

Highlights from Six Budget Plans

Simpson-Bowles/ Fiscal Commission	Domenici-Rivlin/ Bipartisan Policy Center	Galston-MacGuineas/ CRFB	Congressman Ryan/ House Republican Plan	Obama Budget released in Feb, 2011	Obama Budget speech on April 13
Ratio of Debt to GDP					
Debt: 65% by 2020	Debt: 60% by 2020	Debt: 60% by 2020	Debt: 70% by 2022	Debt: 86% by 2020	Debt: Not yet calculated
Social Security					
<ul style="list-style-type: none"> - Increase early and normal retirement ages and index for longevity - Increase payroll tax cap - Slow benefit growth for high and medium-income workers - Enhance benefits for most vulnerable 	<ul style="list-style-type: none"> - Index the benefit formula for increases in life expectancy - Increase payroll tax cap - Reduce growth in benefits for top 25% of beneficiaries - Increase the minimum benefit for low-wage earners 	<ul style="list-style-type: none"> - Increase retirement age gradually with earlier disability eligibility for laborers - Slow benefit growth for high and medium-income workers - Smaller cost-of-living increases 	<ul style="list-style-type: none"> - Set in motion a process to require the President and Congress to reform Social Security 	<ul style="list-style-type: none"> - Ask Congress to reform Social Security without privatizing the system or making benefit cuts for current or future beneficiaries 	<ul style="list-style-type: none"> - Still supports reform as long as the system is not privatized, cuts are not made and the most vulnerable are better protected
Medicare and Medicaid					
<ul style="list-style-type: none"> - Reform physician payments - Reform or repeal the CLASS Act - Create savings through reduction in Medicare fraud, reforms to Medicare cost-sharing, malpractice law, prescription drug costs 	<ul style="list-style-type: none"> - Gradually raise Medicare Part B premiums - Create savings through reforms to Medicare's cost-sharing structure, Medicaid's federal/state financing structure, medical malpractice laws, and physician payments 	<ul style="list-style-type: none"> - Raise Medicare premiums for higher income earners and copayments for everyone but the poor - Raise Medicare eligibility age and index for life expectancy - Reduce health subsidies 	<ul style="list-style-type: none"> - Turn Medicare and CHIP into voucher programs for future generations - Convert federal share of Medicaid spending into block grants for states - Repeal the Affordable Care Act 	<ul style="list-style-type: none"> - Freeze Medicare's payment rates for physicians at the current level through 2021 	<ul style="list-style-type: none"> - Lower Medicare cost growth by strengthening the Independent Payment Advisory Board - Reduce Medicare's prescription drug spending - Simplify the federal/state cost-sharing structure
Defense					
<ul style="list-style-type: none"> - Cap 2012 spending at 2010 levels, 1 percent cut from 2013-2015, then limit growth to inflation 	<ul style="list-style-type: none"> - Freeze discretionary defense spending for 5 years and cap at GDP thereafter - Reform military health care 	<ul style="list-style-type: none"> - Impose war surtax after 2015 - Reduce weapons systems, change contracting system - Reform military health care 	<ul style="list-style-type: none"> - No reductions beyond the \$78 billion in cuts identified in Obama's budget 	<ul style="list-style-type: none"> - Reduce defense spending by \$78 billion over five years 	<ul style="list-style-type: none"> - Sets a goal of holding the growth of base security spending below inflation

Simpson-Bowles	Domenici-Rivlin	Galston-MacGuineas	Rep. Ryan	Obama Feb Budget	Obama April Speech
Other Spending					
<ul style="list-style-type: none"> - Cap non-security discretionary spending through 2020, return to pre-crisis 2008 levels by 2013 and limit future growth to half the rate of inflation - Cut farm subsidies - Reform military and civil service retirement - Reform student loan systems - Put the Pension Benefit Guaranty Corporation on a sustainable path 	<ul style="list-style-type: none"> - Freeze domestic discretionary spending for 4 years and cap at GDP thereafter - Reduce farm subsidies - Reform military and civilian retirement - Use more accurate Cost of Living Adjustment for all federal benefit programs 	<ul style="list-style-type: none"> - Tie federal salaries to private sector wage growth - Gradually replace farm subsidies with catastrophic loss insurance 	<ul style="list-style-type: none"> - Reduce non-security government spending to below 2008 levels and institute a 5-year freeze - Reduce the federal workforce by 10% through attrition, institute a 5-year pay freeze, and reform federal employees' benefit packages - Reduce farm subsidies - Reduce Pell grants, SNAP, housing assistance, job training 	<ul style="list-style-type: none"> - Freeze domestic discretionary spending for 5 years - Cut domestic programs including community services and environmental protection - Make room for increased spending in education, infrastructure, clean energy, and innovation 	<ul style="list-style-type: none"> - Cut non-security discretionary spending by following Fiscal Commission's recommendation - Continue investments in energy, education and infrastructure - Cut farm subsidies - Shore up the Pension Benefit Guaranty Corporation
Tax Reform and Revenues					
<ul style="list-style-type: none"> - Reduce tax rates across the board, with the top rate not to exceed 29% - Reform corporate taxes to a single rate between 23% and 29% - Eliminate all income tax expenditures except those that promote work, homes, health, charity and savings 	<ul style="list-style-type: none"> - Cut tax rates and establish just two brackets at 15% and 27% - Cut the top corporate tax rate to 27% - Eliminate most tax expenditures and reform the remaining to make them more targeted and effective - Establish a 6.5% national Debt Reduction Sales Tax 	<ul style="list-style-type: none"> - Use carbon tax to lower payroll taxes and reduce deficit - Reform corporate tax to broaden base and lower rate - Reduce tax deductions, exemptions and credits by 10% 	<ul style="list-style-type: none"> - Consolidate tax brackets and lower rates, with a top rate of 25% - Lower corporate tax rate to 25% - Cap revenue at 19% of GDP - Reduce tax exemptions and use increased revenue to offset lower tax rates 	<ul style="list-style-type: none"> - Extend the 2001, 2003 and 2010 tax reductions permanently, with some modifications - Reduce the corporate tax rate - Extend or expand various refundable tax credits, including the EITC, child tax credit and certain education credits 	<ul style="list-style-type: none"> - Supports the Fiscal Commission's goal of reducing tax expenditures enough to lower rates and the deficit - Simplify the tax code for individuals - Reform the corporate tax code in order to reduce rates without adding to the deficit - Will not renew tax cuts for the wealthy