

[By Alexander Bolton](#)

Democrats are talking tough heading toward a year-end showdown over the Bush-era tax rates, but some liberals and Republicans are skeptical they will back up their rhetoric with action.

President Obama and Democratic leaders took a similar stance ahead of the 2010 midterm election and then backed down in December of that year by extending virtually all of the George W. Bush-era tax rates in return for a payroll tax holiday and unemployment benefits.

Many rank-and-file Democrats were outraged by the deal and vowed they would not let it happen again, but some liberals and Republicans see a possible repeat of history.

When asked if he thinks Obama and Democratic leaders will stand firm at the end of this year, Sen. Bernie Sanders (Vt.), an outspoken critic of the 2010 deal, said "maybe."

Sanders, an Independent who caucuses with Democrats, was so angered by the agreement Obama struck with Senate Republican Leader Mitch McConnell (Ky.) he held the Senate floor for eight and a half hours to voice his opposition. He said more Democrats are coming around to his view.

"When many Democrats go home and they hear from constituents who say, 'Why did you give Republicans almost everything they wanted when you controlled the House, the Senate and the White House?' they don't have a good answer to that," he said.

Ron Bonjean, who served as a senior aide to former Senate Republican Leader Trent Lott (Miss.) and House Speaker Dennis Hastert (R-Ill.), said the Democrats' talk is not convincing.

"There's a game of chicken that Democrats like to play and lose and will likely lose again," he

said. "The tough talk about the fiscal cliff is nothing but that. It will boomerang back, the blame will boomerang back at the Democrats.

"There's nothing new here," he added, making reference to the brief 2010 standoff.

Senate and House leaders have planned votes on the Bush tax rates before the August recess, but neither Democratic nor Republican plans are expected to pass.

The deadline for extending the rates is the end of the year, and congressional aides say the question of whether to extend all the rates or only those for the middle class will likely wait until after Election Day, when lawmakers will know who will control the White House, Senate and House.

The latest Democratic salvo came from Democratic Senatorial Campaign Committee Chairwoman Patty Murray (Wash.) in a speech to the Brookings Institution on Monday.

"Unless Republicans end their commitment to protecting the rich above all else, our country is going to have to face the consequences of Republican intransigence," she said, suggesting that Democrats would be willing to let all the Bush-era tax rates expire unless Republicans agree to find ways to raise new tax revenue.

Former Clinton budget director Alice Rivlin said at the Brookings event that Murray's statement could serve as a useful negotiating strategy.

Democratic strategists acknowledge a certain amount of gamesmanship.

"Part of it is framing the election debate," said Mike Lux, a Democratic strategist. "Of course there's some negotiating tactics at play.

"People are laying out where their positions are and then will negotiate from there," he added.

Democrats say there are some crucial differences between now and 2010.

They have the additional leverage of \$55 billion in automatic cuts to the military in 2013, which influential Republicans such as Sen. John McCain (Ariz.) are committed to stopping.

Unlike two years ago, Republicans including McCain and Sen. Lindsey Graham (R-S.C.) say they are willing to raise new revenues by eliminating niche tax breaks.

Another big difference — although few Democrats point to it publicly — is that Obama will not face reelection two years down the road. Obama did not want to risk an expiration of the Bush tax rates in 2010 because he would have been accused of raising taxes during his reelection bid.

"I think people think that was a different time and the president is in a different place politically," said Lux. "Obama is going to run on the progressive tax issue."

Republicans, meanwhile, are hammering Democrats on the issue.

McConnell accused Democrats of playing "an entirely avoidable high-stakes game of chicken" and warned that a failure to extend the Bush-era tax rates and avert cuts to military spending would threaten to plunge the nation back into recession.

And House Speaker John Boehner (R-Ohio) asked, "Has it come to this, that Democrats are willing to hurt jobs and tank our economy for the sake of a small-business tax hike that would also have disastrous consequences?"

Liberal lawmakers, who staunchly oppose a replay of the 2010 tax debate, applaud the deployment of forceful tactics.

"Not only did the Democrats take a bad deal, America got a bad deal," said Rep. Peter Welch (D-Vt.). "The president's concern was not having a government shutdown, but the price we paid was a continuation of the Bush tax cuts at a cost of \$800 billion in exchange for \$13 billion in unemployment relief."

Welch said Obama has reassured liberals by campaigning vigorously against extending the Bush tax rates for the nation's wealthiest income earners.

"The president is being very firm on his explicit position that he won't agree on extending the Bush tax cuts above \$250,000," he said.

Welch admits he's not 100 percent certain Obama will hold the line, but says he is growing more hopeful.

"There's always a possibility that something can happen with anybody, including the president, but what I'm seeing is a good deal of strengthening confidence because of the president's clarity," he said.