50 Senate Roll Call Vote 69, 2013

51 Marco Rubio, 100 Innovative Ideas for Florida's Future, #93

52 HJR 7125, 4/24/08

53 HB 7033, 3/22/07

54 Orlando Sentinel, 6/14/07

55 Orlando Sentinel, 5/12/08

56 Senator Marco Rubio, Reclaiming the American Dream Policy Booklet, Pg. 48

57 Senate Roll Call Vote 9, 2011

58 Politico, 7/11/13

59 Senate Roll Call Vote 120, 2012; Senate Roll Call Votes 130 & 132, 2013

60 Senate Roll Call Vote 2, 2014

61 Senator Marco Rubio, American Dreams, Pg. 123-124

62 Senate Roll Call Vote 48, 2013

63 Senate Roll Call Vote 19, 2014; Senate Roll

Call Vote 78, 2014

64 Senate Roll Call Vote 231, 2014

65 Senator Marco Rubio, American Dreams, Pg. 149-150

66 SB 2534, 4/19/08

67 SB 838, 5/6/05

68 SB 1852, 3/6/08

69 HB 7189, 2007

- AGAINST Davis-Bacon wage requirements⁷⁰
- FOR blocking the EPA from regulating greenhouse gases⁷¹
- AGAINST increasing loan limits for Fannie and Freddie⁷²
- FOR postponing price controls on debit card interchange fees⁷³
- FOR nullifying the FCC's "net neutrality" rules⁷⁴
- FOR nullifying the EPA's rule regarding cross-state air pollution⁷⁵
- FOR the Keystone XL pipeline⁷⁶

Rubio has proposed creating a "National Regulatory Budget" which "would be tasked with estimating the cost of all existing federal regulations and setting an amount that each agency's regulations would be allowed to cost the economy."⁷⁷ On the topic of cronyism between business and government, he has blamed both political parties for giving businesses "a competitive advantage": "Big business uses its influence to create regulations— typically under the guise of public safety or some other seemingly unassailable good— that it can afford to comply with, but smaller companies can't."⁷⁸

Strangely, Rubio has made two bad votes with regard to the U.S. Postal Service; he was one of just 12 Republicans to vote against an amendment aimed at preventing costly buyout incentives for postal

workers eligible for retirement,⁷⁹ and he voted against prohibiting collective bargaining by postal workers.⁸⁰

As a member of the Florida legislature, Rubio sponsored legislation to prohibit eminent domain solely for the purpose of economic development,⁸¹ and as Speaker he expressed support for drilling off the Florida coast.⁸² However, Rubio did vote for a bill to mandate autism coverage⁸³ and vowed that he would "negotiate all night, every night if needed" to pass a "more expansive and more costly" mandate that would also require coverage of cerebral palsy, Down syndrome, and other conditions.⁸⁴

Rubio also supported a plan that exposed the state government of Florida to more of the risk from hurricanes. It temporarily stopped increases in rates paid by customers of Citizens Property Insurance Corporation, Florida's state-backed homeowner's insurance company, and it offered state-subsidized reinsurance as a way to entice private insurers into the state.⁸⁵

Rubio also proposed, in his *100 Innovative Ideas for Florida's Future*, to "foster the development and use of alternative energy sources and ethanol production"⁸⁶ and he voted for legislation containing an ethanol mandate that authorized – with legislative approval required for implementation – Florida's Department of Environmental Protection to pursue a system of cap-and-trade to reduce greenhouse gas emissions.⁸⁷

FREE TRADE

Free trade is a vital policy necessary for maximizing economic growth. In recent decades, America's commitment to expanding trade has resulted in lower costs for consumers, job growth, and higher levels of productivity and innovation.

Senator Rubio is a strong proponent of free trade. His record in Congress includes voting:

- FOR Free Trade Agreements with South Korea,⁸⁸ Panama,⁸⁹ and Colombia⁹⁰
- FOR Permanent Normal Trade Relations with Russia⁹¹
- FOR reinstating Trade Promotion Authority (TPA)⁹²
- AGAINST reauthorizing Trade Adjustment Assistance (TAA)⁹³ and FOR reducing TAA to pre-stimulus levels⁹⁴
- AGAINST reauthorization of the Export-Import Bank, a taxpayer-backed fund that distributes export subsidies to some of America's biggest corporations⁹⁵
- AGAINST legislation targeting China for so-called "currency manipulation"⁹⁶
- AGAINST "Buy American" legislation⁹⁷

In his book, Senator Rubio expounded on his support for TPA, writing that "carefully crafted trade policies could be a boon to tens of thousands of American small businesses, not to mention consumers." He also noted support for the Trans-Pacific

70 Senate Roll Call Vote 11, 2011; Senate Roll Call Vote 243, 2012

71 Senate Roll Call Vote 54, 2011

72 Senate Roll Call Vote 180, 2011

73 Senate Roll Call Vote 86, 2011

74 Senate Roll Call Vote 200, 2011

75 Senate Roll Call Vote 201, 2011

76 Senate Roll Call Vote 61, 2013

77 Senator Marco Rubio, Reclaiming the American Dream Policy Booklet, Pg. 35

78 Senator Marco Rubio, American Dreams, Pg. 23

79 Senate Roll Call Vote 71, 2012

80 Senate Roll Call Vote 79, 2012

81 Tampa Tribune, 7/19/06

82 Bradenton Herald, 6/19/08

83 SB 2654, 5/2/08

84 Tampa Tribune, 4/30/08

85 Orlando Sentinel, 1/11/07

86 Marco Rubio, 100 Innovative Ideas for Florida's Future, #75

87 HB 7135, 4/30/08

88 Senate Roll Call Vote 161, 2011

89 Senate Roll Call Vote 162, 2011

90 Senate Roll Call Vote 163, 2011

91 Senate Roll Call Vote 223, 2012

92 Senate Roll Call Vote 141, 2011

93 Senate Roll Call Vote 149, 2011

94 Senate Roll Call Vote 143, 2011

95 Senate Roll Call Votes 91 and 96, 2012

96 Senate Roll Call Vote 159, 2011

97 Senate Roll Call Vote 174, 2011; Senate Roll Call Vote 123, 2013

Partnership and the Transatlantic Trade and Investment Partnership.⁹⁸

Overall, Rubio's record on trade is strong, with the exception of three votes against efforts to reduce or phase out America's protectionist sugar program.⁹⁹ These parochial votes may give free traders pause, but even the most protectionist presidential candidates have become strong free traders once they were elected President.

SCHOOL CHOICE

The Club for Growth supports broad school choice, including charter schools and voucher programs that create a competitive education market including public, private, religious, and non-religious schools. More competition in education will lead to higher quality and lower costs.

Senator Rubio voted for redirecting current education funding towards vouchers.¹⁰⁰ He has also sponsored the Educational Opportunities Act; inspired by state-level school choice programs in Florida, Rubio's bill would offer federal tax credits to private businesses that fund scholarships for private primary and secondary education.¹⁰¹ Additionally, Rubio has co-sponsored a school choice bill offered by Senator Tim Scott (R-SC).¹⁰²

While serving in Florida's legislature, Rubio voted for the expansion of Florida's school choice program,¹⁰³ vouchers for disabled children,¹⁰⁴ and vouchers for students from impoverished families.¹⁰⁵ He also sponsored legislation that would have put protections for school voucher

programs into Florida's Constitution.¹⁰⁶

TORT REFORM

The American economy suffers from excessive litigation which increases the cost of doing business and slows economic growth. The Club for Growth supports major reforms to our tort system to restore a more just and less costly balance in tort litigation.

In his time in the U.S. Senate there have been few votes on the topic of tort reform, but Rubio did vote for pro-growth medical malpractice reform.¹⁰⁷

Rubio had an outstanding record on tort reform during his service in Florida's legislature. He voted for legislation to limit punitive damages against nursing homes,¹⁰⁸ cap liability of emergency room facilities for noneconomic damages,¹⁰⁹ and to limit liability for utility companies and retail stores.¹¹⁰ He also voted for legislation that eliminated joint and several liability.¹¹¹

POLITICAL FREE SPEECH

Maximizing prosperity requires sound government policies. When government strays from these policies, citizens must be free to exercise their constitutional rights to petition and criticize those policies and the politicians responsible for them.

Senator Rubio voted against a constitutional amendment offered by liberal Democrats to target political speech,¹¹² and he rightly called the Supreme Court's pro-free speech decision in *Citizens United*, "a victory for those who truly value the freedoms outlined in our First Amendment."¹¹³

In Florida, Rubio voted for an amendment, to a campaign finance bill, that would have removed a \$500 per year limit on contributions to 527 and 501(c)(4) advocacy groups.¹¹⁴ If left in place, such a limit would have made the bill substantially more restrictive of free speech. However, he also proposed legislation to "reduce the growth of the paid petition business and the influence of moneyed special interests in the citizen initiative process."¹¹⁵ He also supported legislation that would have increased disclosure requirements for advocacy groups,¹¹⁶ and voted for a bill that would prohibit organizations from using money received within five days of an election until after the election.¹¹⁷ These votes do not exhibit support for unfettered political free speech.

POLITICAL ACTIVITY & ENDORSEMENTS

Robust political activity is essential to producing a federal government that is more respectful of free markets and produces more pro-economic growth policies. The Club for Growth's PAC has been active in some of the more central battles within the Republican Party nominating process in recent years, supporting pro-growth candidates over pro-government ones.

Marco Rubio's senate election in Florida in 2010 was a watershed moment in the modern conservative movement. Rubio had the courage to take on then-Republican (later turned Democrat) incumbent Governor Charlie Crist in the Republican U.S. Senate primary. Rubio should be commended for his willingness to fight the Washington and Florida Republican establishments in a very uphill battle, and to do so because he was convinced that Crist did not stand for limited government principles.

98 Senator Marco Rubio, American Dreams, Pg. 42-43

99 Senate Roll Call Votes 119 & 151, 2012; Senate Roll Call Vote 134, 2013

100 Senate Roll Call Vote 63, 2013

101 Washington Times, 2/13/13

102 S.265, 2015

103 HB 303, 3/22/01

104 SB 1180, 5/4/01

105 Sun Sentinel, 5/5/01

106 HJR 1573; Sun Sentinel, 3/13/06

107 Senate Roll Call Vote 78, 2013

108 SB 1201, 5/4/01

109 SB 2D, 8/13/03

110 HB 135, 4/22/05; HB 1931, 5/6/05

111 HB 145, 3/16/06

112 Senate Roll Call Vote 261, 2014

113 Politico, 1/21/10

114 SB 716 Amendment 2, 5/5/06

115 Marco Rubio, 100 Innovative Ideas for Florida's Future, #38

116 SB 2345, 4/30/04

117 SB 716, 5/5/06

Beyond his own election, Rubio has almost never made an endorsement in a contested Republican primary for federal office. There is one particularly onerous exception: he endorsed liberal former Arkansas Governor Mike Huckabee for President in December of 2007, well after many fiscal conservatives had made their distaste for Huckabee's record clear.

SUMMATION

While Marco Rubio's career in the Florida legislature was largely positive, though somewhat uneven on pro-growth issues, there's little to argue about on his record in the U.S. Senate. Rubio has made bold proposals that would fundamentally reform the tax code and the entitlement state. He has a consistent record of supporting policies like free trade and tort reform, and he supports commonsense regulatory reforms. Some fiscal conservatives may disagree with a few of the details of some of his policy proposals, such as the top marginal rate in his tax plan, but overall Senator Rubio's agenda would make America much freer and more prosperous. We are confident that Marco Rubio would be a pro-growth President.