

Budget Resolution Highlights

Restores Fiscal Responsibility

- Puts nation back on a sound fiscal path
- Balances by 2012
- Reduces spending as a share of GDP
- Reduces debt as share of GDP
- Adopts spending caps and restores strong paygo rule

Meets Nation's Priorities

- Fully funds President's defense and war cost requests
- Rejects President's cuts in key areas
- Provides increases for kids' health (SCHIP), education, and veterans

Budget Resolution Highlights

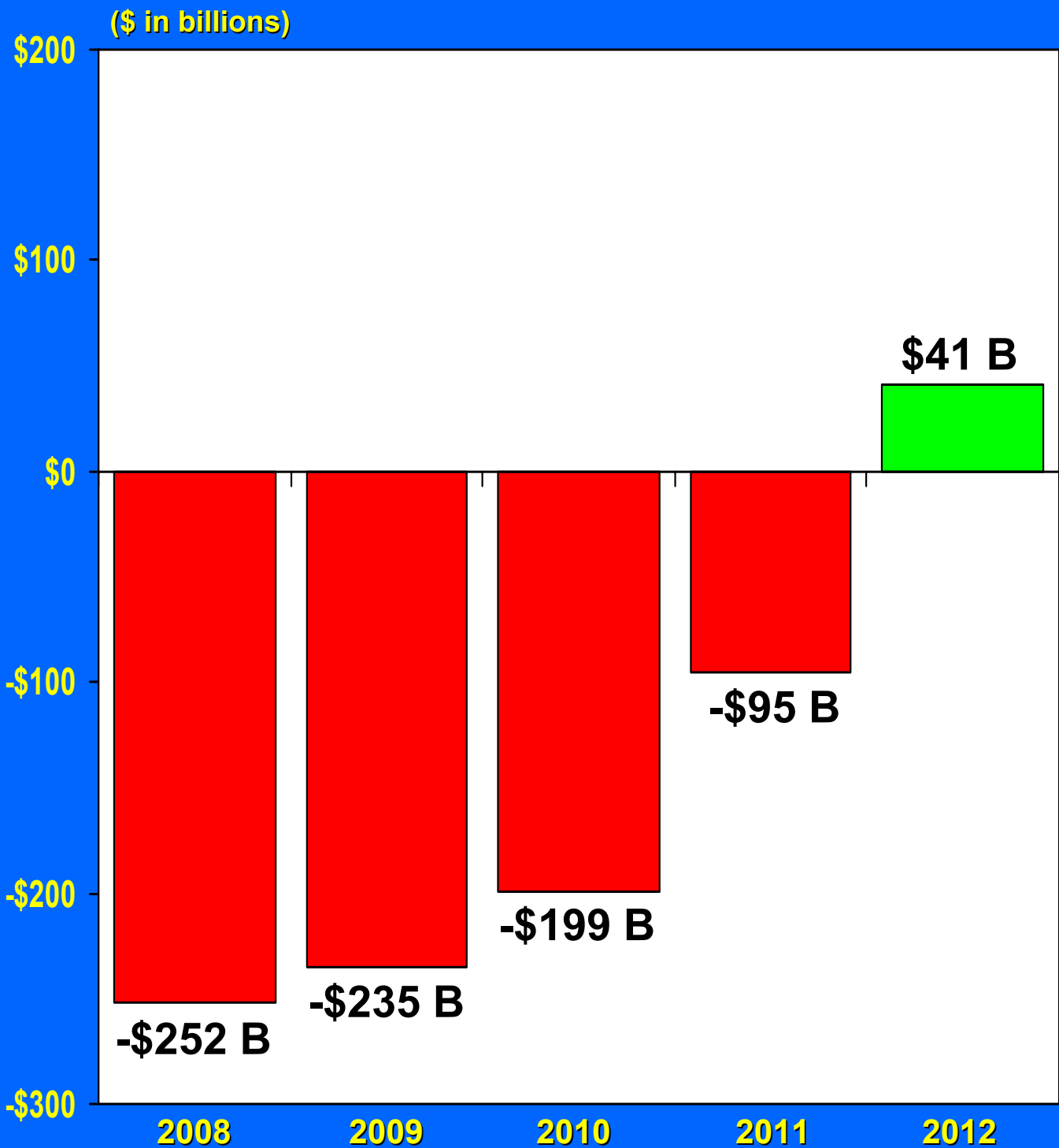
Keeps Taxes Low

- Extends middle-class tax relief: marriage penalty, child credit, 10% bracket
- Provides AMT relief
- Provides for estate tax reform
- Includes deficit-neutral reserve fund for new tax relief and extension of other expiring provisions
- Includes no tax increase

Prepares for Long-Term

- Provides for program integrity initiatives to crack down on waste, fraud, and abuse
- Includes Health IT and Comparative Effectiveness reserve funds to address rising health care costs
- Adopts new budget point of order against long-term deficit increases

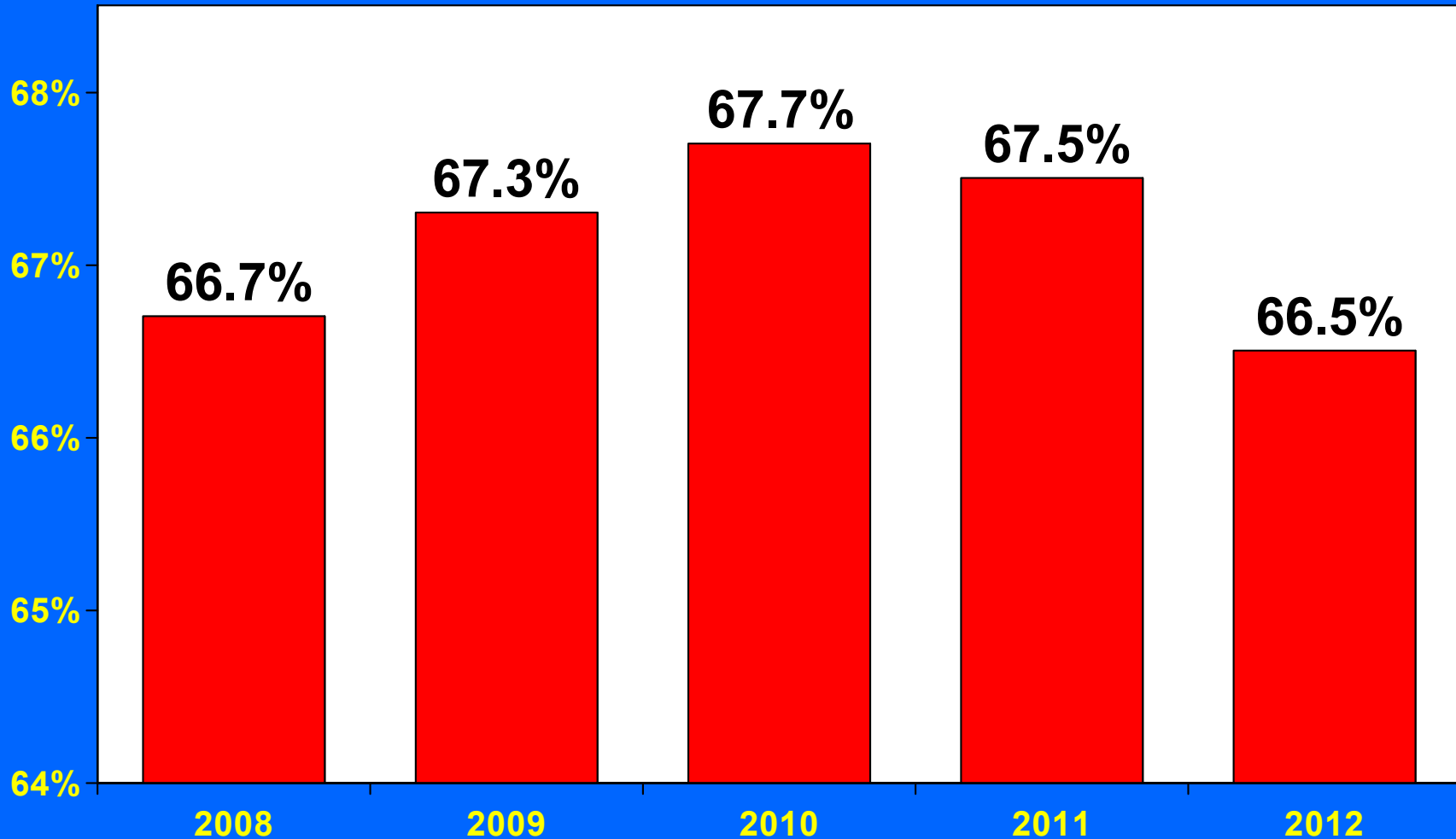
Deficits Under Budget Resolution



Source: SBC

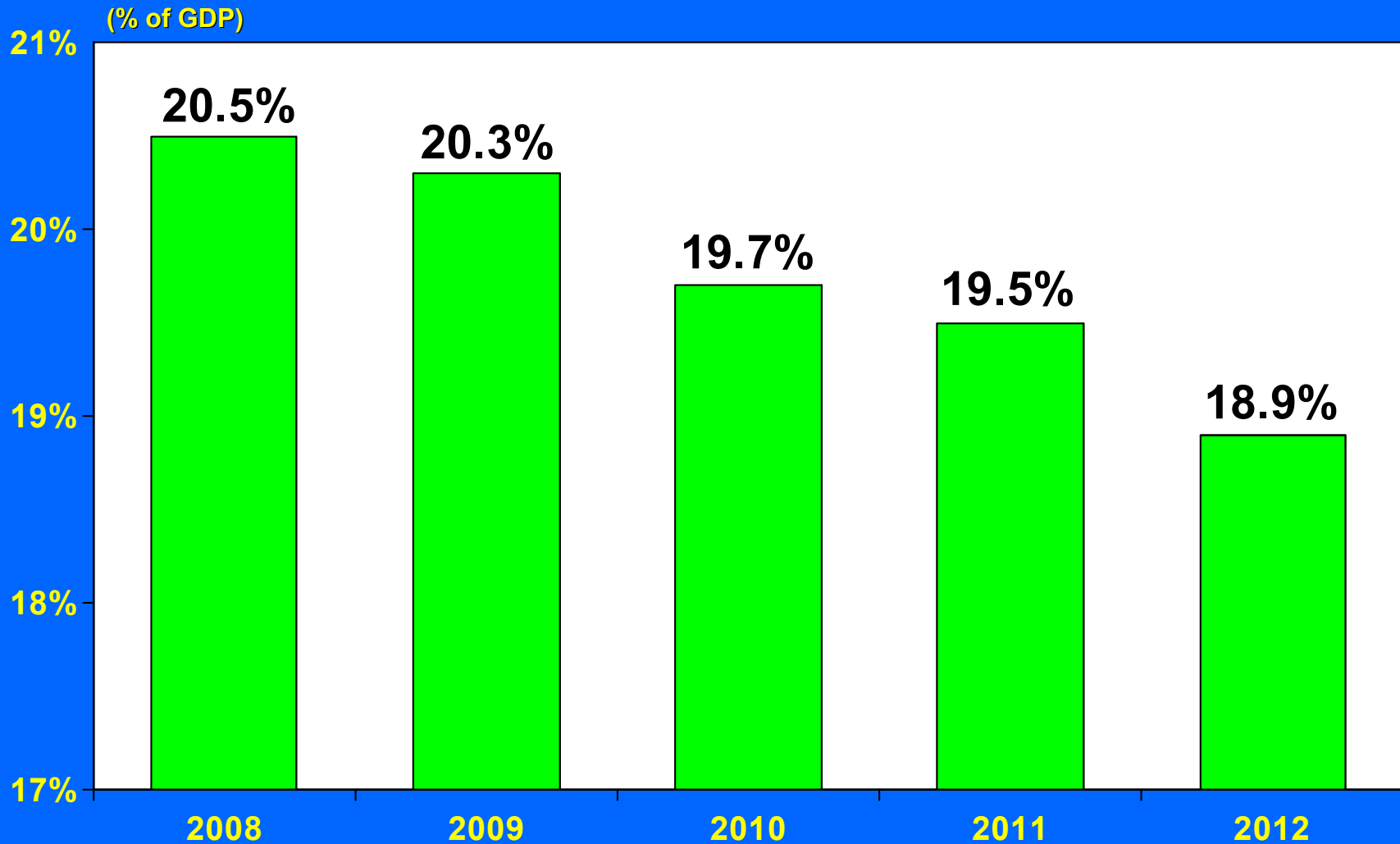
Debt Under Budget Resolution

(Gross debt, % of GDP)



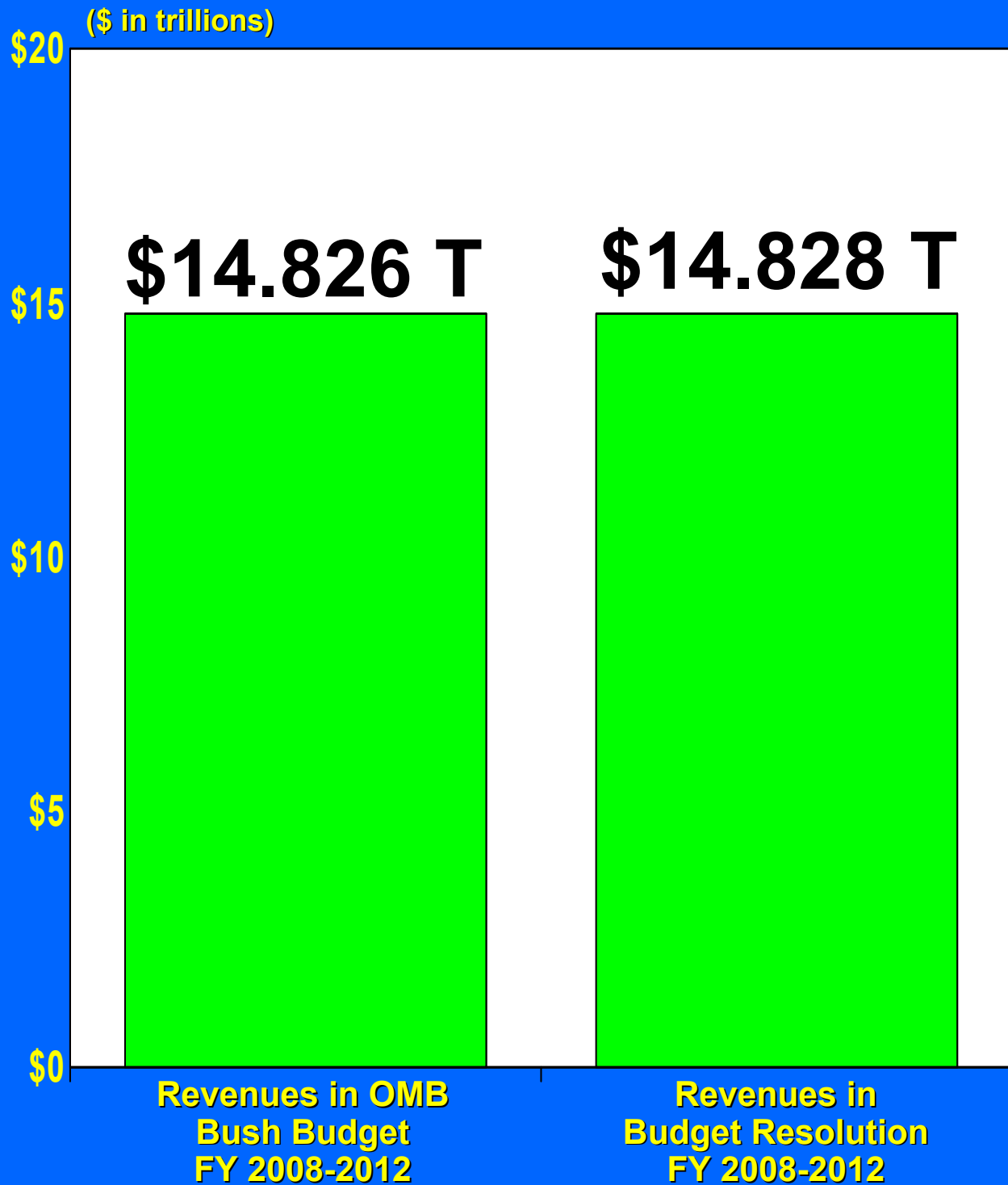
Source: SBC Democratic staff

Spending Under Budget Resolution



Source: SBC

Budget Resolution Revenues Virtually Identical to Bush Budget Revenues



Source: OMB, SBC