



The President's FY 2013 Budget Request

February 14, 2012

Yesterday, President Obama released his fiscal year [2013 budget proposal](#). Unfortunately, this budget doubles-down on the same failed policies which have made the economy worse under President Obama. This budget includes the most government spending in history, the biggest tax increase in American history, and the biggest debt in history. Because the president clearly cannot stand on his record, he has regrettably turned to the politics of envy and division, which are the cornerstones of this budget proposal. House Republicans have a Plan for America's Job Creators, and it's time for the president and Democrats in the Senate to stop blocking our jobs bills.

Top Line Estimates:

President Obama's FY 2013 Budget Proposal												
(In billions of dollars)												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013 - 2022
Spending	3,796	3,803	3,883	4,060	4,329	4,532	4,728	5,004	5,262	5,537	5,820	46,959
Revenue	2,469	2,902	3,215	3,450	3,680	3,919	4,153	4,379	4,604	4,857	5,115	40,274
Deficit	1,327	901	668	610	649	612	575	626	658	681	704	6,684
Public Debt	11,578	12,637	13,445	14,198	14,980	15,713	16,404	17,137	17,897	18,678	19,486	-
National Debt Subject to the Limit	16,334	17,532	18,485	19,412	20,379	21,315	22,235	23,143	24,069	25,002	25,936	-

Deficits:

- The president's budget projects a \$1.3 trillion federal deficit in 2012, or 8.5 percent of Gross Domestic Product (GDP).
- 2012 would mark the fourth consecutive year under President Obama with a deficit of more than \$1 trillion. Before President Obama took office, the highest deficit ever was \$458 billion.
- The 2012 budget deficit would be the second highest of all time, only behind 2009.
- Despite the president's promise [to cut the deficit in half](#), the deficit has grown by 190 percent from 2008 to 2012.
- The 2012 deficit in the president's budget is \$248 billion more than the estimated deficit in CBO's [January 2012 estimate](#) and \$371 billion more than the White House [estimated in August 2011](#).

- From 2012 through 2022, annual deficits would average \$728 billion under the president's budget and the federal budget would never balance.
- Under this budget, President Obama will have been responsible for the five highest deficits of all time:
 - \$1.413 trillion in 2009.
 - \$1.294 trillion in 2010.
 - \$1.299 trillion in 2011.
 - \$1.327 trillion in 2012.
 - \$901 billion in 2013.
- Even with \$1.9 trillion in tax increases, the president's budget would still result in \$6.7 trillion in deficits from 2013 through 2022.

Taxes:

- The president's budget contains the largest tax increase in U.S. history which would further hamstring our economic recovery by imposing \$1.9 trillion in tax increases on American families and job creators at the worst possible time.
- Tax increases in the president's budget include:
 - \$1.4 trillion in income tax increases on families and small business owners earning \$250,000 (couples) or \$200,000 (individuals).
 - \$143 billion by increasing the death tax.
 - \$41 billion in tax increases on energy producers.
 - More than \$300 billion in additional tax increases.
- The budget would allow current tax levels to expire for families and business owners earning \$250,000 (couples) or \$200,000 (individuals) beginning in 2013. The budget would, among other things, increase the two top tax rates from 33 percent to 36 percent and from 35 percent to 39.6 percent, respectively.
- The president's budget would impose the so-called "Buffett Rule," requiring that anyone earning \$1 million or more annually pay a federal tax rate of at least 30 percent, no matter how their income is derived. While the president claims our tax system allows "millionaires and billionaires" to pay lower tax rates than other Americans, analysis from the [Joint Committee on Taxation](#) shows that Americans with incomes between \$50,000 and \$75,000 will pay an average tax rate of 12.8 percent in 2011. Those with incomes over \$1,000,000 will pay an average tax rate of 23.6 percent.
- While the president's budget includes the single largest tax increase ever on families and job producers in the name of "fairness," it fails to reform or eliminate tax subsidies and special preferences for the president's allies, like those that were given to Solyndra. The budget proposes:
 - \$2 billion in new tax credits for the production of advanced technology vehicle;

- \$1.7 billion in new tax credits for medium and heavy duty alternative-fuel commercial vehicles;
- \$3.8 billion to “extend and modify certain energy incentives” which could include Clean Renewable Energy Bonds;
- \$4 billion for a “new Manufacturing Communities” tax credit;
- \$2.7 billion in additional tax credits to extend a stimulus program encouraging investments in advanced energy manufacturing projects which would reward renewable energy companies like Solyndra; and
- \$4.7 billion for in new spending for “strengthening the teaching profession,” while just last year GAO found 82 duplicative and wasteful “teacher quality programs.”

Spending:

- The budget proposal continues the president’s record breaking spending spree by spending \$47 trillion over ten years, more than any other budget in history.
- The budget would spend \$3.803 trillion in 2013 or 23.3 percent of GDP. This would be the highest dollar amount of government spending in history.
- The budget would increase federal spending each year, reaching \$5.82 trillion in 2022.
- Over ten years, the president’s budget would increase the size of the federal government by 53 percent.
- From 2008 (\$2.982 trillion) to 2013 (\$3.803 trillion), government spending will have grown by \$820 billion or 27 percent under President Obama.

Debt:

- Under this budget, the president’s reckless spending spree continues to drive our debt crisis. This budget would increase the gross national debt by \$11 trillion between 2012 and 2022, from [\\$15 trillion today](#) to \$26 trillion in 2022.
- The president’s budget drastically increases borrowing and with it, interest payments made to our competitors like China. Under the president’s budget, net interest payments would increase from \$248 billion in 2013 to \$850 billion in 2022, an increase of 245 percent.
- Since President Obama took office on January 20, 2009, the national debt has increased by \$4.7 trillion or 45 percent in just three years, from [\\$10.6 trillion](#) to nearly [\\$15.4 trillion](#). During his time in office, President Obama has increased the deficit by 190 percent from 2008 to 2012, presided over the three largest deficits in history, and piled up more debt than every president from George Washington to Bill Clinton combined.

More of the Same Failed Policies:

The president’s policies have caused the slowest recovery since the Great Depression. The president promised his record breaking spending spree would keep unemployment below 8 percent. In reality...

- The percentage of able Americans working or even looking for work fell to a 30-year low of [63.7 percent](#) in January 2012. If the labor force participation were at the same level today as it was before the recession started, unemployment would actually be 11.4 percent.
- Three years ago, the Obama Administration [said](#) that unemployment would never reach 8 percent if the “stimulus” was approved. Unemployment (8.3 percent in January) has now been above 8 percent for 36 consecutive months, the longest span since the Great Depression.
- Under the economic policies of President Obama, the United States economy has been growing at its [lowest rate](#) since the Great Depression.

The president’s policies have created the worst environment for job creation in decades. In his last budget (FY 2012), the president said, “Growing the economy and spurring job creation by America’s businesses, large and small, is my top priority.” In reality...

- According to [Bureau of Labor Statistic’s latest data](#), the number of new business start-ups fell to the lowest level since 1994 under President Obama.
- According to the World Bank’s [Doing Business 2012](#) report, the U.S. now ranks 13th in the world in the ease of starting a new business and has been steadily declining since President Obama took office, falling from 4th in 2008.

The president’s policies have resulted in a lower standard of living for Americans.

- According to a December 2011 Census Bureau report, nearly half of all Americans are now classified as [poor or low-income](#) and the number of poor in America has reached an all-time high under President Obama.
- The rate of “underemployment” or “real unemployment,” including the unemployed, those who want work but have stopped searching in this economy and those who are forced to work part-time because they cannot find full-time employment is now 15.4 percent. In total, [23.8 million Americans](#) are underemployed.
- The number of Americans receiving food stamps is currently at an all time record high of [46.2 million](#). Today, 15 percent of Americans receive food stamps, an increase of 43 percent since President Obama took office.
- Since President Obama took office, gas prices have increased by 85 percent according to the U.S. [Energy Information Administration](#).

Messaging Themes on the President’s FY 2013 Budget:

The President’s Economic Agenda Has Failed the American People.

- The president’s economic agenda has failed our job creators, our seniors, and our children and grandchildren. The budget calls for policies that would fail:
 - Our job creators and hardworking taxpayers, who would be burdened with the largest tax increase in history.

- Our seniors, who are counting on retirement programs that are going broke.
- Our children and grandchildren, who are stuck paying for the bailouts, wasted stimulus, and trillion dollar deficits.

The president's policies have failed and are making the economy worse.

- This budget calls for more failed attempts to tax, spend, borrow, and bail out our way to job creation.
- The president told us that if we spent more money, unemployment would be at six percent today. He got the trillion dollars of spending he asked for, but the American people didn't get the jobs they were promised.
- After four years of trillion dollar deficits and \$15 trillion of debt, the president still hasn't learned his lesson. ***We can't keep spending money we don't have on failed government programs.***

Because the president cannot stand on his record, he has regrettably turned to the politics of envy and division.

- There is nothing fair about proposing the largest tax increase in history on small businesses and then scolding them when they can't afford to take risks and create jobs.
- There is nothing fair about making our children and grandchildren pay the bill for what the president's own fiscal commission co-chairs called 'the most predictable economic crisis in [our] history.'

House Republicans have a Plan for America's Job Creators – it's time for the President and Democrats in the Senate to stop blocking our jobs bills.

- The president again ignores his own Council on Jobs and Competitiveness, who endorsed many of the bipartisan jobs bills passed by the House.
- House Republicans passed a jobs budget that:
 - Included fundamental pro-growth tax reform, eliminating corporate loopholes and subsidies to help create more jobs.
 - Addressed the real drivers of our debt, saving our social safety net programs from going bankrupt.
 - Calls for repeal of the government takeover of health care and other job-destroying spending.

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