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**Don't Put Off the Offsets
February 14, 2012**

News that policymakers may consider not offsetting the costs of a payroll tax cut extension is very troubling. If lawmakers decide to provide further stimulus, the objective should be to do so in a fiscally responsible manner by offsetting the costs over a reasonable period of time.

"Just because tax cuts or spending measures are called stimulus doesn't mean they come without a price tag," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "Given our dismal debt situation, the goal should be to pass a comprehensive plan that details spending and tax changes to bring down debt in the out-years while also creating the fiscal space up front to allow the economy time to recover. At the very least, any stimulus measures have to be offset."

The ideal situation would be to consider the extension of any expiring policies in the context of a broader plan to stabilize the debt and reduce it over time. The next best approach would be to ensure the costs of any extensions are fully offset over a five- to ten-year period. Enacting any extensions that are not paid for should not be under consideration.

"We cannot afford any more holidays from fiscal responsibility," added MacGuineas.

For more information on expiring provisions and fiscally responsible solutions for them, read CRFB's paper *What We Hope to See From the Extensions Conference Committee*:

<http://crfb.org/document/what-we-hope-see-extensions-conference-committee>

See more on efforts to "Go Big" and adopt a comprehensive fiscal plan:

<http://crfb.org/go-big>

And finally, have a very happy Valentine's Day.

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