



## COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

October 18, 2017

### CHAIRMEN

MITCH DANIELS  
LEON PANETTA  
TIM PENNY

The Honorable Mark Warner  
703 Hart Senate Office Building  
Washington, DC 20510

### PRESIDENT

MAYA MACGUINEAS

Dear Senator Warner,

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I am writing you on behalf of the Committee for a Responsible Federal Budget (CRFB) to support the Senate budget resolution amendment offered by you to require all tax and spending legislation be subject to the Senate PAYGO rule.

The Senate PAYGO rule reflects the common sense principle that Congress should pay for priorities instead of adding to the debt. This principle has a strong history of bipartisan support. The current Senate PAYGO rule was established when Democrats controlled Congress in 2007 and made permanent when Republicans held the majority in 2015. Lawmakers should maintain it on a bipartisan basis without exceptions.

Our country is on an unsustainable fiscal path. Debt as a share of the economy is at the highest level it has been since World War II, and the Congressional Budget Office (CBO) projects it will grow by more than \$10 trillion over the next decade. Meanwhile, CBO projects that the annual deficit – which increased by nearly \$150 billion to \$587 billion last year – will reach \$1 trillion by 2022. The consequences are clear, slower economic growth, lower wages for families, and a higher risk of a fiscal crisis. Given the deterioration in the fiscal outlook, Congress should, at a minimum, enforce the rule against making the problem any worse.

The current Senate budget resolution purports to address our debt and put the budget on a path to achieve on-budget balance by 2027. Such claims are hollow if the budget maintains the exemption to the Senate PAYGO rule paving the way for an increase in the deficit.



There is no good reason to exempt tax cuts from this reasonable minimum threshold for increasing the debt future generations will have to bear. If Congress wants to pass tax cuts, it should either reduce mandatory spending or raise other revenues to offset the tax reduction measures, not simply give itself a free pass to enact tax cuts without financing them. Doing otherwise merely provides an open invitation to provide ourselves with more government services than we are willing to pay for and then send the bill to our children.

We look forward to working with you to adopt and implement a fiscally responsible budget resolution and tax reform legislation.

Sincerely,

Maya MacGuineas

President, Committee for a Responsible Federal Budget