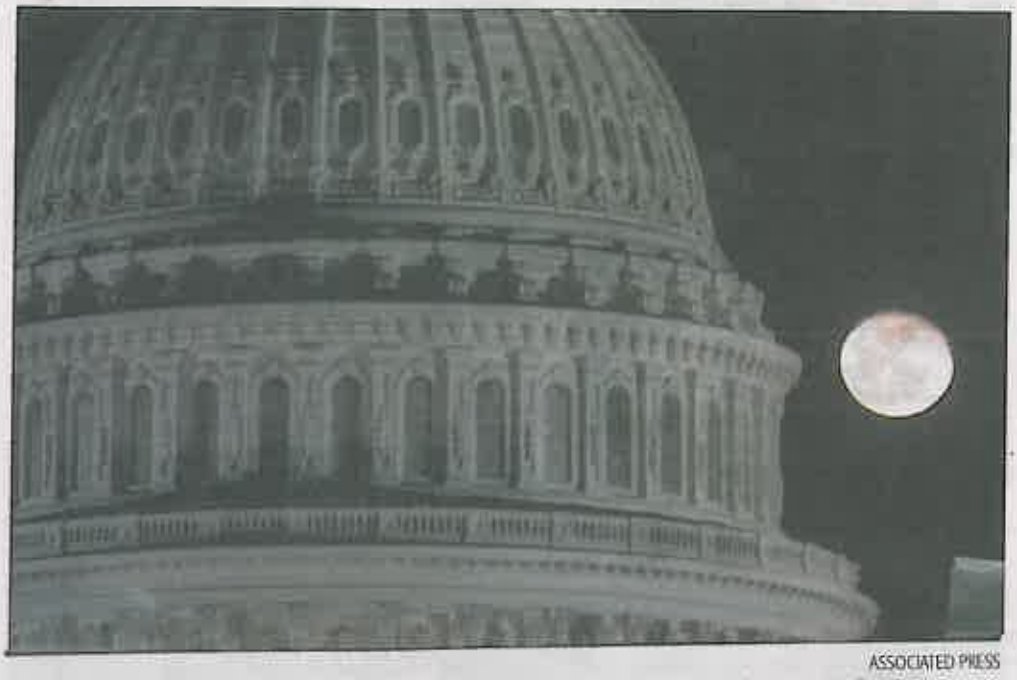
Officials: 'Cliff' deal reached



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The moon rises behind the U.S. Capitol Dome on Sunday in Washington as Congress worked into the late evening to resolve the stalemate over the pending "fiscal cliff."

BY DAVID ESPO
ASSOCIATED PRESS

WASHINGTON — Racing against the clock, the White House reached agreement with congressional Republicans late Monday on a deal to prevent across-the-board tax increases and spending cuts to government programs from taking effect at midnight, according to administration and Senate Democratic officials.

These officials said a New Year's Eve vote in the Senate to ratify the deal was possible later in the evening, barring opposition from majority Democrats.

There was no immediate confirmation from aides to the top Republicans in Congress, Sen. Mitch McConnell and House Speaker John Boehner.

Vice President Joseph Biden headed for the Capitol to brief the Democratic rank and file.

The officials who described the developments did so on condition of anonymity, saying they were not authorized to discuss the details.

Hours earlier, President Barack Obama said, "It appears that an agreement to prevent this New Year's tax hike is within sight. ... But it's not done," he added of legislation that redeems his campaign pledge to raise taxes on the wealthy while sparing the middle class.

Even by the dysfunctional standards of government-by-gridlock, the activity at both ends of historic Pennsylvania Avenue was remarkable as the White House and Congress struggled over legislation to prevent a "fiscal cliff" of tax increases and spending cuts.

As darkness fell on the last day of the year, Obama, Biden and their aides were at work in the White House, and lights burned in the House and Senate. Democrats complained that Obama had given away too much in agreeing to limit tax increases to incomes over $450,000, far above the $250,000 level he campaigned on. Yet some Republicans recoiled at the prospect of raising taxes at all.

A late dispute over the estate tax produced allegations of bad faith from all sides.

Senate Republican leader Mitch McConnell — shepherding final talks with Biden — agreed with Obama that an overall deal was near. In remarks on the Senate floor, he suggested Congress move quickly to pass tax legislation and "continue to work on finding smarter ways to cut spending" next year.

The White House and Democrats initially declined the offer, preferring to prevent the cuts from kicking in at the Pentagon and domestic agencies alike. Officials said they might yet reconsider, although there was also talk of a short-term delay in the reductions.