The Committee for a Responsible Federal Budget

Summary Table of Fiscal Plans

Major Areas of Each Plan	Final Fiscal Commission Proposal	Fiscal Commission Co-Chair Proposal	Representative Paul Ryan's Roadmap	Galston-MacGuineas Plan	Esquire Commission	Debt Reduction Task Force	Representative Schakowsky's Plan
Defense	• Cap 2012 spending at 2011 levels, return to 2008 levels in 2013, then limit growth to half the rate of inflation • Enforcement mechanism for caps • Limits on war spending	• Cap 2012 spending at 2010 levels, 1% cut from 2013-2015, then limit growth to inflation • Enforcement mechanism for caps		• Cut unneeded weapons • Reform military pay and TRICARE • Reform contracting • Scale back R&D • Create War surtax after 2015	• Enact President's cuts • Reverse "Grow the Army" Initiative • Restructure military on strategic lines • Assumes war costs decline	• 5-year freeze, then limit growth to GDP	• Cut various military projects • Reduce military to pre-war levels • Reduce contracting • Reduce strategic nuclear arsenal
Domestic Discretionary	• Cap 2012 spending at 2011 levels, return to 2008 levels in 2013, then limit growth to half the rate of inflation • Enforcement mechanism for caps • Move the Transportation Trust Fund to mandatory • Budget for disasters • Adopt immediate spending and government efficiency reforms	• Cap 2012 spending at 2010 levels, 1% cut from 2013-2015, then limit growth to inflation • Enforcement mechanism for caps • Move the Transportation Trust Fund to mandatory • Budget for disasters	• Freeze non-defense, non-stimulus at 2009 levels until 2020 • Starting in 2020, spending growth assumed to be limited to CPI plus 0.7% • Rescind all unused ARRA funds	• Freeze for 3 years, then grow with inflation, starting in 2011	• Delay some NASA missions • Eliminate earmarks • Limit discretionary growth to inflation	• 4-year freeze, then limit growth to GDP	• Eliminate Overseas Private Investment Corporation • Sell excess federal property • Reduce unnecessary printing costs • Reduce inefficient and improper payments by 5% • Other efficiencies implemented
Social Security	• Slow benefit growth for high and medium-income workers • Increase early and normal retirement ages and index for longevity (but create "hardship exemption") • Index COLAs to chained CPI • Include newly hired state and local workers after 2020 • Increase payroll tax cap • Create new minimum and old-age benefits	• Slow benefit growth for high and medium-income workers • Increase early and normal retirement ages and index for longevity (but create "hardship exemption") • Index COLAs to chained CPI • Include newly hired state and local workers after 2020 • Increase payroll tax cap • Create new minimum and old-age benefits	• Slow benefit growth for high and medium-income workers • Increase full retirement age • Create optional personal accounts of 2% for the first $10,000 and 1% of income between that and payroll tax (the percent would increase over time) for those under 55 • Use general revenue to replenish trust funds • Create new minimum benefit	• Slow benefit growth for high and medium-income workers • Increase normal retirement age and index for longevity • Index COLAs to chained CPI • Include newly hired state and local workers • Create new minimum and old-age benefits • Create mandatory add-on accounts • Reduce and make the payroll tax more progressive (replace revenues with some of the proceeds from energy tax)	• Increase retirement age • Index COLAs to chained CPI • Increase years used to calculate benefits • Include new state and local workers	• Slow benefit growth for high-income workers • Index benefits for longevity • Fix CPI calculation • Include newly hired state and local workers • Increase cap to 90% • Create new minimum and old-age benefits	• Eliminate tax cap on employer side, raise to 90% on employee side • Enact a 3-4% tax on all earnings above the tax cap • Treat other salary reduction plans like 401(k)s

Health Care	• Reform the "doc fix" and reform or repeal CLASS Act; pay for by
	  ○ Increase Medicare cost sharing
	  ○ Tort reform
	  ○ Various others
	• Expand successful payment reform pilots
	• Strengthen IPAB
	• Establish a long-term budget for total health care spending and limit health care cost growth after 2020 to GDP+1%
		• Reform the "doc fix"; pay for by
		  ○ Increase Medicare cost sharing
		  ○ Tort reform
		  ○ Replace SGR with modest reductions and make new schedule
		• Expand successful payment reform pilots
		• Strengthen IPAB
		• Identify an additional $200 billion in savings
		• Establish long-term target for total health care spending and limit health care cost growth after 2020 to GDP+1%
			• Allow interstate purchasing, small business pools, and state based exchanges
			• Tort reform
			• If 45% or more of Medicare funding is from general revenues, a 1% reduction in provider payments applies, starting in 2020
			• Increase Medicare cost sharing
			• Create a new system of vouchers to replace Medicare and Medicaid
			• SCHIP population eligible for health care tax credit
				• Create a non-open-ended budget for health care
				• Tort reform
				• Increase Medicare cost sharing
				• Reduce new health care subsidies from health care reform law
				• Strengthen IPAB
				• Index eligibility age for Medicare
					• Tort reform
					• Assumes no Medicare payment patches
						• Tort reform
						• Increase Medicare cost sharing
						• Reduce payments to Rx companies
						• New premium support (vouchers) program
						• End Medicaid matching system
							• Establish a public option
							• Require full drug rebates from manufacturers to full premium subsidy for eligible individuals in Medicare Part D
							• Ban "Pay-for-Delay" patent settlements
							• Require Medicare to negotiate for lower prescription drug prices
							• Establishes Medicare-administered Part D program

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Other Mandatory	• Index programs to chained CPI • Reform military and civil service retirement • Reduce farm subsidies • Reduce student loans • Various others	• Index programs to chained CPI • Reform military and civil service retirement • Reduce farm subsidies • Reduce student loans • Various others	• Starting in 2020, spending growth is limited to CPI plus 0.7% • Improve job training	• Reform military and civil service retirement • Index federal salaries to private sector wage growth • Reform farm subsidies • Various others	• Index federal and military pensions to chained CPI • Cut federal workforce by 5% • Reform farm subsidies	• Reform military and civil service retirement • Index programs to chained CPI • Reform farm subsidies • Various others	• Cut farm subsidies in half and eliminate Market Access program • $200 billion stimulus for job creation

Tax Expenditures	• Eliminate all tax expenditures as starting point
	• If some tax expenditures still desired, eliminate all business tax expenditures, S&L deduction, cafeteria plans, others; limit others (mortgage deduction, charitable deductions, health exclusion, others) in illustrative plan
	• Enact trigger to ensure tax reform by 2013. If not, impose growing across-the-board haircut for certain tax expenditures
		Option 1 (Zero Plan):
		• Eliminate all tax expenditures as starting point
		Option 2 (Wyden-Gregg Style):
		• Eliminate some tax expenditures (some business tax expenditures, S&L deduction, cafeteria plans, others); limit others (mortgage deduction, charitable deductions, health exclusion, others)
		• Triple standard deduction
		• Permanently extend R&D tax credit
		Option 3 (Trigger):
		• Enact tax reform by 2012 or impose gradually growing across-the-board haircut for certain tax expenditures
			• Eliminates health care exclusion with refundable credit as part of health reform
			• Clear out nearly all of the existing tax deductions and credits
				• Reduce tax expenditures by 10%, index to inflation, divide proceeds between lower tax rates and deficit reduction
				• Examples:
				  o Reduce home mortgage deduction from $1 million to $500,000 and eliminate for vacation homes
				  o Repeal health care exclusion and replace with credit
				  o Phase out the deduction for state and local taxes
				  o Consolidate tax breaks for education
				  o Consolidate tax breaks for saving
				• Pay-Go for tax expenditures
					• Repeal health care exclusion and replace with credit
					• Limit itemized deductions for high earners
					• Curtail state and local tax deduction
					• Eliminate subsidies for bio-fuels
						• Eliminates most tax expenditures
						• Eliminate employer health exclusion
						• Restructure tax benefits for low-income families and families with children
						• Eliminate standard deduction and personal exemptions
							• Replace corporate interest deduction with a 25% credit
							• Close active financing tax deferral for financial firms
							• Repeal tax subsidy for corporate mergers and acquisitions
							• Close dividend loophole for foreign source income
							• Eliminate the deduction for business, meals, and entertainment expenses

Tax Reform	• Index all of tax code to the Chained CPI • Increase gas tax by $0.15 starting in 2013 • Eliminate AMT, Pease, PEP • Lower individual and corporate income tax rates to 8%, 14%, and 23% (26% corporate) and increase rates if any tax expenditures are added back • Tax dividends and capital gains like normal income • If some tax expenditures added back, increase rates to raise same amount of revenue [12%, 22%, 28% and 28% (corporate) in illustrative plan] • Move to a territorial tax system • Enact tax reform by 2013 or automatically move tax system towards one of the above options or an equivalent one	• Index all of tax code to the Chained CPI • Increase gas tax by $0.15 starting in 2013 • Eliminate AMT, Pease, PEP **Option 1 (Zero Plan):** • Lower individual and corporate income tax rates to 8%, 14%, and 23% (26% corporate) and increase rates if any tax expenditures are added back • Tax dividends and capital gains like normal income **Option 2 (Wyden-Gregg Style)** • Lower income tax rates to 15%, 25%, 35%, and 26% (corporate) • Move to a territorial tax system **Option 3 (Trigger):** • Enact tax reform by 2012 or impose gradually growing across-the-board haircut for certain tax expenditures	• Cap total revenue at 19% GDP • Offers individual taxpayers a choice - current tax system or new Simplified Tax: 10% rate for <50k single & 100k for joint or 25% rate for >100k single and 200k joint • Eliminate taxes on estates, dividends, capital gains • Repeal AMT • Increase standard deduction • Eliminates corporate income tax and replaces it with a business consumption tax of 8.5% on goods and services	• New carbon tax (some proceeds go to reduce payroll tax) • Revenue neutral corporate tax reform to broaden base and lower rate • Index all of tax code to the Chained CPI	• Increase gas tax by $1 per gallon • Lower income tax rates for middle-income tax relief • Reinstate AMT exemptions that expired in 2009	• Payroll tax holiday • Reduce income tax rates to 15% and 27% (and 27% corporate) • Repeal AMT • Index all of tax code to the Chained CPI • Tax all capital gains and dividends as ordinary income (top rate of 27%), with $1,000 exclusion for capital gains • Introduce a 6.5% Debt Reduction Sales Tax • Adjust excise tax on alcoholic beverages to $0.25/oz • New tax on manufacture and importation of sweetened beverages	• Tax capital gains and dividends as ordinary income • Reform estate tax with a progressive schedule of marginal rates • Cap and trade with 50% rebated • Auction off SO2 permits • Limit royalty relief for offshore oil and gas production • Auction radio spectrum licenses
Spending, % GDP in 2020	22%	22%	22.5%	22%	21%	23.0%	N/A
Revenue, % GDP in 2020	20.5%	20.5%	18.5%	21.5%	21%	21.5%	N/A
Debt, % GDP in 2020	65%	65%	69%	60%	52%	60%	N/A