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Competing Visions

National Priorities Project compares the Ryan budget to the Congressional Progressive Caucus budget. And the difference is staggering.

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This week the House of Representatives will consider two significantly different alternatives to the president’s fiscal 2013 budget request— the Republican draft budget resolution, introduced by Rep. Paul Ryan, and an alternative introduced by the Congressional Progressive Caucus (CPC).

The two budgets offer vastly different visions for the nation, and each uses the president’s budget as a baseline to compare their contrasting proposals. Rep. Ryan reduces tax rates as well as spending, finding savings largely from domestic programs that serve low-income people, including Medicaid and the food stamp program. The CPC increases revenues with higher tax rates on wealthy individuals and corporations, while adding substantial new spending for job creation and making few changes to domestic programs.

| | President Obama | Rep. Ryan | Congressional Progressive Caucus |
|---------------------------|---|--|---|
| Medicare | Generates savings through administrative changes. | Generates savings by offering seniors vouchers to buy private insurance beginning in 2023. | Generates savings by negotiating for lower Rx prices. Also adopts president’s administrative changes. |
| Medicaid | Generates savings through administrative changes. | Turns Medicaid into a block grant program, making deep cuts to spending over 10 years. | Adopts president’s administrative changes. |
| SNAP (food stamps) | No changes. | Turns SNAP into a block grant program, making deep cuts to spending over 10 years. | No changes. |

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|-------------------------|---|--|--|
| Social Security | No changes. | Requires future action to ensure trust fund solvency. | Eliminates taxable maximum so that Social Security taxes are paid on all wage income, not just up to \$110K. |
| Job Creation | \$350 billion over several years for job creation through public works projects and other means. | No new initiatives. | \$2.9 trillion over 10 years for job creation through public works projects and other means. |
| Individual Taxes | Ends Bush-era tax cuts for individuals making more than \$200K and families making more than \$250K. | Replaces current tax brackets with only two brackets, which would be taxed at 10 percent and 25 percent, respectively. | Ends Bush-era tax cuts for wealthiest 2 percent. In future years, raises the 25 and 28 percent tax rates to 28 and 31 percent, respectively. Adds five new tax brackets for millionaires and billionaires. Taxes capital gains and dividends as ordinary income. |
| Corporate Taxes | Makes numerous small changes, including ending loopholes for some offshore operations and profits, and ending some preferences for fossil fuel companies. Levies Financial Crisis Responsibility Fee on largest financial institutions. | Reduces corporate tax rate to 25 percent from 35 percent and releases offshore profits from U.S. taxes. | Ends preferential tax treatment for fossil fuel companies, closes some other loopholes, and reinstates Superfund taxes to fund the EPA. Also levies Financial Crisis Responsibility Fee and “Wall Street Gaming Tax” on some financial instruments. Imposes price on carbon emissions. |

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|--------------------------|---|--|---|
| Defense | Reduces FY2013 funding by 2.6 percent from current levels. Reduces funding in last year's projections by \$487 billion over 10 years. | Provides level funding for defense in FY2013 and reduces the president's proposed future reductions by half. | Reduces annual spending though cuts to nuclear weapons, conventional forces, procurement, and troop levels. |
| War | \$88.5 billion for FY2013 in the defense request, plus an additional \$8.2 billion in the international affairs budget. Caps war spending at \$450 billion over 10 years. | Matches the president's request. | Ends Defense Department war spending beginning in FY2014. |
| Deficit in FY2013 | \$901 billion | \$797 billion | \$1.034 trillion |
| Deficit in FY2022 | \$704 billion | \$287 billion | \$180 billion |