



U.S. House of Representatives

The Budget for All

Budget of the Congressional Progressive Caucus

Fiscal Year 2013

Executive Summary

The American Dream has always meant that hard work and responsibility lead to a good job and a better life for your children. The American people deserve and demand a budget that makes that dream a reality for all. Getting our fiscal house in order and addressing our jobs crisis will require asking tough questions and making difficult decisions. The Congressional Progressive Caucus's *Budget for All* responds by listening to the American people and reflecting their values.

Throughout our history, Americans have stood shoulder to shoulder to fight through the worst. At this decisive moment, the *Budget for All* asks the most fortunate to contribute a sensible share. We ask because we value a teacher as much as a CEO, a grocer as much as a venture capitalist, working moms as much as working dads, and our rough neighborhoods as much as our safe suburbs. The CPC budget is a governing vision for all Americans. It is a reflection of their priorities and voices.

Americans believe in the covenant made between a government and its citizens. We hear them, and honor the promises made by Social Security, Medicare, and Medicaid. The CPC Budget protects these basic guarantees: When you are old, you will not live in poverty; when you are sick, you will have affordable health care; and when you've fallen on tough times, you will have support to get back on your feet. Those promises are not up for negotiation or experimentation.

Americans believe, and experts agree, that the solution to our debt and deficit woes should rely on three components: Job growth, increased revenues, and spending cuts. The *Budget for All* relies on all three. Government is not the panacea for the issues that we face, but it is not the singular cause of our nation's strife as some would suggest. Our budget is a plan for those that believe in a government that works for them and helps find solutions.

Our Budget Invests in Job Creation Now & Lays the Foundation for the Future

When middle-class Americans earn a paycheck, the entire economy succeeds. By focusing our investments in targeted areas such as transportation infrastructure, domestic manufacturing, and small businesses innovation, while supporting tax credits for working families, the *Budget for All* gets the economy back on the right track.

Make no mistake: every tax cut for a millionaire is an education cut for America's children; every tax giveaway to special interests gives away our ability to rebuild America. We need a budget that works for all Americans – not just the well-connected and well-off. Working and middle class Americans have been working harder and harder for less and less. This budget achieves long-term fiscal sustainability while protecting the services, programs, and promises that Americans support. There is a pathway forward of shared responsibility and prosperity. This is it.

Overview of Our Policies

Our Budget's Top Line

- Deficit reduction of \$6.8 trillion
- Primary spending cuts of \$749 billion
- Public investment and job creation measures of \$2.9 trillion
- Debt reduced to 62.3% of GDP by 2022

Comprehensive Economic Recovery Package

- Infrastructure Bank
- Surface transportation investment (we propose a six-year \$556 billion reauthorization bill that, over ten years, would lead to a \$241 billion increase in transportation funding)
- Making Work Pay tax credit for 2013 through 2015
- More than \$2 trillion domestic investment package including:
 - The Emergency Jobs to Restore the American Dream Act – School Improvement, Park Improvement, Student Jobs, Neighborhood Heroes, Health, Community, and Child Care Corps
 - Widespread domestic investments (see function chart)
 - Job Creating Initiatives from the President's FY2013 Budget
 - Temporary 10 percent tax credit for new jobs and wage increases (\$20.8 billion)
 - Additional tax credits for investment in advanced energy manufacturing (\$3.2 billion)
 - National Network of Manufacturing Innovation Institutes (\$1 billion)
 - Capital access for entrepreneurs and small businesses (\$2 million)
 - Manufacturing Communities tax credit (\$4.3 billion)
 - Tax credit for the production of advanced technology vehicles (\$1.7 billion)
 - Tax credit for alternative-fuel commercial vehicles (\$1.7 billion)
 - Double the amount of expensed start-up expenditures (\$3.1 billion)
 - Enhance and make permanent the research and experimentation tax credit (\$99.3 billion)

Individual Income Tax Policies

- Allow the Bush-era tax cuts to expire for the top 2% of earnings at the end of 2012, while extending marriage relief, credits, and incentives for children, families, and education.
- Allow the 28% and 25% brackets to sunset once the economy is on solid footing, in 2017 and 2019, respectively. The 10% bracket does not sunset and is extended throughout the 10 year window.
- Maintain refundable credits' expansion as outlined in the American Recovery and Reinvestment Act (Earned Income Tax Credit, the Child and Dependent Care Credit, and the American Opportunity Tax Credit)
- Index the AMT for inflation for a decade (the AMT patch is fully paid for)
- Enact the Fairness in Taxation Act - millionaire and billionaire tax rates proposal (adding 45%, 46%, 47%, 48%, and 49% top rates)
- Tax all capital gains and qualified dividends as ordinary income
- Repeal the step-up basis for capital gains
- Limit the rate at which itemized deductions can reduce tax liability to 28% for high earners
- Eliminate the mortgage interest deduction for vacation homes and yachts
- Replace the tax exclusion for interest on state and local bonds with a subsidy for the issuer
- Enact a high net worth surcharge (0.5% on wealth over \$10 million, over 10 years)

- End the exclusion for foreign-earned income

Corporate Tax Reform

- Eliminate corporate welfare for oil, gas, and coal companies
- Enact a financial crisis responsibility fee
- Enact a financial speculation tax
- Reinstate Superfund taxes
- Price carbon pollution together with a robust rebate that holds low and moderate income households harmless
- Close various corporate loopholes that distort true tax liability
- Adopt the international tax reforms in the President's FY2013 budget

Health Care

- Enact a public option
- Allow Medicare to negotiate cheaper prescription drug prices in Part D
- Adopt targeted Medicare and Medicaid fraud, waste, and abuse savings from the President's budget while maintaining all benefits
- Adopt the generic prescription drug development and release proposals in the President's budget
- Adopt the Narrowing Exceptions for Withholding Taxes (NEWIT) Act
- Prevent a cut in Medicare physician payments for a decade (the "doc fix" is fully paid for)
- End subsidies for junk and fast food advertising to children

Social Security

- Eliminate the taxable maximum on the employer and employee side, phased in over 5 years.
- Maintain benefit structure, increase benefits based on higher contributions on the employee side

Defense Savings

- End overseas contingency operations emergency funding starting in Fiscal Year 2014, providing funding for a secure redeployment in FY2013
- Reduce baseline defense spending by reducing strategic capabilities, including Cold War-era nuclear weapons and infrastructure, conventional forces, procurement, and end strength

Other Policies

- Enact Comprehensive immigration reform
- Reduce agriculture subsidies
- Adopt public financing of elections

Background on Policy Proposals

Job Creation & Domestic Investments

The *Budget for All* attacks America's persistently high unemployment by utilizing all of the tools at our disposal: Direct-hire programs (as seen in the Emergency Jobs to Restore the American Dream Act), private sector tax incentives (as outlined by the President's FY2013 budget proposals), and widespread domestic investments.

The Emergency Jobs to Restore the American Dream Act. This legislation outlines a plan to put over 2 million individuals back to work over the next 2 years by hiring them for work in areas critical to our quality of life. This would create the School Improvement Corps for public school rehabilitation projects, the Park Improvement Corps made of youth ages 16 to 25 for restoration on public lands, the Student Jobs Corps of college students for part-time work study positions, the Neighborhood Heroes Corps to employ teachers, firefighters and cops, among others. Priority hiring is given to the unemployed and veterans.

Targeted Economic Improvement Tax Incentives from President's FY2013 Budget. The *Budget for All* includes several of the President's proposals to spur clean energy, manufacturing, and cutting-edge technological investments in the private sector. These specifically targeted approaches will remake the middle class, keep our nation competitive in the 21st century, and boost much-needed private sector job growth in the immediate future.

Domestic Investments. Domestic investments create jobs and lay the foundation for exceptional American industries competing in the global economy. The creation of an **infrastructure bank** would attract private investment toward critical infrastructure projects and facilitate private-public partnerships with our states and localities. Some projections estimate that the iBank could mobilize up to \$625 billion in funding for infrastructure. A \$556 billion **surface transportation bill** would help meet the overwhelming need for repair and construction of our roadways and aging infrastructure. Lastly, the *Budget for All* outlines a plan for nearly \$2.1 trillion in **widespread domestic investment**, getting badly needed funds to valuable programs that are scheduled for starvation under current law.

Housing. Millions of families have already lost their homes and an estimated twelve million Americans now owe more money than their home is worth. This means one in four homeowners is at high risk of foreclosure and the problem is far from over. The negative equity creates a drag on consumer spending and is prolonging the economic crisis. Our budget protects and invests in important programs that are staving off further devastation by providing additional funding to Income Security, Housing and Commerce, Education, Training and Social Services, and Veterans Benefits and Services functions within the budget. Additionally, the caucus supports policies that are beyond the context of this budget, but will further hold banks accountable for careless and fraudulent actions as well as allowing write down on mortgage principal amounts for struggling homeowners.

Protects Working Families. The middle class that is the backbone of America is shrinking as more families fall into poverty. The Progressive Caucus believes that every child has the right to good health, a good education and a roof over their head. Our budget invests in Supplemental Nutritional Assistance Program (SNAP) and Nutrition Program for Women, Infants and Children (WIC) that ensure children aren't going to bed hungry at night. Funding Temporary Assistance for Needy Families (TANF) provides assistance and work opportunities to families that are struggling through the recession. Unemployment compensation protects American families and creates the consumer demand needed to create jobs. The *Budget for All*

properly funds education so that American children are not falling behind the rest of the world and that we are making America's future bright starting with each and every child.

Our Budget Creates a Fair Tax System

It defies all reason and common-sense that a multi-millionaire like Warren Buffett would pay lower tax rates than his secretary. At the very least, our nation should take a basic step towards fairness and adopt the "Buffett Rule." The *Budget for All* goes beyond this rule by treating wealth made off investments the same as income earned by a hard day's work. Further, the CPC budget would institute new tax brackets for millionaires and billionaires, as outlined by the Fairness in Taxation Act. These sensible brackets would still place the top marginal rate lower than what it was for nearly all of the Reagan Administration. Additionally, the CPC budget calls for long overdue reform to the estate tax and caps the value of itemized deductions that disproportionately favor the wealthy. These policies are pursued alongside credits for vulnerable Americans, the middle class, and students.

The *Budget for All* eliminates corporate welfare for oil companies making record profits and makes polluters that endanger our health pay for irresponsible practices. It ensures that the banks that wrecked our economy pay a modest financial responsibility fee and that exotic trading and gambling by Wall Street traders incurs a tax to deter more reckless behavior. Finally, the CPC Budget institutes corporate tax reform that closes loopholes businesses have used for far too long to game the system, break the rules, ship American jobs overseas and avoid paying their fair share.

Individual Income Tax Policies

2001/2003 Tax Cuts and Other Tax Relief. The *Budget for All* extends tax relief for approximately 98% of Americans while our economic recovery is still fragile for the next 4 years. In 2017, the CPC budget would allow the 28% bracket to revert to 31%. Two years later, in 2019, the 25% bracket would sunset. The budget would maintain the 10% bracket, marriage penalty relief (standard deduction, EITC phase-out, and the 15% bracket), preferential treatment of Coverdell Education Savings Accounts, employer provided education assistance, student loan interest, select tax free scholarships, and tax exempt bonds for school construction.

Boosted Refundables established under ARRA. Under the American Recovery and Reinvestment Act, a number of tax credits targeted at working families were expanded to boost relief during hard economic times. The *Budget for All* retains the improvements made to the Earned Income Tax Credit (qualifying children and phase-out range), Child and Dependent Care Credit, and the American Opportunity Tax Credit.

Index the AMT for inflation for a decade. The Alternative Minimum Tax (AMT) was designed to keep wealthy taxpayers from using loopholes to avoid paying taxes. But because it is not automatically updated for inflation, more middle-class taxpayers are getting hit with the AMT. We need a long-term solution to this problem and support – at the very least – a shift to the "Buffett Rule," which would set an appropriate \$1 million income threshold. Until a clear solution is brokered, this budget is honest about our obligations to middle-class families in this country. Our budget fully pays for the AMT patch for the next decade.

Millionaire and billionaire tax rates proposal. The Schakowsky plan asks the extraordinarily wealthy to pay a sensible share by creating five additional income tax brackets, the highest of which is still lower than the top bracket in place during nearly all of the Reagan Administration –

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|----------------------------|-----|
| \$1 – 10 million | 45% |
| \$10 – 20 million: | 46% |
| \$20 – 100 million: | 47% |
| \$100 million - \$1billion | 48% |
| \$1 billion and over | 49% |

Tax Capital Gains as Ordinary Income & Eliminating Step Up Basis. This policy would eliminate any preferential treatment on long-term capital gains and qualified dividends (currently set at 15%), similar to the policy established by the 1986 tax reform signed by President Reagan. As one of the leading drivers of income inequality in this country, our nation must end special tax breaks for investment income. Further, by eliminating step-up basis and using the carryover standard instead, where capital gains taxes are levied upon the sale of assets, the basis for that tax will be founded on the true appreciation in the assets' value.

Progressive & Sensible Estate Tax. The *Budget for All* makes important estate tax reform including a \$2.5 million exemption (\$5 million for couples) followed by a progressive series of marginal rates ranging from 45 percent to 65 percent, as seen in the Senator Sanders' Progressive Estate Tax Act. Further, the Progressive Caucus supports the reforms and loopholes closures as seen in Representative McDermott's Sensible Estate Tax Act.

Cap the benefit of itemized deductions at 28%. Only 30% of taxpayers itemize their deductions because the majority of Americans claim the standard deduction. Further, the value of a deduction corresponds to an individual's marginal tax rate – making itemization highly regressive. For example, itemized deductions totaling \$10,000 reduce taxes for a person in the 15 percent bracket by \$1,500 (15 percent of \$10,000) but cut taxes by \$3,500 for a person in the 35 percent bracket (35 percent of \$10,000). While “itemizers” are of all income levels, this proposal holds lower earners completely harmless, only affecting those currently in the top two income brackets.

Eliminate the Mortgage Interest Deduction for Vacation Homes and Yachts. The purpose of the modern-day home mortgage interest deduction is to spur homeownership among average Americans, not subsidize the lifestyles of the rich and the famous. This proposal would eliminate the mortgage interest deduction for vacation homes and yachts currently being subsidized by the hard-earned tax dollars of everyday people.

Replace the tax exclusion for interest on state and local bonds with a subsidy for the issuer. The *Budget for All* would replace the tax exclusion for interest income on state and local government bonds with a direct subsidy to state and local governments. Under this policy, bond issuers would make interest payments to bondholders subject to taxation and receive a 15% subsidy from the federal government for the interest paid on those bonds. This would simplify the tax code, increase budgeting transparency, and more directly and cleanly subsidize borrowing by subnational governments.

High Net Worth Surcharge. The *Budget for All* recognizes that our economy has systemically gotten off track. With more and more American children living in poverty, income inequality is hitting all-time highs while economic mobility, the middle-class, and the American dream all suffer. This policy would adopt a temporary 0.5% surcharge on net worth over \$10 million. The surcharge begins to phases in gradually from

2013 to 2017. This surcharge only affects less than one-half of 1 percent of Americans owning more than \$10 million in assets.

Corporate Tax Reform

Eliminate corporate welfare for oil, gas, and coal companies. The *Budget for All* repeals exploration and development expensing, preferential tax treatment of royalties, and domestic manufacturing deductions, among other tax preferences, for oil, natural gas, and coal producers.

Enact a Financial Crisis Responsibility Fee. The *Budget for All* levies a small tax on large banks with more than \$50 billion in assets to repay the cost of the financial calamity of 2008, and that still pose a structural danger to our economy as “too big to fail” institutions.

Wall Street Gaming Tax. This policy would enact a tax on derivatives, credit default swaps, and other exotic financial products, including both sides of futures and forwards, option premiums and foreign exchange spot transactions. This is a tax levied directly against the types of opaque, complex trades that Wall Street manipulators used to inflate their profits and were a direct cause of the financial crisis. This policy would use tax base and rates as follows: stock transactions at 0.25%, bond transactions at 0.004%, option premiums at 0.25% per year to maturity, foreign exchange transactions at 0.004%, and futures and swaps at 0.01%

Reinstate Superfund taxes. The Environmental Protection Agency’s Superfund program, once largely funded by dedicated taxes, is now largely funded by general revenue. Having a stable source of funding, rather than relying on year-to-year appropriations, would help plan multi-year cleanup of hazardous chemical waste. The budget would reinstate the Superfund excise taxes that expired in 1995 in order to finance cleanup of hazardous waste.

Impose a Price on Carbon Pollution. The *Budget for All* would impose a \$20 per ton price on CO₂ (increasing at 5.6% a year) on polluters, and rebate 25% of all revenues as refundable credits holding low and middle income families harmless.

Closing corporate loopholes that distort true tax liability. These policies reform and update the rules that corporations have exploited in order to dodge taxes including –

Eliminating the “stock option loophole.” Under current law, when a company deducts stock options as they are cashed in by an employee, the value reported to the IRS can be inflated to current market value, rather than the original cost to the corporation. As of late, this has commonly been referred to as the “Facebook loophole” although it has long-existed and been used by businesses to minimize or eliminate their tax liability. Under the *Budget for All*, the value of this deduction would match the costs reported to shareholders, which is typically much lower. In addition, this policy would impose a \$1 million cap on deductions related to stock options, the current standard applied to other types of executive compensation.

Employee Misclassification Prevention Act. Under current law, a business owner must withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. In contrast, a business owner does not have to withhold or pay any taxes on payments to independent contractors. This policy would impose new obligations on employers that use independent contractors and enact stiff penalties on businesses that misclassify their workers.

When last comprehensively studied by the IRS in 1984, misclassification resulted in a one year loss of \$1.6 billion.

International Tax Reforms in the President's FY2013 Budget. The President put forth a strong set of reforms to curtail business behavior that moves jobs and investments overseas. The *Budget for All* includes proposals to end manipulation of interest expenses of foreign subsidiaries, determine foreign tax credits on a pooling basis, crack down on transfers of intangible assets to tax havens, level the playing field between domestic and foreign insurers, and modify tax rules of dual capacity taxpayers, among others.

Our Budget Brings Our Troops Home & Realigns Our National Security Strategy

Our military engagements overseas are currently being financed on borrowed money, fought on borrowed time, and following a strategy unsuited for modern threats. Defense spending has nearly doubled over the last decade, and this approach has strained our military and economy to the brink. The *Budget for All* responsibly ends operations in Afghanistan, and puts an end to nation building outside the United States.

With two wars drawing to a close, we need a leaner, more agile force to combat 21st century risks. By employing strategies designed for today's enemies, the CPC budget maintains a smaller, but still unparalleled, armed forces. The CPC budget reduces baseline military spending to ensure defense spending does not continue to contribute significantly to our current fiscal burden and redirects these funds to priorities such as caring for our veterans and smart diplomacy.

In total, the *Budget for All* achieves nearly \$1.9 trillion in savings by bringing our troops home and realigning the Department of Defense. Our budget invests in foreign diplomacy and international aid to stabilize key regions of the world by smarter, more efficient means.

End emergency war funding beginning in FY 2014. The Congressional Progressive Caucus believes that the military's time in Afghanistan must come to a responsible and expeditious end. The *Budget for All* maintains Overseas Contingency Operation funding for redeployment in FY 2013, but the funding is zeroed out thereafter, and includes a prohibition on funds being used for any permanent bases in Iraq or Afghanistan. This achieves \$1.1 trillion in savings over 10 years.

Reduce base discretionary defense spending. With more than a decade of war coming to a close, every dollar spent at the Department of Defense must be reviewed with renewed vigor. A modern defense strategy must focus our armed forces on their strengths of crisis response, defense, and deterrence. Our military needs to adapt to current threats and challenges, particularly on nuclear proliferation and terrorism. The threat of terrorist attacks could be effectively dealt with through cost-effective deployment of Intelligence and Special Operations, while eliminating failed strategies.

To suit the newly formed strategy, the *Budget for All* gradually achieves a smaller force structure with fewer personnel through attrition. Further, **no savings are obtained by reducing military personnel wages or benefits, including TRICARE and pensions.** The proportion of private contractor personnel would be significantly reduced, curbing needless "outsourcing" that creates excessive cost overruns. The contraction in force structure would also reduce expensive modernization requirements, especially for older or unnecessary platforms such as the Trident II nuclear missile, F-35, V-22 Osprey and field alternatives, and the Virginia-class submarine, which are ill-suited to handle current threats. Further, the CPC budget limits the modernization of Cold War-era nuclear weapons and infrastructure, as outlined by the Smarter Approach to

Nuclear Expenditures (SANE) Act. In contrast, this budget supports the retention of current Special Operations Forces and their capacities for operations.

Health Care

Medicare & Part D Prescription Drug Negotiation. Medicare is a cornerstone of the American health care system and a vital part of life for more than 45 million America seniors. Our budget understands that the health care system cannot be transformed on the back of Medicare which already provides more efficient care to a more costly set of the population. While some budgets suggest ending Medicare or shifting more costs onto seniors, our budget does not ask American's seniors to pay more, instead we protect Medicare benefits while making the system even more efficient.

Our budget amends Part D of Medicare to allow the Secretary of Health and Human Services to negotiate prescription drug prices with pharmaceutical manufacturers. Since establishment of the Medicare Part D program, the federal government has been expressly prohibited from directly negotiating with drug companies. Giving the HHS Secretary the ability to negotiate Part D prices, the current practice at the Department Veterans Affairs, will yield significant cost savings of \$157 billion for Medicare over 10 years and will reduce costs for seniors.

Offer a Public Option. Republicans are pushing to repeal the health reform law before it has even been fully implemented. They want to return us to the old status quo, where health insurance premiums rise uncontrollably and the ranks of the uninsured continue to swell. Instead, our budget improves on the Affordable Care Act by allowing the Secretary of Health and Human Services to offer a public health insurance option that ensures choice, competition, and stability in affordable, high-quality coverage throughout the United States. This will save \$104 billion over 10 years.

Junk Food and Fast Food Marketing. The Institute of Medicine, Federal Trade Commission and the White House, among others have all recognized the role of advertising and marketing junk food and fast food to children in childhood obesity. One out of every three children is overweight or obese, disproportionately affecting kids in low income families as well as African American, Hispanic, Native American and Asian American and Pacific Islander children. Our budget ends the tax deductibility of advertising and marketing junk food and fast food to children. There is no reason for the government to subsidize a contributing factor to a serious health issue for today's youth.

Closing the S Corporation Medicare Tax Loophole. Some service professionals have been avoiding Medicare taxes by exploiting a current loophole in the tax code. Under current law, certain self-employed individuals can avoid paying full Medicare taxes by routing their income through an S corporation. To close this loophole, our budget adopts the Narrowing Exceptions for Withholding Taxes (NEWI) Act. It would clarify that individuals that are engaged in professional service businesses are unable to avoid employment taxes by routing their earnings through a limited liability corporation or a limited partnership.

Generic Prescription Drug Development and Release. While the Affordable Care Act will expand insurance options for many Americans, there will still be more work to do controlling healthcare costs. Profit driven medicine is not the answer to our country's health care needs. With this in mind, the *Budget for All* adopts a number of policies aimed at creating wider accessibility of affordable, generic prescription drugs.

State Waivers. The Progressive Caucus believes until we guarantee universal access to quality care, our work is not complete. As states continue to struggle with their state budgets, we will provide them with the ability

to set up and administer more efficient state single payer health programs. Our budget provides the necessary waivers, including State Innovation Waivers starting in 2014, three years earlier than under current law, and protects existing federal funding for those states establishing a state single payer program.

Comprehensive Immigration Reform

There is no doubt that our current immigration system is broken. As a result, millions of individuals are forced to live in the shadows, rather than being able to openly support their families and contribute to their communities. Our immigration laws ought to reflect both our interests and our values as Americans. Supporting comprehensive immigration reform is not only humane, but is also fiscally responsible by generating substantial economic benefits. The *Budget for All* recognizes that by reforming the system, we allow immigrants to fully integrate into U.S. society and help stimulate the economy by becoming entrepreneurs, small business owners, innovators, and future job-creators. During these tough economic times, we must bring people out of the shadows and allow them to begin a process to become citizens to maximize their contributions to society.

Social Security

A budget is first and foremost about values. The American people overwhelmingly value Social Security, and the *Budget for All* stands with Americans in protecting this essential program. The foundation of retirement security of the vast majority of working Americans and retirees, Social Security also protects virtually every child under age 18 and families against lost wages if a working parent becomes severely disabled or dies.

The *Budget for All* proposes modest but important changes to Social Security not as part of deficit reduction – by law, Social Security is excluded from surplus or deficit totals – but for its own sake to strengthen the program for today’s and tomorrow’s generations of beneficiaries.

The CPC budget strengthens Social Security’s finances by phasing out, over 5 years, the cap on payroll tax contributions so that all working Americans and their employers pay contributions at the same rate on all their earnings, just as they have been doing for Medicare since 1994. Today, earnings above \$110,100 are exempted from payroll tax contributions. This budget corrects this inequity by requiring the top six percent of all earners to pay the same rate on all their wages as the bottom 94 percent now do.

Social Security’s benefits are extremely modest, averaging just \$13,500 a year, yet vitally important to the overwhelming majority of its 56 million beneficiaries. Although not scored for this proposal, the Progressive Caucus believes Social Security benefits should be increased. At the very least, benefits should maintain purchasing power over time. With this in mind, the CPC looks favorably on basing future COLAs on the BLS’s Consumer Price Index for Elderly Americans (CPI-E) which gives larger weight to the disproportionately large health care expenditures of elderly persons and individuals with disabilities, and consequently, more accurately measures their true rate of inflation. When Congress next takes up proposals to strengthen Social Security, CPC looks forward to exploring options to improve benefits, separate from any deficit reduction discussions.

In good times and bad, Social Security works for America. The CPC’s budget will keep it working and strengthen its benefit protections for today’s beneficiaries, working Americans, their children and grandchildren. This reform would extend full benefits and trust fund solvency for the next 75 years.

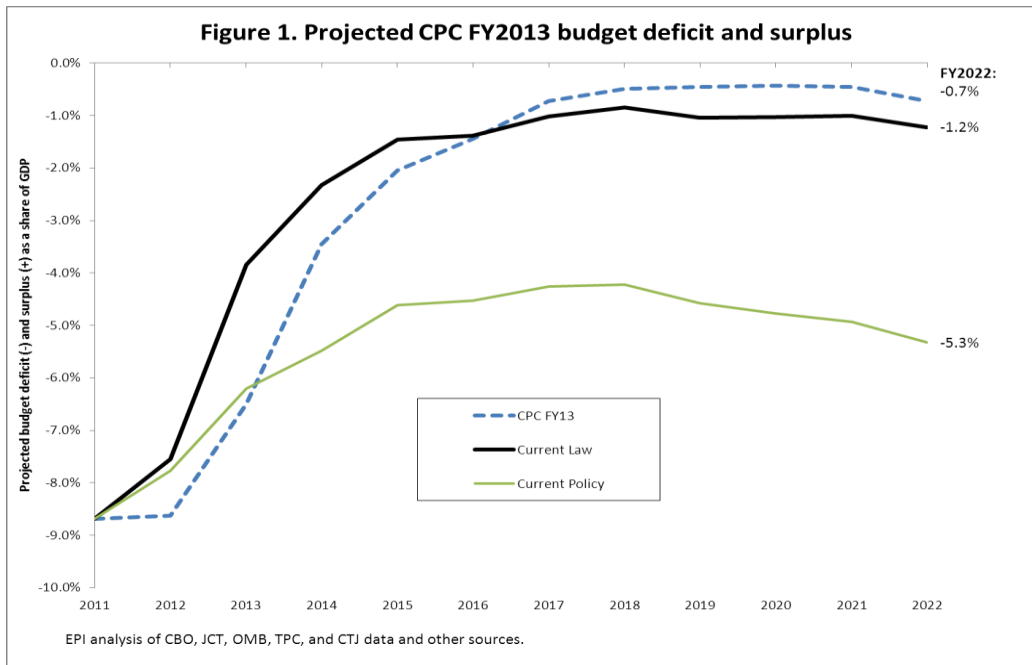
Functional Increases in the *Budget for All* (FY2013 – 2022)

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| <p>Function: 050 National Defense</p> | <ul style="list-style-type: none"> ▪ Restoration, Formerly Used Defense Sites ▪ Congressionally Directed Medical Research Programs ▪ Procurement Technical Assistance Program for small businesses |
| <p>Function 150: International Affairs (increase of \$156.2 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Reconstruction assistance ▪ SMART Security ▪ U.S. Institute of Peace ▪ McGovern-Dole International Food for Education and Child Nutrition Program ▪ Bilateral Global HIV\AIDS Programs (PEPFAR) ▪ Global Fund to Fight AIDS, Tuberculosis, and Malaria (The Global Fund) ▪ USAID ▪ Microfinance ▪ Child Survival and Health Programs ▪ Peace Corps |
| <p>Function 250: General Science, Space and Technology (increase of \$78.1 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Science, Aeronautics and Technology ▪ Advanced Manufacturing Research ▪ Clean Energy Technologies Research ▪ STEM Education Research |
| <p>Function 270: Energy (increase of \$156.2 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Renewable energy technology and deployment ▪ Energy Innovation Fund ▪ Geothermal Technology ▪ Weatherization and Intergovernmental Activities ▪ Smart Grid Research and Development |
| <p>Function 300: Natural Resources and Environment (increase of \$78.1 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Reestablishment of the Civilian Conservation Corps ▪ Natural Resources Conservation Service ▪ Wetlands Reserve Program ▪ Conservation Stewardship Program ▪ Land and Water Conservation fund ▪ Multinational Species Conservation |
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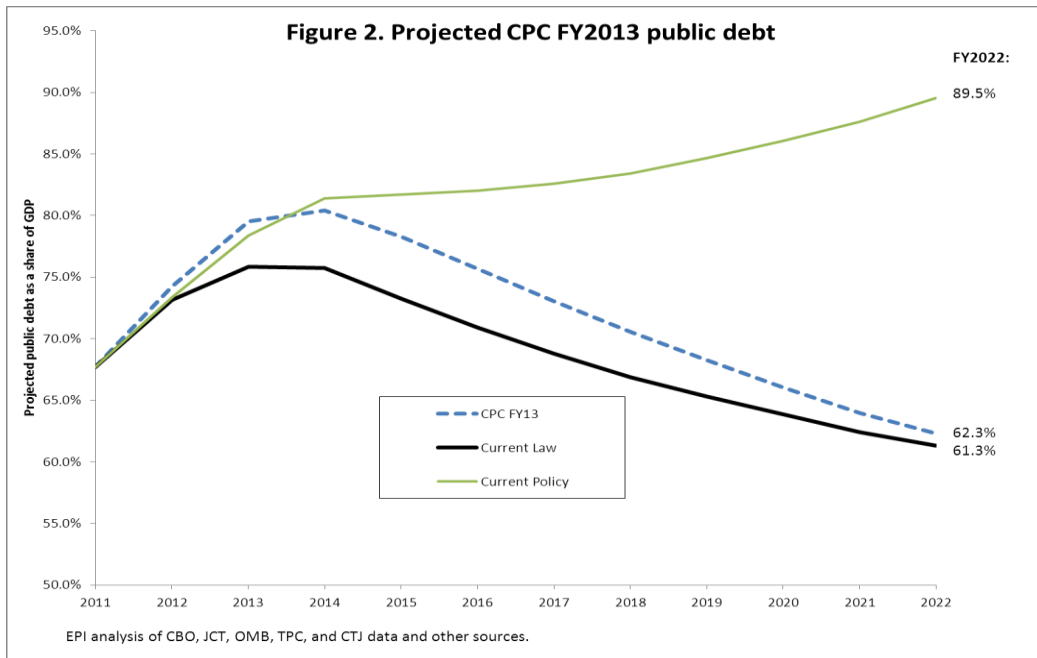
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| <p>Function 350: Agriculture</p> | <ul style="list-style-type: none"> ▪ Food Safety and Inspection ▪ Animal and Plant Health Inspection Service | | |
| <p>Function 370: Commerce and housing credit (increase of \$78.1 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ National Network for Manufacturing Innovation ▪ Homeless Assistance Grants ▪ Choice Neighborhoods Initiative ▪ SBA 7(a) and 504 business loan programs ▪ National Veterans Entrepreneurship Training (VET) Program | | |
| <p>Function 400: Transportation (increase of \$213 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Highways and bridges ▪ Mass transit ▪ Aviation | | |
| <p>Function 450: Community and Regional Development (increase of \$78.1 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Community Development Block Grant (CDBG) ▪ Community Development Fund ▪ Community Development Financial Institutions | | |
| <p>Function 500: Education, Training, and Social Services (increase of \$234.3 billion over 10 yrs)</p> | <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ ESEA ▪ IDEA ▪ Drop-out prevention ▪ Head Start ▪ Youth Summer Jobs ▪ Pell Grant interest rate protection ▪ Senior Community Service Employment Program ▪ Green Jobs Innovation Fund ▪ National Endowment for the Humanities ▪ Workforce Investment Act (WIA) ▪ Adult Employment and Training Activities </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ TRIO ▪ National Endowment for the Arts ▪ Home and Community-based Supportive Services ▪ Social Services Block Grants (SSBG) ▪ On-the-Job Training ▪ Early Learning Challenge Fund ▪ Dislocated Workers Program ▪ Public Telecommunications Facilities Program ▪ Library Services and Technology </td> </tr> </table> | <ul style="list-style-type: none"> ▪ ESEA ▪ IDEA ▪ Drop-out prevention ▪ Head Start ▪ Youth Summer Jobs ▪ Pell Grant interest rate protection ▪ Senior Community Service Employment Program ▪ Green Jobs Innovation Fund ▪ National Endowment for the Humanities ▪ Workforce Investment Act (WIA) ▪ Adult Employment and Training Activities | <ul style="list-style-type: none"> ▪ TRIO ▪ National Endowment for the Arts ▪ Home and Community-based Supportive Services ▪ Social Services Block Grants (SSBG) ▪ On-the-Job Training ▪ Early Learning Challenge Fund ▪ Dislocated Workers Program ▪ Public Telecommunications Facilities Program ▪ Library Services and Technology |
| <ul style="list-style-type: none"> ▪ ESEA ▪ IDEA ▪ Drop-out prevention ▪ Head Start ▪ Youth Summer Jobs ▪ Pell Grant interest rate protection ▪ Senior Community Service Employment Program ▪ Green Jobs Innovation Fund ▪ National Endowment for the Humanities ▪ Workforce Investment Act (WIA) ▪ Adult Employment and Training Activities | <ul style="list-style-type: none"> ▪ TRIO ▪ National Endowment for the Arts ▪ Home and Community-based Supportive Services ▪ Social Services Block Grants (SSBG) ▪ On-the-Job Training ▪ Early Learning Challenge Fund ▪ Dislocated Workers Program ▪ Public Telecommunications Facilities Program ▪ Library Services and Technology | | |
| <p>Function 550: Health (increase of \$156.2 billion over 10 yrs)</p> | <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ Domestic HIV/AIDS ▪ Maternal Health ▪ Enhanced Federal Medical Assistance Percentages (FMAP) ▪ Community Services Block Grant (CSBG) </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> ▪ Mentoring of Children of Prisoners ▪ Community Health Centers ▪ Center for Disease Control and Prevention ▪ Title VII programs ▪ National Diabetes Prevention </td> </tr> </table> | <ul style="list-style-type: none"> ▪ Domestic HIV/AIDS ▪ Maternal Health ▪ Enhanced Federal Medical Assistance Percentages (FMAP) ▪ Community Services Block Grant (CSBG) | <ul style="list-style-type: none"> ▪ Mentoring of Children of Prisoners ▪ Community Health Centers ▪ Center for Disease Control and Prevention ▪ Title VII programs ▪ National Diabetes Prevention |
| <ul style="list-style-type: none"> ▪ Domestic HIV/AIDS ▪ Maternal Health ▪ Enhanced Federal Medical Assistance Percentages (FMAP) ▪ Community Services Block Grant (CSBG) | <ul style="list-style-type: none"> ▪ Mentoring of Children of Prisoners ▪ Community Health Centers ▪ Center for Disease Control and Prevention ▪ Title VII programs ▪ National Diabetes Prevention | | |

| | | |
|---|---|---|
| | <ul style="list-style-type: none"> ▪ Nursing Workforce Development Programs | <ul style="list-style-type: none"> Program ▪ National Institutes of Health (NIH) ▪ Division of Viral Hepatitis |
| <p>Function 600: Income Security</p> <p>(increase of \$312.4 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Extend and Safeguard Unemployment Insurance ▪ Child Nutrition ▪ Supplemental Nutritional Assistance Program (SNAP) ▪ Food and Nutrition Service (including WIC) ▪ Section 8 Housing Vouchers (Project and Tenant Based Rental Assistance) ▪ Home Investment Partnership Program | <ul style="list-style-type: none"> ▪ Temporary Assistance for Needy Families (TANF) ▪ Public Housing Capital Fund ▪ Public Housing Operating Fund ▪ Affordable Housing Trust Fund ▪ Low Income Housing Energy Assistance Program (LIHEAP) ▪ Child Care and Development Block Grant (CCDBG) ▪ Foster and Adoption Assistance for States |
| <p>Function 700: Veterans Benefits and Services</p> <p>(increase of \$156.2 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ Veterans & Military Families ▪ Wounded Warriors K-9 Corps ▪ VA Medical and Prosthetic Research ▪ Veterans Employment and Training ▪ Veterans Housing Benefit Program | |
| <p>Function 750: Administration of Justice</p> <p>(increase of \$78.1 billion over 10 yrs)</p> | <ul style="list-style-type: none"> ▪ State and Local Law Enforcement Assistance ▪ Juvenile Justice ▪ DOJ Administrative Review and Appeals ▪ Violent crime reduction programs ▪ Juvenile Justice Programs ▪ Violence against Women Prevention and Prosecution Programs ▪ Byrne Justice Assistance Grants ▪ Legal Services Corporation | |

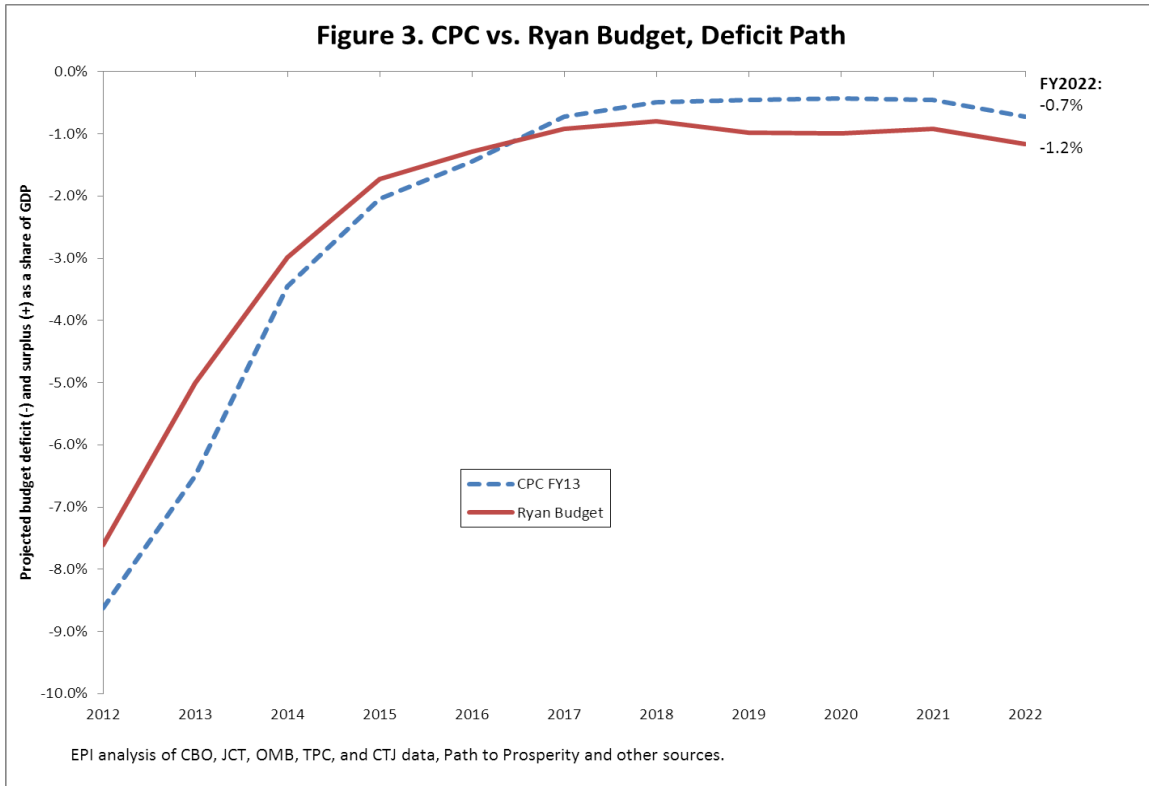
Deficits fall to less than 1% of GDP under the *Budget for All*



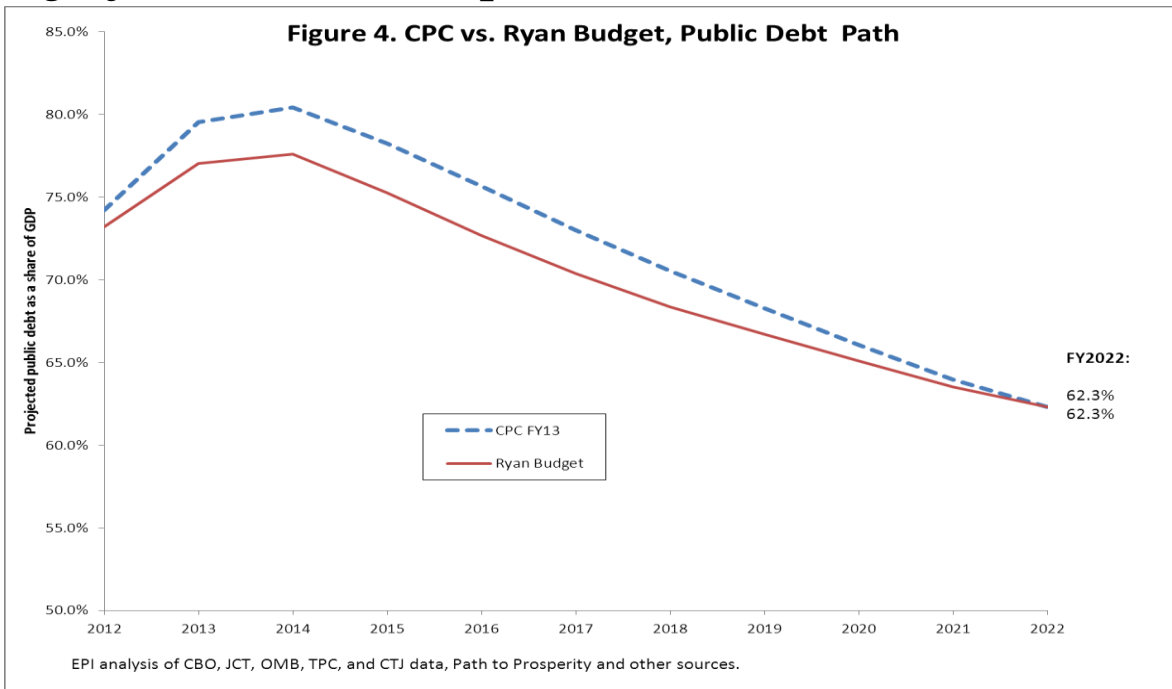
Debt falls to 62.3% of GDP under the *Budget for All*



Lower deficit levels achieved by *Budget for All* than Republican Plan



Budget for All: A More Responsible Route to Fiscal Sustainability



Budget for All on Spending: Investment & Responsibility

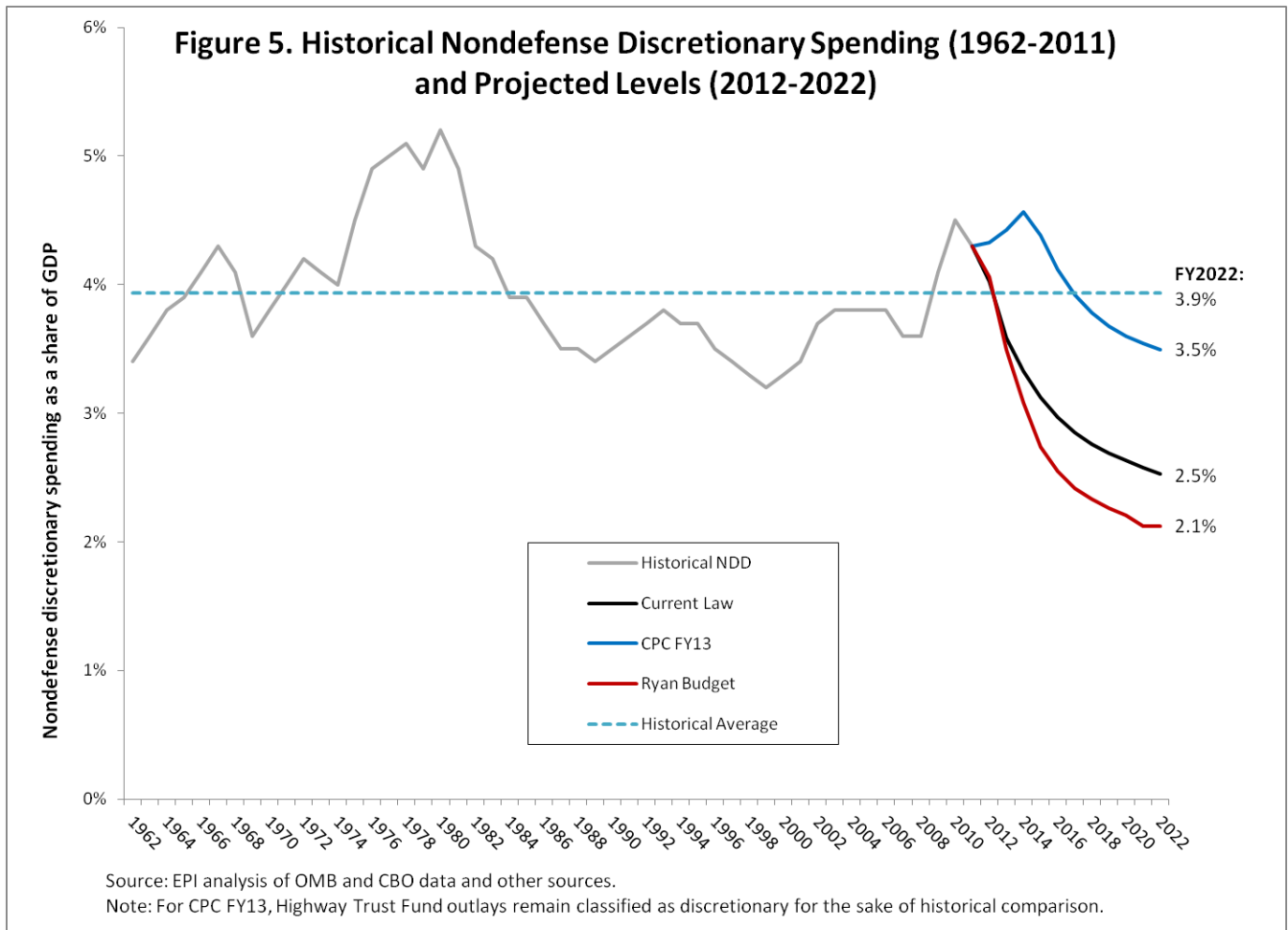


Table 1. Policy Modifications for CPC FY13 Budget Alternative

CBO March 2012 current law baseline

(Billions of dollars)

| | | | | | | | | | | | | Total | |
|---|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2013-2017 | 2013-2022 |
| Total Deficit | -1,171 | -612 | -385 | -257 | -259 | -201 | -175 | -224 | -234 | -237 | -303 | -1,713 | -2,887 |
| Baseline policy adjustments (Impact on primary budget deficit, billions of dollars) | | | | | | | | | | | | | |
| Remove the BCA - both phases | 0 | -82 | -119 | -134 | -144 | -152 | -158 | -165 | -173 | -181 | -177 | -631 | -1,486 |
| Patch AMT | -9 | -89 | -39 | -45 | -52 | -61 | -73 | -86 | -101 | -119 | -140 | -286 | -804 |
| Patch SGR | -9 | -19 | -21 | -23 | -26 | -29 | -32 | -36 | -40 | -43 | -47 | -119 | -316 |
| Net baseline adjustments (primary) | -18 | -190 | -179 | -202 | -223 | -242 | -263 | -287 | -314 | -343 | -363 | -1,036 | -2,607 |
| Additional revenue policy adjustments (Impact on primary budget deficit, billions of dollars) | | | | | | | | | | | | | |
| Bush tax cuts: Maintain credits, 10%, & 15%, extend 28% thru CY16, extend 25% thru CY18, plus Fairness in Taxation Act, equalization, & Obama policy refundable tax credits | 0 | -143 | -191 | -200 | -212 | -219 | -233 | -222 | -229 | -247 | -267 | -966 | -2,163 |
| Repeal the step-up basis for capital gains at death | 0 | 18 | 36 | 38 | 41 | 43 | 46 | 48 | 51 | 54 | 58 | 176 | 434 |
| Cap the value of item. deductions at 28% | 0 | 20 | 25 | 28 | 30 | 33 | 35 | 59 | 71 | 76 | 81 | 136 | 459 |
| Replace the exclusion for state and local government bond interest with a direct subsidy | 0 | 3 | 6 | 9 | 12 | 16 | 19 | 23 | 26 | 29 | 34 | 46 | 176 |
| End the exclusion of foreign-earned income | 0 | 4 | 6 | 6 | 7 | 7 | 7 | 8 | 8 | 8 | 9 | 31 | 71 |
| Deny the home mortgage interest deduction for yachts and vacation homes | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 6 | 13 |
| NEWT Act | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 6 | 13 |
| Curb corporate deductions for stock options | 0 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 12 | 25 |
| Repeal lower-of-cost-or-marketing (LCM) accounting | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 3 |
| End direct advertising of certain foods (H.R. 4310) | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 7 | 15 |
| Obama's reforms to intl tax system | 0 | 7 | 15 | 16 | 17 | 18 | 19 | 19 | 20 | 19 | 18 | 73 | 168 |
| Increase certainty - worker classification | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 8 |
| Eliminate fossil fuel preferences | 0 | 2 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 15 | 25 |
| Price carbon at \$20 (refunding 25%) | 0 | 55 | 76 | 80 | 84 | 88 | 93 | 97 | 103 | 108 | 114 | 383 | 897 |
| Reinstate superfund taxes | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 9 | 20 |
| Unemployment Insurance Solvency Act | -5 | -6 | 22 | 20 | 10 | 2 | -3 | -2 | -3 | -2 | -3 | 49 | 36 |
| Financial transactions tax | 0 | 55 | 76 | 79 | 82 | 86 | 88 | 91 | 94 | 97 | 100 | 378 | 849 |
| Financial crisis responsibility fee | 0 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 43 | 90 |
| Progressive estate tax reform | 0 | -12 | -19 | -22 | -23 | -24 | -26 | -27 | -28 | -30 | -31 | -101 | -243 |
| High net worth surcharge (0.5% over \$10 mil) | 0 | 5 | 11 | 19 | 27 | 36 | 40 | 42 | 44 | 46 | 48 | 99 | 319 |
| Comprehensive immigration reform (non-discretionary) | 0 | 1 | 5 | 0 | -3 | 2 | 4 | 4 | 5 | 5 | 3 | 5 | 26 |
| Additional spending policy adjustments (Impact on primary budget deficit, billions of dollars) | | | | | | | | | | | | | |
| Job creation credits and provisions | -96 | -177 | -99 | -71 | -26 | -11 | -12 | -12 | -13 | -14 | -15 | -395 | -449 |
| Investments (NDD plus-ups over removing BCA) | -41 | -103 | -160 | -171 | -159 | -153 | -151 | -149 | -152 | -158 | -165 | -746 | -1,521 |
| President's FY12 surface transportation bill | -6 | -13 | -15 | -18 | -22 | -25 | -28 | -30 | -30 | -30 | -30 | -93 | -241 |
| End OCO (both 050 and 150) after FY13 | 0 | 0 | 79 | 112 | 126 | 132 | 138 | 141 | 144 | 147 | 150 | 449 | 1,168 |
| Base DoD cuts | 0 | 16 | 36 | 56 | 71 | 79 | 85 | 93 | 100 | 104 | 108 | 259 | 749 |
| Negotiate Rx payments for Medicare | 0 | 4 | 9 | 10 | 12 | 14 | 16 | 18 | 21 | 24 | 28 | 49 | 156 |
| Public option | 0 | 0 | 3 | 6 | 8 | 11 | 14 | 15 | 15 | 15 | 16 | 29 | 104 |
| Reform rules for Rx development/release | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 5 | 15 |
| Reduce fraud, waste, and abuse in Medicaid | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 3 |
| Reduce agriculture subsidies | 0 | 1 | 4 | 4 | 2 | 3 | 4 | 5 | 6 | 5 | 5 | 14 | 40 |
| Public financing of campaigns | 0 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -5 | -11 |
| Social Security Reform (Off budget primary impact, billions of dollars) | | | | | | | | | | | | | |
| Scrap the taxable maximum | 0 | 21 | 51 | 85 | 123 | 163 | 180 | 189 | 196 | 203 | 210 | 444 | 1,423 |
| Net additional policy adjustments (primary) | -148 | -228 | -2 | 111 | 230 | 322 | 359 | 434 | 470 | 485 | 496 | 421 | 2,676 |
| Debt service impact of policy adjustments | 0 | -4 | -7 | -12 | -19 | -22 | -23 | -21 | -18 | -14 | -10 | -64 | -149 |
| Net impact of policy adjustments | -166 | -422 | -188 | -104 | -11 | 58 | 73 | 125 | 138 | 129 | 123 | -678 | -79 |
| CPC FY13 deficit | -1,337 | -1,034 | -573 | -361 | -270 | -143 | -102 | -99 | -96 | -109 | -180 | -2,391 | -2,966 |

Table 2. Public Investments and Job Creation

| (Billions of dollars of outlays, relative to current law) | | | | | | | | | | | | | Total | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|--|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2013-2017 | 2013-2022 | 2012-2022 | |
| Job Creation Measures | | | | | | | | | | | | | | | |
| <u>Miscellaneous CPC Initiatives</u> | | | | | | | | | | | | | | | |
| Emergency Jobs to Restore the American Dream | -85.1 | -113.5 | -28.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -141.9 | -141.9 | -227.0 | |
| Obama's FY12 surface transportation reauthorization | -5.9 | -12.9 | -15.0 | -18.0 | -21.6 | -25.2 | -28.2 | -30.0 | -30.2 | -29.6 | -30.2 | -92.8 | -240.8 | -246.7 | |
| Reinstate Making Work Pay (CY2013-2015) | 0.0 | -45.2 | -61.0 | -61.8 | -15.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -183.7 | -183.7 | -183.7 | |
| <u>Policies from Obama's FY13 Budget</u> | | | | | | | | | | | | | | | |
| Provide a temporary 10% tax credit for new jobs and wage increases | -7.2 | -10.7 | -1.7 | -0.7 | -0.4 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -20.8 | -13.7 | -20.8 | |
| Enhance/make permanent the R&E tax credit | -3.1 | -5.3 | -6.3 | -7.2 | -8.2 | -9.2 | -10.1 | -11.0 | -12.0 | -12.9 | -13.9 | -39.4 | -96.2 | -99.3 | |
| Provide new manufacturing communities tax credit | 0.0 | 0.0 | 0.0 | -0.2 | -0.3 | -0.5 | -0.6 | -0.7 | -0.7 | -0.7 | -0.6 | -1.0 | -4.3 | -4.3 | |
| Provide additional tax credits for investment in qualified property used in a qualified advanced energy manufacturing project | -0.8 | -1.4 | -0.8 | -0.3 | -0.2 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | -3.6 | -2.4 | -3.2 | |
| Provide a tax credit for the production of advanced technology vehicles | 0.0 | 0.0 | -0.1 | -0.2 | -0.3 | -0.5 | -0.4 | -0.1 | 0.0 | 0.0 | 0.0 | -1.2 | -1.7 | -1.7 | |
| Provide a tax credit for medium- and heavy-duty alternative-fuel commercial vehicles | 0.0 | 0.0 | -0.2 | -0.2 | -0.3 | -0.3 | -0.3 | -0.3 | 0.0 | 0.0 | 0.0 | -1.0 | -1.7 | -1.7 | |
| expenditures | -0.2 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -0.3 | -1.7 | -2.9 | -3.1 | |
| Develop a national network of manufacturing innovation institutes | 0.0 | -0.2 | -0.1 | -0.2 | -0.2 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | -0.8 | -1.0 | -1.0 | |
| Help entrepreneurs and small businesses access capital and grow | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Subtotal, job creation | -102 | -190 | -114 | -89 | -48 | -36 | -40 | -42 | -43 | -44 | -45 | -488 | -690 | -793 | |
| Public investments in the NDD budget | | | | | | | | | | | | | | | |
| Undo the Budget Control Act (both phases) | 0 | -30 | -45 | -51 | -55 | -58 | -61 | -63 | -66 | -69 | -73 | -240 | -572 | -572 | |
| Increased investments (NDD plus-ups over removing BCA) | -41 | -103 | -160 | -171 | -159 | -153 | -151 | -149 | -152 | -158 | -165 | -746 | -1,521 | -1,562 | |
| Subtotal, NDD plus-ups | -41 | -134 | -205 | -222 | -214 | -211 | -211 | -212 | -218 | -228 | -238 | -986 | -2,093 | -2,134 | |
| Total, job creation and public investments relative to CBO March 12 current law | | | | | | | | | | | | | | | |
| | -143 | -323 | -319 | -311 | -262 | -247 | -251 | -254 | -261 | -271 | -283 | -1,474 | -2,784 | -2,927 | |
| Addendum: Job creation and investments relative to scrapping BCA | -143 | -293 | -274 | -260 | -207 | -189 | -190 | -191 | -195 | -202 | -210 | -1,234 | -2,212 | -2,355 | |

Summary Table 1 - CPC FY2013 Budget Overview (\$Billions)

| | Actual, 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | |
|--|-----------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | | | | | | | | | | | | | 2013- 2017 | 2013- 2022 |
| In Billions of Dollars | | | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | | | |
| Individual income taxes | 1,091 | 1,151 | 1,249 | 1,450 | 1,612 | 1,783 | 1,946 | 2,070 | 2,247 | 2,399 | 2,538 | 2,681 | 8,040 | 19,975 |
| Social insurance taxes | 819 | 820 | 968 | 1,096 | 1,192 | 1,286 | 1,387 | 1,465 | 1,535 | 1,603 | 1,674 | 1,747 | 5,929 | 13,952 |
| Corporate income taxes | 181 | 240 | 316 | 399 | 463 | 489 | 482 | 476 | 464 | 463 | 464 | 470 | 2,139 | 4,486 |
| Other | 212 | 221 | 361 | 452 | 478 | 501 | 530 | 552 | 580 | 611 | 640 | 666 | 2,322 | 5,372 |
| Total | 2,303 | 2,431 | 2,894 | 3,398 | 3,745 | 4,059 | 4,346 | 4,563 | 4,826 | 5,075 | 5,316 | 5,563 | 18,430 | 43,785 |
| On-budget | 1,738 | 1,875 | 2,197 | 2,612 | 2,881 | 3,107 | 3,301 | 3,453 | 3,661 | 3,855 | 4,044 | 4,237 | 14,088 | 33,349 |
| Off-budget | 566 | 556 | 696 | 785 | 864 | 952 | 1,045 | 1,110 | 1,165 | 1,220 | 1,272 | 1,326 | 4,342 | 10,436 |
| Outlays | | | | | | | | | | | | | | |
| Mandatory spending | 2,026 | 2,201 | 2,326 | 2,405 | 2,531 | 2,704 | 2,807 | 2,922 | 3,110 | 3,290 | 3,483 | 3,731 | 12,773 | 29,310 |
| Discretionary spending | 1,347 | 1,343 | 1,364 | 1,310 | 1,277 | 1,263 | 1,259 | 1,266 | 1,291 | 1,320 | 1,355 | 1,398 | 6,474 | 13,103 |
| Net interest | 230 | 224 | 237 | 255 | 298 | 361 | 422 | 477 | 524 | 562 | 587 | 614 | 1,574 | 4,338 |
| Total | 3,603 | 3,769 | 3,927 | 3,971 | 4,106 | 4,328 | 4,489 | 4,665 | 4,925 | 5,171 | 5,425 | 5,743 | 20,821 | 46,751 |
| On-budget | 3,104 | 3,265 | 3,288 | 3,262 | 3,351 | 3,527 | 3,637 | 3,762 | 3,967 | 4,153 | 4,342 | 4,592 | 17,065 | 37,881 |
| Off-budget | 499 | 503 | 639 | 709 | 755 | 801 | 852 | 903 | 958 | 1,018 | 1,083 | 1,151 | 3,757 | 8,870 |
| Deficit (-) or Surplus | -1,300 | -1,337 | -1,034 | -573 | -361 | -270 | -143 | -102 | -99 | -96 | -109 | -180 | -2,391 | -2,966 |
| On-budget | -1,367 | -1,390 | -1,091 | -649 | -470 | -420 | -336 | -310 | -306 | -297 | -298 | -355 | -2,977 | -4,532 |
| Off-budget | 67 | 53 | 57 | 77 | 109 | 151 | 193 | 207 | 207 | 201 | 190 | 175 | 586 | 1,567 |
| Primary budget deficit | -1,070 | -1,113 | -797 | -317 | -63 | 92 | 279 | 375 | 425 | 465 | 478 | 434 | -817 | 1,372 |
| Deficit less current law | | -166 | -422 | -188 | -104 | -11 | 58 | 73 | 125 | 138 | 129 | 123 | -678 | -79 |
| Cumulative deficit rel. current law | | -166 | -588 | -775 | -880 | -891 | -833 | -760 | -634 | -497 | -368 | -245 | | |
| Debt Held by the Public | 10,128 | 11,513 | 12,656 | 13,332 | 13,789 | 14,154 | 14,392 | 14,580 | 14,757 | 14,929 | 15,109 | 15,360 | | |

Summary Table 2 - CPC FY2013 Budget Overview (%GDP)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total | |
|-------------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | | | | | | | | 2013- | 2013- |
| | As a Percentage of Gross Domestic Product | | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | | | |
| Individual income taxes | 7.3% | 7.4% | 7.8% | 8.8% | 9.2% | 9.5% | 9.9% | 10.0% | 10.4% | 10.6% | 10.7% | 10.9% | 9.1% | 9.9% |
| Social insurance taxes | 5.5% | 5.3% | 6.1% | 6.6% | 6.8% | 6.9% | 7.0% | 7.1% | 7.1% | 7.1% | 7.1% | 7.1% | 6.7% | 6.9% |
| Corporate income taxes | 1.2% | 1.5% | 2.0% | 2.4% | 2.6% | 2.6% | 2.4% | 2.3% | 2.1% | 2.0% | 2.0% | 1.9% | 2.4% | 2.2% |
| Other | 1.4% | 1.4% | 2.3% | 2.7% | 2.7% | 2.7% | 2.7% | 2.7% | 2.7% | 2.7% | 2.7% | 2.7% | 2.6% | 2.7% |
| Total | 15.4% | 15.7% | 18.2% | 20.5% | 21.3% | 21.7% | 22.0% | 22.1% | 22.3% | 22.5% | 22.5% | 22.6% | 20.8% | 21.7% |
| On-budget | 11.6% | 12.1% | 13.8% | 15.8% | 16.4% | 16.6% | 16.7% | 16.7% | 16.9% | 17.1% | 17.1% | 17.2% | 15.9% | 16.5% |
| Off-budget | 3.8% | 3.6% | 4.4% | 4.7% | 4.9% | 5.1% | 5.3% | 5.4% | 5.4% | 5.4% | 5.4% | 5.4% | 4.9% | 5.2% |
| Outlays | | | | | | | | | | | | | | |
| Mandatory | 13.6% | 14.2% | 14.6% | 14.5% | 14.4% | 14.5% | 14.2% | 14.1% | 14.4% | 14.6% | 14.8% | 15.1% | 14.4% | 14.5% |
| Discretionary | 9.0% | 8.7% | 8.6% | 7.9% | 7.2% | 6.8% | 6.4% | 6.1% | 6.0% | 5.8% | 5.7% | 5.7% | 7.3% | 6.5% |
| Net interest | 1.5% | 1.4% | 1.5% | 1.5% | 1.7% | 1.9% | 2.1% | 2.3% | 2.4% | 2.5% | 2.5% | 2.5% | 1.8% | 2.2% |
| Total | 24.1% | 24.3% | 24.7% | 24.0% | 23.3% | 23.1% | 22.8% | 22.6% | 22.8% | 22.9% | 23.0% | 23.3% | 23.5% | 23.2% |
| On-budget | 20.8% | 21.1% | 20.7% | 19.7% | 19.0% | 18.9% | 18.5% | 18.2% | 18.4% | 18.4% | 18.4% | 18.6% | 19.3% | 18.8% |
| Off-budget | 3.3% | 3.2% | 4.0% | 4.3% | 4.3% | 4.3% | 4.3% | 4.4% | 4.4% | 4.5% | 4.6% | 4.7% | 4.2% | 4.4% |
| Deficit (-) or Surplus | | | | | | | | | | | | | | |
| On-budget | -9.1% | -9.0% | -6.9% | -3.9% | -2.7% | -2.2% | -1.7% | -1.5% | -1.4% | -1.3% | -1.3% | -1.4% | -3.4% | -2.2% |
| Off-budget | 0.4% | 0.3% | 0.4% | 0.5% | 0.6% | 0.8% | 1.0% | 1.0% | 1.0% | 0.9% | 0.8% | 0.7% | 0.7% | 0.8% |
| Debt Held by the Public | 67.7% | 74.2% | 79.5% | 80.4% | 78.3% | 75.7% | 73.0% | 70.6% | 68.3% | 66.0% | 64.0% | 62.3% | | |