

Budget

Republicans set forth a budget alternative that embraced fiscal discipline, lower taxes and smaller government.

Deficit:

Under the Republican plan, deficits are \$3.3 trillion lower for the 10-year budget period and fall below 3.0 percent of GDP over the 10-year period.

Debt:

The Republican plan borrows \$3.6 trillion less than the Obama Administration's budget.

Total Spending:

Over 10 years, the Republican plan spends \$4.8 trillion less than the President's budget. Also, spending falls to 20.7% of GDP--about the historical average.

Discretionary Spending:

The Republican plan freezes nondefense discretionary spending in 2010-14 and allows for moderate increases through 2019.

Entitlement Spending:

While the Democrat budget increases entitlement spending by \$1.4 trillion over ten years, the Republican plan slows the average annual growth in mandatory spending from 5.3% to 3.9%.

Long Term:

Under the President's budget the national debt exceeds 100% of GDP in 2030. By contrast, the Republican plan gains control of the debt, by never exceeding 75% of GDP over the next 75 years. It also begins reforms to ensure the federal government can meet the mission of health and retirement security, extending the American legacy of leaving the next generation better off.

Taxes:

While President Obama's budget punishes investors by increasing taxes by \$1.15 trillion, the Republican plan provides tax incentives to use private capital, not taxpayer dollars, to unlock credit markets and encourage private sector investment and job growth. The Republican plan also suspends the capital gains tax through 2010, reduces corporate tax rates from 39% (second highest in the industrialized world) to 25%, and produces 2.1 million more jobs than the President's plan in the fifth year of the budget.

Energy:

Reducing U.S. dependence on foreign oil is a main priority of the Republican plan. Unlike the Obama Administration's budget that imposes a national energy tax, this plan opens domestic resources to environmentally sound exploration and development, and encourages the development of carbon-free nuclear energy.

Defense and Veterans:

House Republicans increased the President's budget for defense by \$5 billion, reserved a \$50 billion placeholder for unmet needs in the Department of Defense and, and fully funded the House-reported level for the Veterans' Administration (\$540-million increase over the President).