



PRESS RELEASE

COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

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Senate Should Strictly Enforce Existing PAYGO Rule

WASHINGTON, DC – The Committee for a Responsible Federal Budget called on the Senate to adhere to the limited pay-as-you-go rules currently in place. Specifically, the Senate should not credit the “paygo scorecard” with the savings from spending reconciliation. Doing so would allow for larger tax cuts rather than ensuring that the savings be used for deficit reduction. The Committee also recommended that if Congress completes action on tax legislation early next year as Congressional leaders have stated they plan to, the costs of all tax cuts be included on the paygo scorecard.

Under the Senate’s existing paygo rule, any tax cut or mandatory spending that increases the deficit by more than the amount credited to the paygo scorecard is subject to a sixty vote point of order. There is currently \$60 billion available on the paygo scorecard. Although it is generally expected that the Chairman of the Budget Committee will add the savings from a spending reconciliation conference report to the paygo scorecard, the Senate rule states that savings from a reconciliation bill should not be counted for purposes of calculating the paygo scorecard.

“The current Senate pay-as-you-go rule is already watered down considerably from the original rule,” said Maya MacGuineas, President of the Committee for a Responsible Federal Budget. “The Senate should not rely on parliamentary maneuvers to evade these already modest restrictions, especially since a bipartisan majority in the Senate recently endorsed reinstating the stricter paygo rule that expired in 2002.”

Although Congress is expected to adjourn for the year without completing action on tax cut legislation, several tax cuts left over from this year will be at the top of the legislative agenda next year, including the free-standing bill providing a one year fix of the Alternative Minimum Tax passed by the House earlier this month.

“If Congress is serious about deficit reduction—and they should be—it should drop all plans for legislation that would increase the deficit,” said MacGuineas. “At a minimum, Congressional leaders should not use the political pressure to address the Alternative Minimum Tax to evade budget limits and increase the deficit by even more than the budget resolution allows.”

The Committee for a Responsible Federal Budget is a bipartisan organization committed to educating policy makers and the public about issues related to fiscal policy. The Co-Chairs of the Committee are Bill Frenzel and Leon Panetta. The Committee is located at the New America Foundation. www.crfb.org.