

PRESIDENT'S FY2008 BUDGET SUBMISSION
NO BALANCE DESPITE BILLIONS IN NEW TAXES



“I submitted a budget yesterday that says we can balance the budget by 2012 without raising your taxes.”

– President Bush, 2007 State of the Union

“Mr. Bush’s balance is more illusory than real.”

– The Washington Post, February 6, 2007

“The president achieves balance only with a stealth tax increase”

– The Washington Post, February 7, 2007

THE PRESIDENT HAS REPEATEDLY PROMISED TO BALANCE THE BUDGET BY 2012 WITHOUT RAISING TAXES – HIS FY2008 BUDGET SUBMISSION FAILS TO ACHIEVE EITHER OF THESE GOALS

MORE DEFICITS, DEEPER DEBT

- Under the President’s plan, America’s national debt will grow by \$3 trillion over the next five years to \$11.5 trillion – that’s more than twice the size of the debt that this Administration inherited.
- Under the President’s plan, deficits continue for the next five years. In fact, the deficit would actually increase by \$24 billion in FY08 if not for a growing Social Security surplus that is now consistently used to mask the true nature of the President’s deficits.
- The President’s budget only provides \$50 billion for wars in Iraq and Afghanistan after FY08, despite the numerous underestimations provided in years past and the nearly half-a-trillion dollars spent already.
- The Administration is basing its claims of balance on rosy predictions that have little chance of coming to fruition. For example, the President projects revenues for 2012 that are \$155 billion higher than similar projections made by the CBO.
- The Bush Administration has turned a projected 10-year budget surplus of \$5.6 trillion into a projected 10-year deficit of \$2.8 trillion.

HIDDEN TAX/FEE INCREASES

- The President’s budget includes only a one-year fix for the Alternative Minimum Tax – this choice will allow the number of taxpayers affected by the AMT to skyrocket from 3.5 million in 2006, to 26.5 million in 2008, and represent a \$247 billion tax increase on middle class families over the next five years.
- The President’s budget imposes new enrollment fees and increases in co-payments for veterans’ health care – these fee collections will cost veterans \$2.3 billion from 2008 to 2012.
- The President’s plan will result in a growing proportion of seniors paying higher Medicare premiums every year by eliminating indexation of the income related premium and extending it to the Medicare prescription drug benefit. These proposals will increase premiums paid by seniors by \$5.5 billion over five years.
- The President’s budget also imposes medical fees on Tricare for military retirees under the age of 65. The increased fees imposed on military retirees will amount to \$1.9 billion in 2008 and \$14.5 billion over five years.