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## **Congress Should Offset Cost of Tax Extensions, Says Committee for a Responsible Federal Budget *As much as \$1 trillion could be tacked onto national debt by possible deal* November 23, 2015**

The Committee for a Responsible Federal Budget released an updated [plan](#) today to pay for “tax extenders” legislation and warned against unpaid-for extensions.

At a time when policymakers are reportedly negotiating a deal that could add as much as \$1 trillion to the debt over ten years, CRFB’s [Paying for Reform and Extension Policies \(PREP\) Plan](#) instead calls for a paid-for extension, coupled with a fast-track process for tax reform, that would deal with the issue of tax extenders once and for all.

Specifically, the plan would pay for a two-year extension of more than 50 tax breaks that expired last year, offsetting their \$95 billion cost through improved tax compliance and closing loopholes that encourage tax evasion. It leaves decisions over permanency to be addressed as part of tax reform.

“We should be reforming the tax code to make it more competitive, not simply extending tax breaks year after year,” said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. “With debt already at record high levels, it is absolutely the wrong time for policymakers to pass tax cuts that further add to the debt. Our PREP plan demonstrates that there is a fiscally responsible path forward.”

Rather than working to identify offsets to extend the expired tax provisions, media reports indicate that Congressional negotiators are considering a possible bipartisan deal to make a number of these breaks permanent on a deficit-financed basis while also extending several stimulus-era tax credits that expire at the end of 2017. The House of Representatives has proposed permanently extending and expanding many of these tax breaks at a cost of \$725 billion over ten years, before interest. A two-year extension of other expired provisions would increase the cost by \$35 billion and extending the refundable tax credits that expire in 2017 could add another \$200 billion in costs.



“Are we seriously talking about adding another trillion dollars to the national debt? That’s approximately \$8,000 per household,” said MacGuineas. “Bipartisanship shouldn’t mean deficit-financing both parties’ priorities; it means working together to develop solutions that benefit all Americans. Congress should not close the year by rushing through budget-busting legislation that increases the debt burden on future generations.”

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