

# **SUMMARY TABLES**



**Table S-1. Budget Totals**  
(Dollar amounts in billions)

	2003	2004	2005	2006	2007	2008	2009
In billions of dollars:							
Receipts .....	1,782	1,798	2,036	2,206	2,351	2,485	2,616
Outlays .....	2,158	2,319	2,400	2,473	2,592	2,724	2,853
Deficit <sup>1</sup> .....	-375	-521	-364	-268	-241	-239	-237
Gross Domestic Product (GDP) .....	10,828	11,466	12,042	12,641	13,279	13,973	14,702
As a percent of GDP:							
Receipts .....	16.5%	15.7%	16.9%	17.4%	17.7%	17.8%	17.8%
Outlays .....	19.9%	20.2%	19.9%	19.6%	19.5%	19.5%	19.4%
Deficit.....	-3.5%	-4.5%	-3.0%	-2.1%	-1.8%	-1.7%	-1.6%

<sup>1</sup> The Budget incorporates the HHS actuaries' estimates for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Because CBO's 10-year cost estimates of this bill were significantly below the HHS actuaries' estimates and because of the uncertainties involved in these estimates, Table S-13 also includes deficit calculations that reflect the lower CBO estimates.

**Table S–2. Discretionary Totals**  
(Budget authority; dollar amounts in billions)

	Actual			2004 Enacted	2005 Proposed	2004–2005 Dollar Change
	2001	2002	2003			
<b>Discretionary budget authority:</b>						
Homeland Security (non-Defense).....	10	13	24	28	30	3
Department of Defense.....	303	328	365	375	402	26
Other Operations of Government.....	331	351	370	384	386	2
<b>Total, Discretionary budget authority.....</b>	<b>644</b>	<b>691</b>	<b>758</b>	<b>787</b>	<b>818</b>	<b>31</b>
Percent change by category:						
Homeland Security (non-Defense).....	13.9%	21.5%	84.9%	18.2%	9.7%	
Department of Defense.....	5.3%	8.3%	11.5%	2.7%	7.1%	
Other Operations of Government.....	14.9%	6.0%	5.4%	4.0%	0.5%	
Total, Percent change.....	10.2%	7.3%	9.8%	3.8%	3.9%	
<b>Supplementals:</b>						
Homeland Security.....	3	12	6	*		
Defense and Other War on Terror.....	14	18	80	87		
Non-Defense, non-Homeland.....	3	14	5	*		
<b>Total, Supplemental funding.....</b>	<b>20</b>	<b>44</b>	<b>91</b>	<b>87</b>		
<b>Total, Discretionary budget authority with supplementals.....</b>	<b>664</b>	<b>735</b>	<b>849</b>	<b>874</b>	<b>818</b>	<b>–56</b>
Percent change by category with supplementals:						
Homeland Security (non-Defense).....	41.6%	86.3%	21.8%	–5.5%	9.3%	
Department of Defense.....	10.3%	9.1%	28.9%	3.7%	–13.1%	
Other Operations of Government.....	16.0%	9.2%	2.6%	2.7%	0.4%	
Total, Percent change.....	13.6%	10.7%	15.6%	2.9%	–6.4%	

\*Less than \$0.5 billion.

**Table S-3. Agency Growth in Discretionary Spending**  
(Budget authority; dollar amounts in billions)

Agency	Growth								
	Actual			Estimate		2004–2005		Average	Cumulative
	2001	2002	2003	2004	2005	Change	Percent	2001–2005	2001–2005
Agriculture .....	19.2	20.1	21.7	20.7	19.1	-1.7	-8.1%	-0.2%	-0.9%
Commerce .....	5.1	5.4	5.6	5.8	5.7	-0.1	-1.0%	2.9%	12.1%
Defense .....	302.5	327.8	365.3	375.3	401.7	26.5	7.1%	7.3%	32.8%
Education .....	40.1	48.5	53.1	55.7	57.3	1.7	3.0%	9.3%	43.0%
Energy .....	20.0	20.9	21.9	23.3	23.6	0.3	1.2%	4.2%	17.7%
Health and Human Services .....	54.0	59.5	65.7	69.3	68.2	-1.1	-1.6%	6.0%	26.2%
Homeland Security .....	14.0	15.7	22.0	27.1	28.3	1.3	4.6%	19.3%	102.3%
Housing and Urban Development .....	28.4	29.4	30.1	30.4	31.3	0.8	2.8%	2.5%	10.3%
Interior .....	10.3	10.5	10.5	10.6	10.8	0.2	1.9%	1.4%	5.7%
Justice .....	18.4	18.6	19.0	19.3	18.7	-0.6	-3.1%	0.5%	2.1%
Labor .....	11.9	12.1	11.8	11.7	11.9	0.1	1.3%	-0.1%	-0.4%
State .....	7.7	9.0	9.2	9.3	10.3	1.0	10.7%	7.3%	32.8%
Transportation .....	14.6	12.8	13.5	13.9	13.3	-0.5	-3.9%	-2.1%	-8.3%
Treasury .....	10.3	10.5	10.7	11.2	10.8	-0.4	-3.6%	1.1%	4.3%
Veterans Affairs .....	22.4	23.8	26.4	29.1	29.7	0.5	1.8%	7.3%	32.5%
Corps of Engineers .....	4.7	4.5	4.6	4.6	4.0	-0.6	-13.1%	-4.1%	-15.4%
Environmental Protection Agency .....	7.8	7.9	8.1	8.4	7.8	-0.6	-7.2%	-0.2%	-1.0%
Executive Office of the President .....	0.3	0.3	0.3	0.3	0.3	0.0	0.5%	6.8%	30.2%
General Services Administration .....	0.2	0.2	1.3	0.5	0.2	-0.2	-49.2%	5.3%	22.8%
International Assistance Programs .....	12.6	12.7	13.6	15.7	19.3	3.7	23.5%	11.3%	53.6%
Judicial Branch .....	4.0	4.3	4.6	4.8	5.4	0.6	11.5%	7.8%	35.2%
Legislative Branch .....	2.8	3.0	3.4	3.6	4.0	0.4	12.3%	9.8%	45.4%
NASA .....	14.3	14.8	15.3	15.4	16.2	0.9	5.6%	3.3%	14.0%
National Science Foundation .....	4.4	4.8	5.3	5.6	5.7	0.2	3.0%	6.7%	29.7%
Small Business Administration .....	0.9	0.8	0.8	0.8	0.7	-0.1	-10.4%	-6.8%	-24.7%
Social Security Administration .....	6.0	6.4	6.7	7.2	7.6	0.4	5.9%	5.9%	25.8%
Other Agencies .....	7.0	6.8	7.9	8.0	6.5	-1.5	-19.1%	-2.0%	-7.6%
<b>Total, Discretionary Spending .....</b>	<b>643.8</b>	<b>691.0</b>	<b>758.5</b>	<b>787.3</b>	<b>818.4</b>	<b>31.1</b>	<b>3.9%</b>	<b>6.2%</b>	<b>27.1%</b>
Emergency Response Funds and Supplementals .....	20.0	43.8	90.9	87.3					

**Table S-4. Percentage Year-to-Year Growth in Discretionary Budget Authority**

Agency	2000 to 2001	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	Average Growth 2001–2005
Agriculture .....	13%	4%	8%	-4%	-8%	*
Commerce.....	-41%	6%	3%	4%	-1%	3%
Defense .....	5%	8%	11%	3%	7%	7%
Education.....	37%	21%	10%	5%	3%	9%
Energy .....	13%	4%	5%	6%	1%	4%
Health and Human Services .....	19%	10%	10%	5%	-2%	6%
Homeland Security.....	-4%	12%	39%	23%	5%	19%
Housing and Urban Development .....	34%	4%	2%	1%	3%	2%
Interior.....	21%	2%	*	1%	2%	1%
Justice.....	14%	1%	2%	2%	-3%	1%
Labor .....	36%	2%	-2%	-1%	1%	*
State .....	-1%	16%	3%	*	11%	7%
Transportation .....	40%	-12%	5%	3%	-4%	-2%
Treasury .....	12%	2%	2%	5%	-4%	1%
Veterans Affairs .....	7%	6%	11%	10%	2%	7%
Corps of Engineers.....	14%	-4%	3%	-1%	-13%	-4%
Environmental Protection Agency .....	3%	1%	2%	3%	-7%	*
Executive Office of the President.....	-4%	5%	14%	8%	*	7%
International Assistance Programs .....	-8%	1%	7%	15%	23%	11%
Judicial Branch .....	8%	9%	6%	5%	12%	8%
Legislative Branch .....	9%	10%	13%	5%	12%	10%
NASA .....	5%	4%	4%	*	6%	3%
National Science Foundation .....	13%	8%	11%	5%	3%	7%
Small Business Administration .....	1%	-15%	*	-1%	-10%	-7%
Social Security Administration .....	7%	6%	5%	7%	6%	6%
Other Agencies.....	23%	-3%	33%	-9%	-21%	-2%
Percent Growth by Category:						
Defense (DOD).....	5%	8%	11%	3%	7%	7%
Homeland Security.....	14%	21%	85%	18%	10%	31%
Non-Defense, non-Homeland .....	15%	6%	5%	4%	1%	4%
Total, excluding emergency supplementals.....	10.2%	7.3%	9.8%	3.8%	3.9%	6%
Total, including emergency supplementals.....	13.6%	10.7%	15.6%	3.0%	-6.4%	5%

\*0.5 percent or less

**Table S–5. Discretionary Proposals by Appropriations Subcommittee**  
(Budget authority in billions of dollars)

Appropriations Subcommittee	2004 Enacted	2005 Proposed	Change: 2004–2005
Agriculture and Rural Development .....	17.7	16.4	–1.2
Commerce, Justice, State, and the Judiciary .....	38.7	39.4	0.7
Defense .....	366.1	392.5	26.4
District of Columbia .....	0.5	0.6	*
Energy and Water Development.....	27.3	27.0	–0.3
Foreign Operations.....	17.5	21.3	3.8
Homeland Security.....	27.1	28.3	1.3
Interior and Related Agencies.....	20.0	20.0	–0.1
Labor, Health and Human Services, and Education .....	140.9	141.8	0.9
Legislative Branch.....	3.5	4.0	0.4
Military Construction .....	9.3	9.5	0.2
Transportation, Treasury, and General Government.....	28.7	26.0	–2.7
Veterans Affairs, Housing and Urban Development.....	90.1	92.0	1.9
Allowances .....	—	–0.4	–0.4
<b>Total, excluding supplemental funding .....</b>	<b>787.3</b>	<b>818.4</b>	<b>31.1</b>
Supplemental funding.....	87.3	—	

\*0.5 percent or less

**Table S-6. Homeland Security Funding by Agency**  
(Budget authority in millions of dollars)

	2003		2004		2005
	Actual	Supplemental	Estimate	Supplemental	Proposed
<b>Homeland Security Funding:</b>					
Department of Agriculture .....	300	110	327	—	651
Department of Commerce.....	112	—	131	—	150
Department of Defense-Military <sup>1</sup> .....	8,442	—	7,024	—	8,023
Department of Energy .....	1,247	162	1,363	—	1,497
Department of Health and Human Services.....	4,002	142	4,109	—	4,276
Department of Homeland Security.....	18,652	4,411	23,492	91	27,214
Department of Justice.....	1,893	457	2,166	16	2,581
Department of State .....	633	1	701	—	955
Department of the Treasury.....	80	—	90	—	87
Department of Transportation .....	383	—	284	—	243
Department of Veterans Affairs .....	154	—	271	—	297
Corps of Engineers.....	36	39	103	—	84
Environmental Protection Agency .....	133	—	123	—	97
Social Security Administration.....	132	—	143	—	155
National Aeronautics and Space Administration.....	205	—	191	—	207
National Science Foundation .....	285	—	328	—	344
Other Agencies.....	429	7	461	—	525
<b>Total, Homeland Security Funding .....</b>	<b>37,118</b>	<b>5,329</b>	<b>41,307</b>	<b>107</b>	<b>47,386</b>
Less Department of Defense-Military <sup>1</sup> .....	-8,442	—	-7,024	—	-8,023
Less Department of Homeland Security Project BioShield <sup>2</sup> .....	—	—	-885	—	-2,528
<b>Total, Homeland Security Funding, excluding Defense and BioShield .....</b>	<b>28,676</b>	<b>5,329</b>	<b>33,398</b>	<b>107</b>	<b>36,835</b>
Less Mandatory Homeland Security Funding <sup>3</sup> .....	-1,760	—	-1,948	—	-2,261
Less Discretionary Fee-Funded Activities <sup>4</sup> .....	-3,414	705	-3,655	—	-4,081
<b>Net Non-Defense Discretionary Homeland Security Budget Authority .....</b>	<b>23,502</b>	<b>6,034</b>	<b>27,795</b>	<b>107</b>	<b>30,493</b>

<sup>1</sup> Defense homeland security funding declines in 2004 due to one-time force protection investments in 2003.

<sup>2</sup> The Administration is proposing a separate BEA category for the DHS BioShield program (see Chapter 14 in the *Analytical Perspectives* volume).

<sup>3</sup> Mandatory homeland security programs include Agriculture Quarantine and Inspections, Border Protection, and Immigration Enforcement.

<sup>4</sup> Discretionary fee-funded homeland security programs include Visa Processing, Airport Security, and Social Security physical and computer security measures.



**Table S-7. Adjustments of 2004 Discretionary Levels**  
 (Budget authority in billions of dollars)

CBO Estimate of 2004 Likely Enacted .....	786.0
Estimating differences:	
Receipt estimates in housing and homeland security programs .....	-0.9
Differences due to scoring interpretations .....	-0.3
Other technical scoring differences .....	0.1
OMB Estimate of 2004 Enacted .....	<u>784.9</u>
Post-enactment adjustments:	
Reclassifications and technical reestimates:	
Medicare administrative costs for P.L. 108-173, shift mandatory to discretionary .....	1.5
Remove Project BioShield from discretionary category .....	-0.9
Rebase appropriations changes to Justice and USDA mandatory programs .....	1.5
Technical revisions .....	0.3
Revised OMB Estimate of 2004 Enacted Current Year Levels .....	<u>787.3</u>

**Table S–8. Mandatory Proposals**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Agriculture:</b>								
Forest Service Recreation Fee Proposal .....	—	—	–17	–12	–7	–2	–38	—
Extend expiring National School Lunch Act provisions .....	11	18	—	—	—	—	18	18
Subtotal, Agriculture .....	11	18	–17	–12	–7	–2	–20	18
<b>Education:</b>								
Reform the Federal Student Loan Programs to Help Students Afford College:								
Expand Teacher Loan Forgiveness .....	—	227	50	52	54	57	440	763
Retain Variable Interest Rates .....	—	—	103	200	198	175	676	1,783
Increase Loan Limits for First-Year Students from \$2,625 to \$3,000 .....	—	20	58	75	78	82	313	775
Standardize FFEL and DL Extended Repayment Plans .....	—	184	112	–33	41	86	390	1,022
Additional Benefits to Students .....	—	251	286	373	293	287	1,490	3,062
Subtotal .....	—	682	609	667	664	687	3,309	7,405
Standardize Guaranty Agency Insurance Premium .....	—	–497	–352	–337	–339	–341	–1,866	–3,952
Eliminate Rollover of Tax-Exempt Special Allowance .....	—	–490	–448	–418	–430	–456	–2,242	–4,949
Other Student Loan Reforms .....	—	116	–65	–92	–95	–90	–226	–807
Subtotal, Education .....	—	–189	–256	–180	–200	–200	–1,025	–2,303
<b>Energy:</b>								
Reclassification of Nuclear Waste Disposal Fees as discretionary .....	—	749	754	757	767	767	3,794	7,655
Arctic National Wildlife Refuge (ANWR), lease bonuses .....	—	—	–1,200	—	—	—	–1,200	–1,200
Subtotal, Energy .....	—	749	–446	757	767	767	2,594	6,455
<b>Health and Human Services (HHS):</b>								
Medicaid/State Children’s Health Insurance Program:								
Medicaid proposals .....	175	889	846	959	1,098	1,252	5,044	7,863
Program Integrity .....	—	–1,542	–1,737	–1,924	–2,120	–2,327	–9,650	–23,553
Temporary Assistance for Needy Families Reauthorization .....	96	279	328	337	350	361	1,657	3,390

**Table S–8. Mandatory Proposals—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Healthy Marriages:</b>								
Healthy Marriage and Family Formation Initiative ...	–118	–59	13	38	40	40	72	272
State-based Abstinence Grants .....	9	30	45	49	50	50	224	474
Child Support Enforcement: Increase Collections and Improve Program Effectiveness .....	—	–63	10	70	49	39	105	248
Subtotal, Healthy marriages.....	–109	–92	68	157	139	129	401	994
Foster Care: Clarify Statutory Eligibility Definition .....	—	–67	–69	–72	–75	–78	–361	–807
Child Welfare Program Option .....	—	7	90	120	–26	–195	–4	—
<b>Compensation for 2000–01 Military Wage Credits (non-paygo):</b>								
Payment to Medicare trust funds .....	—	181	—	—	—	—	181	181
Medicare trust fund receipts .....	—	–181	—	—	—	—	–181	–181
Subtotal, HHS.....	163	–526	–474	–422	–633	–857	–2,912	–12,113
<b>Homeland Security:</b>								
Extend Bureau of Customs and Border Protection’s Fees.....	—	–820	–1,391	–1,448	–1,507	–1,570	–6,736	–15,691
<b>Interior:</b>								
<b>ANWR, lease bonuses:</b>								
<b>State of Alaska’s share:</b>								
Receipts.....	—	—	–1,201	–1	–101	–1	–1,304	–1,359
Expenditures.....	—	—	1,201	1	101	1	1,304	1,359
Federal share .....	—	—	–1	–1	–101	–1	–104	–159
Permanent Recreation Fee Authority .....	—	—	–19	–3	32	70	80	465
Correct trust accounting deficiencies in individual Indian money investments.....	6	—	—	—	—	—	—	—
Increase Indian Gaming Commission Fees <sup>1</sup> .....	—	—	3	4	5	5	17	42
<b>Bureau of Land Management Land Sale Authority:</b>								
Receipts .....	—	–24	–33	–38	–48	–48	–191	–471
Expenditures .....	—	6	17	25	32	38	118	379
Subtotal, Interior .....	6	–18	–33	–13	–80	64	–80	256

**Table S-8. Mandatory Proposals—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005-2009	2005-2014
<b>Labor:</b>								
Unemployment Insurance fiscal integrity.....	—	-11	-23	-35	-37	-39	-145	-371
Federal Employees' Compensation Act.....	—	-7	-15	-15	-22	-28	-87	-290
Pension Benefit Guaranty Corporation .....	—	—	-39	-160	-154	-163	-516	-310
Black Lung Disability Trust Fund debt refinancing (non-paygo):								
Black Lung Disability Trust Fund.....	—	2,764	-517	-512	-506	-507	722	-2,121
Interest receipts on repayable advances .....	—	-2,764	517	512	506	507	-722	2,121
Subtotal, Labor.....	—	-18	-77	-210	-213	-230	-748	-971
<b>Treasury:</b>								
Outlay effects of refundable tax credits: <sup>1</sup>								
Health care tax credit.....	—	82	3,760	5,041	6,388	7,133	22,404	65,355
Child tax credit.....	—	—	-145	-147	-149	-150	-591	-1,368
Earned income tax credit.....	—	-440	131	130	119	134	74	643
Contingent offset for refundable portion of the health care tax credit .....	—	-82	-3,760	-5,041	-6,388	-7,133	-22,404	-65,355
Move Asset Forfeiture Fund to the Department of Justice:								
Treasury Asset Forfeiture Fund.....	—	-251	-251	-251	-251	-251	-1,255	-2,510
Justice Asset Forfeiture Fund .....	—	251	251	251	251	251	1,255	2,510
Extend the Rum Carryover for Puerto Rico.....	58	79	21	—	—	—	100	100
Subtotal, Treasury.....	58	-361	7	-17	-30	-16	-417	-625
<b>Veterans Affairs:</b>								
Reverse Allen Case providing compensation for drug and alcohol abuse-related disabilities.....	-51	-162	-235	-259	-304	-321	-1,281	-3,130
Limit home loan guarantees to one-time use .....	—	—	—	—	—	—	—	91
Eliminate the "45 Day Rule" for Death Pension .....	—	1	1	1	1	1	6	13
Accelerated education benefit payment.....	—	*	*	*	*	*	*	*
Subtotal, Veterans Affairs.....	-51	-161	-234	-258	-303	-320	-1,275	-3,026
<b>Army Corps of Engineers:</b>								
Additional user fees.....	—	-7	-7	-7	-7	-7	-35	-70
Program expenditure of fees.....	—	—	6	7	7	7	27	62
Subtotal, Army Corps of Engineers.....	—	-7	-1	—	—	—	-8	-8

**Table S–8. Mandatory Proposals—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Federal Communications Commission (FCC):</b>								
Analog Spectrum Lease Fee .....	—	—	—	–500	–500	–480	–1,480	–2,580
Extend Spectrum Auction Authority and Authorize Fees .....	—	—	–50	1,850	1,700	–3,100	400	–5,525
Spectrum Relocation Fund .....	—	—	200	400	500	600	1,700	2,500
Subtotal, FCC .....	—	—	150	1,750	1,700	–2,980	620	–5,605
<b>Federal Deposit Insurance Corporation:</b>								
Merge Bank Insurance Fund and Savings Association Insurance Fund .....	—	—	568	742	–60	–63	1,187	861
<b>Social Security Administration (SSA):</b>								
Cross-program recovery of SSA overpayments:								
On-Budget .....	—	–49	–69	–48	–11	–8	–185	–211
Off-Budget (non-paygo) .....	—	–2	–3	–3	–3	–3	–14	–27
Close Loophole that Allows Some Workers to Avoid Government Pension Offset (non-paygo) .....	—	–1	–3	–5	–7	–9	–25	–109
Reduce Improper Payments by Requiring Reporting of Non-Social Security Covered Pension Income (non-paygo) .....	—	—	—	–215	–323	–282	–820	–2,313
Compensation for 2000–01 Military Wage Credits (non-paygo):								
On-Budget .....	—	759	—	—	—	—	759	759
Off-Budget .....	—	–759	—	—	—	—	–759	–759
Supplemental Security Income Pre-Effectuation Reviews and Other Technical Adjustments .....	—	–3	–26	–58	–99	–142	–328	–1,803
Extend SSI Eligibility to Refugees and Asylees to eight Years after Entry .....	—	64	68	74	—	—	206	206
Mandate Expedited, Electronic Reporting of Death Information by States:								
On-Budget .....	*	*	*	*	*	*	*	*
Off-Budget (non-paygo) .....	*	*	*	*	*	*	*	*
Subtotal, SSA .....	*	9	–33	–255	–443	–444	–1,166	–4,257

**Table S–8. Mandatory Proposals—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Indirect Impact of Other Proposals (Third Scorecard):</b>								
Power Marketing Administrations to directly fund Corps of Engineers and Bureau of Reclamation's hydro operations and maintenance expenses and other proposals.....	—	168	163	150	147	160	788	1,585
<b>Total, Mandatory Proposals</b> .....	<b>187</b>	<b>–1,156</b>	<b>–2,074</b>	<b>584</b>	<b>–862</b>	<b>–5,691</b>	<b>–9,199</b>	<b>–35,424</b>
Paygo.....	181	–1,321	–2,231	657	–676	–5,557	–9,128	–34,560
Non-Paygo.....	6	165	157	–73	–186	–134	–71	–864
Spending effects of permanent extension of 2001 and 2003 tax cuts, included in baseline:								
Child tax credit <sup>1</sup> .....	—	—	4,265	4,131	4,003	3,936	16,335	47,809
Earned income tax credit <sup>1</sup> .....	—	—	—	—	—	—	—	5,676
<b>Total</b> .....	<b>—</b>	<b>—</b>	<b>4,265</b>	<b>4,131</b>	<b>4,003</b>	<b>3,936</b>	<b>16,335</b>	<b>53,485</b>

\* \$500,000 or less.

<sup>1</sup> Affects both receipts and outlays. Only the outlay effect is shown here.

**Table S–9. Effect of Proposals on Receipts**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Make Permanent the Tax Cuts Enacted in 2001 and 2003, assumed in the baseline:</b>								
<b>Extend certain provisions through 2010:</b>								
Child tax credit <sup>1</sup> .....	—	–2,166	–8,930	–9,023	–9,067	–8,325	–37,511	–42,079
Marriage penalty relief .....	—	–5,318	–6,634	–3,883	–1,850	–423	–18,108	–18,108
10 percent individual income tax rate bracket.....	—	–4,005	–5,981	–6,435	–4,036	–2,956	–23,413	–27,343
Total, extend certain provisions through 2010.....	—	–11,489	–21,545	–19,341	–14,953	–11,704	–79,032	–87,530
<b>Permanently extend certain provisions:</b>								
Dividends tax rate structure.....	—	498	486	485	642	–17,272	–15,161	–81,280
Capital gains tax rate structure.....	—	—	—	—	–5,268	–7,366	–12,634	–49,970
Expensing for small business.....	—	226	–3,336	–5,711	–4,102	–3,205	–16,128	–24,798
Marginal individual income tax rate reductions .....	—	—	—	—	—	—	—	–395,269
Child tax credit <sup>2</sup> .....	—	—	—	—	—	—	—	–72,786
Marriage penalty relief <sup>3</sup> .....	—	—	—	—	—	—	—	–32,426
Education incentives .....	—	–11	–16	–22	–24	–37	–110	–6,758
Repeal of estate and generation-skipping transfer taxes, and modification of gift taxes .....	—	–1,000	–1,609	–1,732	–1,977	–2,244	–8,562	–180,111
Modifications of pension plans .....	—	—	—	—	—	—	—	–1,804
Other incentives for families and children.....	—	—	—	—	—	—	—	–3,531
Total, permanent extensions.....	—	–287	–4,475	–6,980	–10,729	–30,124	–52,595	–848,733
Total, extensions of tax cuts enacted in 2001 and 2003, assumed in baseline.....	—	–11,776	–26,020	–26,321	–25,682	–41,828	–131,627	–936,263
<b>Tax Incentives:</b>								
<b>Simplify and encourage saving:</b>								
Expand tax-free savings opportunities .....	—	3,949	8,192	5,488	2,798	685	21,112	5,558
Consolidate employer-based savings accounts.....	—	–214	–318	–337	–358	–380	–1,607	–11,763
Establish Individual Development Accounts (IDAs) ..	—	–134	–286	–326	–300	–255	–1,301	–1,380
Total simplify and encourage saving .....	—	3,601	7,588	4,825	2,140	50	18,204	–7,585

**Table S-9. Effect of Proposals on Receipts—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Invest in health care:</b>								
Provide refundable tax credit for the purchase of health insurance <sup>4</sup> .....	—	–24	–1,417	–1,059	–854	–632	–3,986	–4,700
Provide an above-the-line deduction for high-deductible insurance premiums.....	—	–173	–1,764	–2,014	–2,292	–2,501	–8,744	–24,775
Provide an above-the-line deduction for long-term care insurance premiums.....	—	–68	–489	–805	–1,572	–2,435	–5,369	–21,428
Provide an additional personal exemption to home caregivers of family members.....	—	–71	–460	–398	–398	–415	–1,742	–3,759
Allow the orphan drug tax credit for certain pre-designation expenses.....	—	—	—	—	—	—	–1	–2
Clarify the Health Coverage Tax Credit <sup>5</sup> .....	—	—	—	—	—	—	—	—
Total invest in health care.....	—	–336	–4,130	–4,276	–5,116	–5,983	–19,841	–54,662
<b>Provide incentives for charitable giving:</b>								
Provide charitable contribution deduction for nonitemizers.....	—	–1,248	–1,103	–1,111	–1,144	–1,173	–5,779	–12,036
Permit tax-free withdrawals from IRAs for charitable contributions.....	–68	–450	–341	–327	–330	–329	–1,777	–3,498
Expand and increase the enhanced charitable deduction for contributions of food inventory .....	—	–42	–87	–96	–106	–116	–447	–1,224
Reform excise tax based on investment income of private foundations .....	—	–133	–83	–84	–86	–90	–476	–1,009
Modify tax on unrelated business taxable income of charitable remainder trusts.....	—	–8	–5	–6	–6	–6	–31	–68
Modify basis adjustment to stock of S corporations contributing appreciated property .....	—	–21	–13	–15	–18	–21	–88	–239
Repeal the \$150 million limitation on qualified 501(c)(3) bonds .....	—	–8	–10	–11	–10	–10	–49	–94
Repeal certain restrictions on the use of qualified 501(c)(3) bonds for residential rental property .....	—	–5	–6	–12	–18	–25	–66	–299
Total provide incentives for charitable giving.....	–68	–1,915	–1,648	–1,662	–1,718	–1,770	–8,713	–18,467



**Table S–9. Effect of Proposals on Receipts—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Strengthen education:</b>								
Extend, increase, and expand the above-the-line deduction for qualified out-of-pocket classroom expenses .....	–23	–229	–240	–249	–260	–263	–1,241	–2,611
<b>Encourage telecommuting:</b>								
Exclude from income the value of employer-provided computers, software, and peripherals .....	—	–27	–45	–43	–48	–55	–218	–668
<b>Increase housing opportunities:</b>								
Provide tax credit for developers of affordable single-family housing .....	—	–7	–81	–327	–776	–1,352	–2,543	–16,409
<b>Protect the environment:</b>								
Extend permanently expensing of brownfields remediation costs .....	–178	–243	–212	–201	–191	–181	–1,028	–1,858
Exclude 50 percent of gains from the sale of property for conservation purposes .....	—	–45	–88	–101	–58	—	–292	–292
Total protect the environment .....	–178	–288	–300	–302	–249	–181	–1,320	–2,150
<b>Increase energy production and promote energy conservation:</b>								
Extend and modify the tax credit for producing electricity from certain sources .....	—	–401	–337	–305	–278	–139	–1,460	–2,175
Provide tax credit for residential solar energy systems .....	—	–12	–11	–17	–23	–10	–73	–73
Modify treatment of nuclear decommissioning funds .....	—	–193	–147	–154	–162	–169	–825	–1,767
Provide tax credit for purchase of certain hybrid and fuel cell vehicles .....	—	–79	–223	–376	–556	–542	–1,776	–2,211
Provide tax credit for energy produced from landfill gas .....	—	–34	–67	–91	–104	–117	–413	–737
Provide tax credit for combined heat and power property .....	—	–154	–107	–64	–62	–13	–400	–349
Extend excise tax exemption (credit) for ethanol <sup>5</sup> .....	—	—	—	—	—	—	—	—

**Table S-9. Effect of Proposals on Receipts—Continued**

(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
Permit electric utilities to defer gain from sales of electric transmission property .....	-11	-475	-615	-532	-227	100	-1,749	361
Modify tax treatment of certain income of electric cooperatives.....	—	-14	-20	-21	-22	-23	-100	-235
Total increase energy production and promote energy conservation.....	-11	-1,362	-1,527	-1,560	-1,434	-913	-6,796	-7,186
Total tax incentives.....	-280	-563	-383	-3,594	-7,461	-10,467	-22,468	-109,738
<b>Simplify the Tax Laws for Families:</b>								
Establish uniform definition of a qualifying child <sup>6</sup> .....	—	-38	-34	-29	-20	-9	-130	-142
Simplify adoption tax benefits.....	—	-4	-39	-40	-42	-43	-168	-411
Eliminate household maintenance test for head-of-household filing status .....	—	-123	-297	-284	-285	-281	-1,270	-2,555
Reduce computational complexity of refundable child tax credit <sup>7</sup> .....	—	—	—	—	—	—	—	21
Simplify EITC eligibility requirements regarding filing status, presence of children, investment income, and work and immigration status <sup>8</sup> .....	—	64	-36	-35	-32	-33	-72	-272
Simplify the taxation of dependents.....	—	-11	-25	-20	-25	-43	-124	-498
Consolidate rules for lifetime learning credit, Hope credit, and education expense deductions, and simplify other higher education provisions .....	—	-19	-94	-311	-294	-282	-1,000	-2,558
Allow annual reporting and payment of combined State and Federal unemployment insurance taxes by employers of household employees .....	—	-20	-1	-1	-1	-1	-24	-30
Simplify taxation of capital gains on collectibles, small business stock, and other assets.....	—	-4	5	11	-1	-17	-6	-35
Total simplify the tax laws for families .....	—	-155	-521	-709	-700	-709	-2,794	-6,480
<b>Strengthen the Employer-Based Pension System:</b>								
Ensure fair treatment of older workers in cash balance conversions and protect defined benefit plans .....	—	—	—	—	—	—	—	2,373
Improve the accuracy of pension liability measures.....	8,537	12,297	7,340	3,042	-1,586	-5,467	15,626	-15,869
Total strengthen the employer-based pension system.	8,537	12,297	7,340	3,042	-1,586	-5,467	15,626	-13,496

**Table S–9. Effect of Proposals on Receipts—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Close Loopholes and Improve Tax Compliance:</b>								
Combat abusive tax avoidance transactions.....	—	46	63	85	113	128	435	1,071
Limit related party interest deductions .....	—	–51	93	146	203	265	656	3,116
Modify qualification rules for tax-exempt property-casualty insurance companies .....	—	67	114	116	119	121	537	1,184
Prevent abusive overvaluations on donations of patents and other intellectual property .....	—	432	270	273	277	287	1,539	3,207
Prevent overvaluations and other abuses in charitable donations of used vehicles.....	—	158	102	105	108	112	585	1,197
Reform the treatment for leasing transactions with tax-indifferent parties.....	340	1,591	2,712	3,285	3,565	3,766	14,919	33,385
Ensure foreign subsidiaries of U.S. companies cannot inappropriately avoid U.S. tax on foreign earnings invested in U.S. property through use of the exception for bank deposits .....	—	24	21	22	22	23	112	234
Modify tax rules for individuals who give up U.S. citizenship or green card status .....	1	23	20	22	24	25	114	272
Require increased reporting for noncash charitable contributions .....	—	49	31	32	33	34	179	367
Clarify and simplify qualified tuition programs.....	—	7	12	13	13	17	62	194
Total close loopholes and improve tax compliance...	341	2,346	3,438	4,099	4,477	4,778	19,138	44,227
<b>Tax Administration, Unemployment Insurance, and Other:</b>								
<b>Improve tax administration:</b>								
Implement IRS administrative reforms.....	—	52	47	46	47	49	241	505
Increase continuous levy for certain Federal payments.....	—	10	18	19	20	20	87	202
Permit private collection agencies to engage in specific, limited activities to support IRS collection efforts.....	—	—	47	151	190	153	541	1,531
Total improve tax administration .....	—	62	112	216	257	222	869	2,238

**Table S–9. Effect of Proposals on Receipts—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
<b>Strengthen financial integrity of unemployment insurance:</b>								
Strengthen the financial integrity of the unemployment insurance system by reducing tax avoidance and improper benefit payments <sup>9</sup> .....	—	—	–2	108	142	120	368	–216
<b>Other proposals:</b>								
Increase Indian gaming activity fees .....	—	—	4	4	5	5	18	43
Total tax administration, unemployment insurance, and other.....	—	62	114	328	404	347	1,255	2,065
<b>Reauthorize Funding for the Highway Trust Fund:</b>								
Deposit full amount of excise tax imposed on gasohol in the Highway Trust Fund <sup>9</sup> .....	—	—	648	666	681	699	2,694	6,443
Impose additional registration requirements on the transfer of tax-exempt fuel by pipeline, vessel, or barge <sup>9</sup> .....	—	76	93	96	91	87	443	747
Repeal installment method for payment of heavy highway vehicle use tax <sup>9</sup> .....	407	30	31	32	31	32	156	341
Allow tax-exempt financing for private highway projects and rail-truck transfer facilities .....	—	–20	–49	–77	–94	–97	–337	–619
Total reauthorize funding for the Highway Trust Fund..	407	86	723	717	709	721	2,956	6,912
<b>Expiring Provisions (excludes proposals assumed in the baseline):</b>								
Minimum tax relief for individuals.....	–86	–9,383	–13,881	—	—	—	–23,264	–23,264
Research & Experimentation (R&E) tax credit.....	–672	–3,610	–5,187	–6,291	–7,129	–7,775	–29,992	–78,351
Repeal the disallowance of certain deductions of mutual life insurance companies.....	—	–85	–51	–48	–45	–43	–272	–471
Combined work opportunity/welfare-to-work tax credit	–12	–187	–268	–162	–86	–46	–749	–768
DC tax incentives .....	–47	–97	–54	–7	–9	–24	–191	–363
Authority to issue Qualified Zone Academy Bonds .....	–2	–9	–15	–22	–28	–30	–104	–254
Deduction for corporate donations of computer technology.....	—	–180	–46	—	—	—	–226	–226

**Table S–9. Effect of Proposals on Receipts—Continued**  
(In millions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005–2009	2005–2014
Net operating loss offset of 100 percent of alternative minimum taxable income.....	-1,326	-755	-101	203	154	129	-370	82
IRS user fees.....	—	32	44	45	46	47	214	464
Disclosure of tax return information related to terrorist activity <sup>5</sup> .....	—	—	—	—	—	—	—	—
Abandoned mine reclamation fees.....	—	239	245	252	256	262	1,254	2,550
Authority to issue Liberty Zone Bonds.....	—	-8	-27	-45	-62	-79	-221	-616
Excise tax on coal <sup>9</sup> .....	—	—	—	—	—	—	—	180
Total extend other expiring provisions.....	-2,145	-14,043	-19,341	-6,075	-6,903	-7,559	-53,921	-101,037
<b>Promote Trade:</b>								
Implement free trade agreements with Morocco, Australia, and Central American countries <sup>9</sup> .....	—	-389	-583	-675	-749	-831	-3,227	-8,305
<b>Total budget proposals, including proposals assumed in the baseline</b> .....	6,860	-12,135	-35,233	-29,188	-37,491	-61,015	-175,062	-1,122,115
<b>Total budget proposals, excluding proposals assumed in the baseline</b> .....	6,860	-359	-9,213	-2,867	-11,809	-19,187	-43,435	-185,852

\* \$500,000 or less.

<sup>1</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$4,265 million for 2006, \$4,131 million for 2007, \$4,003 million for 2008, \$3,936 million for 2009, \$16,335 million for 2005–2009 and \$18,906 million for 2005–2014.

<sup>2</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$28,903 million for 2005–2014.

<sup>3</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$5,676 million for 2005–2014.

<sup>4</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$82 million for 2005, \$3,760 million for 2006, \$5,041 million for 2007, \$6,388 million for 2008, \$7,133 million for 2009, \$22,404 million for 2005–2009 and \$65,355 million for 2005–2014.

<sup>5</sup> Policy proposal with a receipt effect of zero.

<sup>6</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$36 million for 2006, \$36 million for 2007, \$36 million for 2008, \$37 million for 2009, \$145 million for 2005–2009 and \$333 million for 2005–2014.

<sup>7</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is -\$181 million for 2006, -\$183 million for 2007, -\$185 million for 2008, -\$187 million for 2009, -\$736 million for 2005–2009 and -\$1,701 million for 2005–2014.

<sup>8</sup> Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is -\$440 million for 2005, \$131 million for 2006, \$130 million for 2007, \$119 million for 2008, \$134 million for 2009, \$74 million for 2005–2009 and \$643 million for 2005–2014.

<sup>9</sup> Net of income offsets.

**Table S-10. Receipts by Source—Summary**  
(In billions of dollars)

Source	2003	Estimate					
	Actual	2004	2005	2006	2007	2008	2009
Individual income taxes.....	793.7	765.4	873.8	956.5	1,049.3	1,133.4	1,209.9
Corporation income taxes.....	131.8	168.7	230.2	250.0	251.0	252.1	255.7
Social insurance and retirement receipts.....	713.0	732.4	793.9	834.0	878.7	918.8	960.2
(On-budget).....	(189.1)	(198.4)	(218.8)	(230.9)	(242.4)	(251.2)	(261.2)
(Off-budget).....	(523.8)	(534.0)	(575.1)	(603.1)	(636.3)	(667.6)	(698.9)
Excise taxes.....	67.5	70.8	73.2	75.8	77.9	80.0	82.2
Estate and gift taxes.....	22.0	23.9	21.4	23.9	21.5	22.2	23.6
Customs duties.....	19.9	22.6	22.1	24.4	26.2	27.6	30.0
Miscellaneous receipts.....	34.5	34.3	36.5	41.2	46.2	51.2	54.8
Adjustment for revenue uncertainty <sup>1</sup> ...	—	-20.0	-15.0	—	—	—	—
<b>Total, receipts.....</b>	<b>1,782.3</b>	<b>1,798.1</b>	<b>2,036.3</b>	<b>2,205.7</b>	<b>2,350.8</b>	<b>2,485.3</b>	<b>2,616.4</b>
(On-budget).....	(1,258.5)	(1,264.1)	(1,461.2)	(1,602.5)	(1,714.5)	(1,817.7)	(1,917.5)
(Off-budget).....	(523.8)	(534.0)	(575.1)	(603.1)	(636.3)	(667.6)	(698.9)

<sup>1</sup> These amounts reflect an additional adjustment to receipts beyond what the economic and tax models forecast and have been made in the interest of cautious and prudent forecasting.

**Table S–11. Comparison of Economic Assumptions**  
(Calendar years)

	Projections						Average
	2004	2005	2006	2007	2008	2009	2004–2009
<b>GDP (billions of current dollars):</b>							
CBO January .....	11,629	12,243	12,814	13,389	14,023	14,686	
Blue Chip Consensus January <sup>1</sup> .....	11,660	12,291	12,929	13,588	14,292	15,045	
2005 Budget.....	11,612	12,187	12,796	13,449	14,151	14,890	
<b>Real GDP (chain-weighted):</b> <sup>2</sup>							
CBO January .....	4.8	4.2	3.1	2.7	2.8	2.8	3.4
Blue Chip Consensus January <sup>1</sup> .....	4.6	3.7	3.3	3.1	3.2	3.2	3.5
2005 Budget.....	4.4	3.6	3.4	3.3	3.2	3.1	3.5
<b>Chain-weighted GDP Price Index:</b> <sup>2</sup>							
CBO January .....	1.1	1.1	1.5	1.8	1.9	1.9	1.5
Blue Chip Consensus January <sup>1</sup> .....	1.4	1.6	1.8	1.9	2.0	2.0	1.8
2005 Budget.....	1.2	1.3	1.5	1.7	2.0	2.0	1.6
<b>Consumer Price Index (all-urban):</b> <sup>2</sup>							
CBO January .....	1.6	1.7	2.0	2.2	2.2	2.2	2.0
Blue Chip Consensus January <sup>1</sup> .....	1.7	2.1	2.3	2.4	2.4	2.4	2.2
2005 Budget.....	1.4	1.5	1.8	2.1	2.4	2.5	2.0
<b>Unemployment rate:</b> <sup>3</sup>							
CBO January .....	5.8	5.3	5.0	5.1	5.2	5.2	5.3
Blue Chip Consensus January <sup>1</sup> .....	5.8	5.5	5.4	5.3	5.3	5.2	5.4
2005 Budget.....	5.6	5.4	5.2	5.1	5.1	5.1	5.3
<b>Interest rates:</b> <sup>3</sup>							
<b>91–day Treasury bills:</b>							
CBO January.....	1.3	3.0	4.0	4.6	4.6	4.6	3.7
Blue Chip Consensus January <sup>1</sup> .....	1.3	2.6	3.7	3.9	4.1	4.1	3.3
2005 Budget.....	1.3	2.4	3.3	4.0	4.3	4.4	3.3
<b>10–year Treasury notes:</b>							
CBO January.....	4.6	5.4	5.5	5.5	5.5	5.5	5.3
Blue Chip Consensus January <sup>1</sup> .....	4.7	5.4	5.5	5.6	5.6	5.6	5.4
2005 Budget.....	4.6	5.0	5.4	5.6	5.8	5.8	5.4

Sources: Congressional Budget Office; Aspen Publishers, Inc., Blue Chip Economic Indicators.

All forecasts reflect December 2003 comprehensive revisions to the National Income and Product Accounts.

<sup>1</sup> January 2004 Blue Chip Consensus forecast for 2004 and 2005; Blue Chip October 2003 long run extension for 2006–2009.

<sup>2</sup> Year-over-year percent change.

<sup>3</sup> Annual averages, percent.

**Table S-12. Budget Summary by Category**  
(In billions of dollars)

	2003	2004	2005	2006	2007	2008	2009	Total 2005–2009
Outlays:								
Discretionary:								
Defense (DOD).....	388	433	429	415	426	447	467	2,183
Nondefense .....	438	475	485	478	479	476	476	2,393
Total, Discretionary.....	826	908	914	892	904	923	942	4,576
Mandatory:								
Social Security.....	470	492	510	529	552	576	608	2,775
Medicare .....	246	266	290	336	372	393	418	1,809
Medicaid and SCHIP.....	165	183	188	198	213	232	251	1,081
Other .....	298	314	320	305	305	325	335	1,590
Total, Mandatory.....	1,179	1,254	1,308	1,368	1,441	1,527	1,612	7,256
Net interest.....	153	156	178	213	246	275	299	1,211
Total Outlays.....	2,158	2,319	2,400	2,473	2,592	2,724	2,853	13,043
Receipts .....	1,782	1,798	2,036	2,206	2,351	2,485	2,616	11,694
Deficit <sup>1</sup> .....	-375	-521	-364	-268	-241	-239	-237	-1,349
On-budget deficit .....	-536	-675	-543	-470	-466	-487	-501	-2,466
Off-budget surplus.....	161	154	179	202	225	248	263	1,117

<sup>1</sup> The Budget incorporates the HHS actuaries' estimates for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Because CBO's 10-year cost estimates of this bill were significantly below the HHS actuaries' estimates and because of the uncertainties involved in these estimates, Table S-13 also includes deficit calculations that reflect the lower CBO estimates.



**Table S–13. Outlay Impact of Prescription Drug and Medicare Improvement Act of 2003 (P.L. 108–173)**  
(Dollar amounts in billions)

	2004	2005	2006	2007	2008	2009	Total	
							2004–2008	2004–2013
<b>Department of Health and Human Services (HHS)</b>								
Actuaries' Estimate <sup>1</sup> .....	8	13	43	56	58	60	178	534
CBO Estimate <sup>1</sup> .....	4	6	28	40	44	47	122	395
<b>President's Budget Deficit Estimates .....</b>								
As a percent of GDP .....	–4.5%	–3.0%	–2.1%	–1.8%	–1.7%	–1.6%	–1,632	
<b>Administration's Deficit Adjusted for CBO Estimate <sup>2</sup> .....</b>								
As a percent of GDP .....	–4.5%	–3.0%	–2.0%	–1.7%	–1.6%	–1.5%	–1,571	

Note: See the HHS chapter in this volume for further information.

<sup>1</sup> Excludes revenue effects, debt service, and intrabudgetary transactions.

<sup>2</sup> Includes debt service.

**Explanation of Difference in Estimates:**

The largest portion of the difference in these cost estimates is attributable to assumptions regarding beneficiary participation, market behavior, and cost growth rates. Even small differences in these assumptions can dramatically change the overall cost estimates. For example, CBO and the Medicare actuaries both assume comparable savings from private-plan management of the drug benefit. CBO, however, assumes that these savings will be realized earlier; the Medicare actuaries assume that it will take longer for plans to achieve maximum savings.

**Table S–14. Current Services Baseline Summary by Category**  
(In billions of dollars)

	2003	2004	2005	2006	2007	2008	2009	Total 2005–2009
Outlays:								
Discretionary:								
Defense (DOD).....	388	433	420	398	402	413	423	2,056
Nondefense .....	438	475	490	487	495	501	510	2,481
Total, Discretionary.....	826	908	910	885	896	914	933	4,537
Mandatory:								
Social Security.....	470	492	510	529	552	577	608	2,776
Medicare .....	246	266	290	336	372	393	418	1,809
Medicaid and SCHIP.....	165	182	188	198	214	233	252	1,086
Other .....	298	314	320	306	303	325	339	1,593
Total, Mandatory.....	1,179	1,254	1,309	1,370	1,441	1,528	1,618	7,265
Net interest.....	153	156	178	213	245	273	296	1,206
Total Outlays.....	2,158	2,319	2,397	2,468	2,583	2,715	2,847	13,008
Receipts .....	1,782	1,791	2,037	2,215	2,354	2,497	2,636	11,738
Surplus/deficit <sup>1</sup> .....	–375	–527	–360	–253	–229	–218	–211	–1,270
On-budget deficit .....	–536	–682	–539	–455	–453	–465	–474	–2,385
Off-budget surplus.....	161	154	179	202	224	247	263	1,115

<sup>1</sup> The Budget incorporates the HHS actuaries' estimates for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Because CBO's 10-year cost estimates of this bill were significantly below the HHS actuaries' estimates and because of the uncertainties involved in these estimates, Table S-13 also includes deficit calculations that reflect the lower CBO estimates.

**Table S-15. Impact of Budget Policy**  
(Dollar amounts in billions)

	2004	2005	2006	2007	2008	2009	Total 2005–2009
Current Services Baseline Deficit .....	-527	-360	-253	-229	-218	-211	-1,270
Proposals:							
Discretionary policy:							
Department of Defense.....	—	-9	-17	-26	-36	-49	-137
Homeland security.....	—	-1	-2	-4	-5	-6	-18
Other spending .....	*	6	12	21	31	43	113
Subtotal, discretionary.....	*	-4	-8	-9	-10	-12	-43
Revenue proposals <sup>1</sup> .....	7	*	-13	-8	-19	-29	-69
Mandatory proposals .....	-*	1	6	5	8	14	33
2005 Budget Deficit <sup>2</sup> .....	-521	-364	-268	-241	-239	-237	-1,349
Percent of GDP .....	4.5%	3.0%	2.1%	1.8%	1.7%	1.6%	

\* \$500 million or less.

Note: Each line includes debt service.

<sup>1</sup> Includes outlay impact of revenue proposals.

<sup>2</sup> The Budget incorporates the HHS actuaries' estimates for the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Because CBO's 10-year cost estimates of this bill were significantly below the HHS actuaries' estimates and because of the uncertainties involved in these estimates, Table S-13 also includes deficit calculations that reflect the lower CBO estimates.

**Table S-16. Baseline Adjustments**  
(In billions of dollars)

	2004	2005	2006	2007	2008	2009	Total	
							2005-2009	2005-2014
Budget Enforcement Act Baseline Deficits.....	-527	-393	-305	-292	-288	-271	-1,549	
Extend certain tax provisions:								
Permanently extend individual income tax rate cuts.....	—	—	—	—	—	—	—	-395
Permanently extend estate and gift tax changes .....	—	-1	-2	-2	-2	-2	-9	-180
Extend other provisions of the 2001 and 2003 tax acts <sup>1</sup> .....	—	-11	-29	-29	-28	-44	-139	-414
Subtotal, tax extenders.....	—	-12	-30	-30	-30	-46	-148	-990
Assume emergencies are one-time only .....	—	43	79	86	89	92	388	
Adjust pay factor to more accurately reflect changes in pay costs .....	—	2	2	2	2	3	11	
Debt service related to all changes .....	—	*	2	5	8	12	27	
Current Services Baseline Deficit.....	-527	-360	-253	-229	-218	-211	-1,270	

\* \$500 million or less.

<sup>1</sup> Table S-9 provides a detailed list of expiring tax provisions assumed in the baseline.

**Table S-17. Federal Government Financing and Debt**  
(Dollar amounts in billions)

Function	2003 Actual	Estimate					
		2004	2005	2006	2007	2008	2009
<b>Financing:</b>							
Unified budget deficit (–) .....	–375	–521	–364	–268	–241	–239	–237
Financing other than the change in debt held by the public:							
Net purchases (–) of non-Federal securities by the National Railroad Retirement Investment Trust .....	–20	–1	*	*	*	*	*
Changes in: <sup>1</sup>							
Treasury operating cash balance .....	26	–*	—	—	—	—	—
Compensating balances <sup>2</sup> .....	–5	22	—	—	—	—	—
Checks outstanding, etc. <sup>3</sup> .....	8	—	—	—	—	—	—
Seigniorage on coins.....	1	1	1	1	1	1	1
Less: Net financing disbursements:							
Direct loan financing accounts .....	–6	–12	–11	–19	–20	–20	–21
Guaranteed loan financing accounts .....	–1	3	3	3	1	2	2
<hr/>							
Total, financing other than the change in debt held by the public	2	14	–8	–15	–18	–17	–18
Total, requirement to borrow from the public.....	–373	–507	–371	–282	–259	–256	–255
<hr/>							
Change in debt held by the public.....	373	507	371	282	259	256	255
<b>Change in Debt Subject to Statutory Limitation:</b>							
Change in debt held by the public.....	373	507	371	282	259	256	255
Change in debt held by Government accounts.....	188	219	275	311	333	357	378
Change in other factors .....	15	*	1	*	1	1	1
Total, change in debt subject to statutory limitation .....	576	727	647	594	592	614	634

**Table S–17. Federal Government Financing and Debt—Continued**  
(Dollar amounts in billions)

Function	2003	Estimate					
	Actual	2004	2005	2006	2007	2008	2009
<b>Debt Subject to Statutory Limitation, End of Year:</b>							
Debt issued by Treasury .....	6,733	7,459	8,106	8,700	9,292	9,906	10,540
Adjustment for discount, premium and coverage <sup>4</sup> .....	5	5	5	5	5	5	5
Total, debt subject to statutory limitation <sup>5</sup> .....	6,738	7,464	8,111	8,705	9,297	9,911	10,545
<b>Debt Outstanding, End of Year:</b>							
Gross Federal debt: <sup>6</sup>							
Debt issued by Treasury .....	6,733	7,459	8,106	8,700	9,292	9,906	10,540
Debt issued by other agencies .....	27	27	26	26	26	25	24
Total, gross Federal debt .....	6,760	7,486	8,133	8,726	9,318	9,931	10,564
Held by:							
Debt held by Government accounts .....	2,846	3,066	3,341	3,652	3,985	4,342	4,720
Debt held by the public <sup>7</sup> .....	3,914	4,421	4,792	5,074	5,333	5,589	5,844
As a percent of GDP .....	36.1%	38.6%	39.8%	40.1%	40.2%	40.0%	39.8%

\* \$500 million or less.

<sup>1</sup> A decrease in the Treasury operating cash balance or compensating balances (which are assets) would be a means of financing a deficit and therefore has a positive sign. An increase in checks outstanding (which is a liability) would also be a means of financing a deficit and therefore also has a positive sign.

<sup>2</sup> Compensating balances are non-interest bearing Treasury bank deposits that Treasury mainly uses to compensate banks for collecting tax and non-tax receipts under financial agency agreements. Most of the balances at the end of 2003 were required to be invested in nonmarketable Depository Compensation Securities issued by the Treasury; the rest of the balances, and the entire amount in previous years, was invested in the way that the banks decide.

<sup>3</sup> Besides checks outstanding, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights; and, as an offset, cash and monetary assets (other than the Treasury operating cash balance and compensating balances), miscellaneous asset accounts, and profit on sale of gold.

<sup>4</sup> Consists mainly of unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds) and unrealized discount on Government account series securities.

<sup>5</sup> The statutory debt limit is \$7,384 billion.

<sup>6</sup> Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are measured at face value less unrealized discount (if any).

<sup>7</sup> At the end of 2003, the Federal Reserve Banks held \$656.1 billion of Federal securities and the rest of the public held \$3,257.5 billion. Debt held by the Federal Reserve Banks is not estimated for future years.