

THE COMMITTEE ON THE BUDGET

B-71 Cannon House Office Building  
Washington, DC 20515  
Representative Paul D. Ryan, *Ranking Republican*

Phone: (202)-226-7270  
Fax: (202)-226-7174  
Augustine T. Smythe, *Republican Staff Director*

MOTION TO INSTRUCT

WILL THE 2008 FARM BILL DODGE PAYGO?

30 April 2008

*“After years of deficit spending, this new Congress will commit itself to a higher standard: pay-as-you-go, no new deficit spending.”*  
Speaker of the House Pelosi, 4 January 2007

- ▶ The House pay-as-you-go [PAYGO] rule (Rule XXI, Clause 10), which passed with much fanfare at the beginning of the 110<sup>th</sup> Congress, requires all new spending to be offset against the most recent Congressional Budget Office [CBO] baseline. The PAYGO rule is absolutely clear on this point. It mandates the use of CBO’s “most recent baseline estimates” without exception.
- ▶ Although PAYGO’s requirements seem straightforward, the Farm Bill Conference Report is expected to use the outdated 2007 baseline instead of the current 2008 baseline to measure its PAYGO compliance.
- ▶ Why does this seemingly technical issue make a difference? Economic conditions have changed in the past year, and it is no longer accurate to use scoring estimates based on last year’s crop and food prices. As a result, the Farm Bill would appear to cost billions of dollars less than it would under the updated 2008 version – allowing conferees to conveniently squeeze more spending past the PAYGO rule. The Majority has dodged PAYGO before, but this would be the first time they have used baseline shopping to violate the requirement.
- ▶ To make matters worse, the Conference Report is also expected to employ timing shifts and other PAYGO gimmicks to hide its true cost. Overall, these PAYGO violations and gimmicks will increase spending by billions more than the \$10 billion increase already being reported by the Conferees.
- ▶ Many American taxpayers would prefer to have the option to pay taxes on their income from a previous year instead of the current one – it might save them a few bucks. But the IRS doesn’t give taxpayers a choice. It requires everyone to abide by the rules and pay taxes on their current income no matter the cost.
- ▶ If the Majority intends to follow their rules, they don’t have a choice either. *They must use the new 2008 baseline or they will violate the House’s PAYGO rule.*
- ▶ This motion to instruct would urge Farm Bill conferees to use the updated 2008 baseline in accordance with PAYGO rules. The American taxpayer deserves better than this “higher standard” set by the new Majority.