

Report Card on House Stimulus Package

Fails the Test for Economic Stimulus

<u>Principle</u>	<u>Thomas Proposal</u>	<u>Grade</u>
Temporary: Proposals should sunset within one year to the extent practicable	\$74 billion of total tax cuts are permanent	Fails
Rapid impact: A substantial portion of the fiscal impact should be felt within six months	Nearly 58% of the five-year benefit occurs after 2002. <u>The bill costs \$76 billion in 2003 and \$52 billion in 2004</u>	Fails
Size: Approximately \$60 billion	The bill costs \$90 billion in FY 2002; \$214 billion over five years	Fails
Targeting: Stimulus dollars should go to those most likely to spend them and those most vulnerable in an economic downturn	Includes \$60 billion in tax cuts skewed toward the wealthiest taxpayers and only \$14 billion in tax cuts targeted to low-and middle-income Americans who are most likely to spend	Fails
Long-term: Package should not worsen long-term economic situation and increase interest rates	Reduces surplus by \$180 billion after FY 2002 (including interest costs)	Fails