

# Budget Proposals Reduce Deficit; Diverge on Taxes, Spending

## Comparison of House, Senate, and President Budget Proposals

Policy Area	Policy Breakdown	House Republicans' Budget Proposal	Senate Democrats' Budget Proposal	Obama's Budget Proposal
Spending	Health Care and Entitlements	<ul style="list-style-type: none"> <li>Repeals ACA Medicaid expansion and health insurance exchanges</li> <li>Sets up Medicare exchange starting in 2024, allowing individuals 65 or younger to choose between private plans and a fee-for-service option</li> </ul>	<ul style="list-style-type: none"> <li>Maintains ACA Medicaid expansion and health insurance exchanges</li> <li>Retains current structure of Medicare</li> <li>Cuts \$275B in health care spending</li> </ul>	<ul style="list-style-type: none"> <li>Maintains ACA Medicaid expansion and implementation of insurance exchanges</li> <li>Cuts \$400B from Medicare and other health programs over next ten years</li> <li>Saves \$230B by using chained measure of inflation for cost-of-living adjustments</li> </ul>
	Defense	<ul style="list-style-type: none"> <li>Provides over \$6T for defense spending over the next ten years</li> </ul>	<ul style="list-style-type: none"> <li>Cuts \$240B in defense spending to continue military drawdown</li> </ul>	<ul style="list-style-type: none"> <li>Reduces defense spending by \$150B over next ten years</li> </ul>
	Other	<ul style="list-style-type: none"> <li>Extends spending caps imposed by the Budget Control Act through 2023</li> </ul>	<ul style="list-style-type: none"> <li>Invests \$100B in spending on infrastructure repair, job creation and worker training</li> <li>Reverses sequestration cuts</li> </ul>	<ul style="list-style-type: none"> <li>Invests \$50B in infrastructure and \$1B in manufacturing innovation to spur job growth</li> <li>Invests in education, training, and research</li> <li>Reverses sequestration cuts</li> </ul>
Revenue	Taxes	<ul style="list-style-type: none"> <li>Reduces tax rates for individuals, with a maximum individual tax rate of 25%</li> <li>Lowers corporate tax rate to 25%</li> </ul>	<ul style="list-style-type: none"> <li>Extends tax cuts for middle class and low-income families</li> <li>Provides for \$975B in savings by closing tax loopholes and eliminating tax breaks for the wealthiest</li> </ul>	<ul style="list-style-type: none"> <li>Raises \$580B over ten years by closing tax loopholes, limiting tax deductions for the wealthiest, and requiring households earning over \$1M to pay at least 30% of income in taxes</li> <li>Provides tax credits to small businesses and tax incentives for research, manufacturing, energy</li> </ul>
Debt and Deficit	Debt	<ul style="list-style-type: none"> <li>Reduces debt to 54.8% of GDP by 2023</li> </ul>	<ul style="list-style-type: none"> <li>Reduces debt as a share of GDP by cutting deficit in the next ten years</li> </ul>	<ul style="list-style-type: none"> <li>Reduces debt as share of GDP by cutting deficit to 2.8% of GDP by 2016 and 1.7% by 2023</li> </ul>
	Deficit	<ul style="list-style-type: none"> <li>Proposes \$4.6T in deficit reduction to balance the budget in ten years</li> </ul>	<ul style="list-style-type: none"> <li>Proposes \$1.85T in deficit reduction over ten years</li> </ul>	<ul style="list-style-type: none"> <li>Proposes \$1.8T in deficit reduction over ten years</li> </ul>