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H.R. 4213, THE ‘EXTENDERS’ BILL: FINAL VERSION STILL MORE SPENDING, TAXES, AND DEBT

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After several iterations of the “extenders” bill, the House today will take a final vote on the ostensibly “trimmed-down” legislation – which still spends \$102 billion, more than three times the bill’s magnitude when it passed the House the first time (in December).

Further, the most recent modifications reflect neither thoughtful programmatic changes nor reductions in spending elsewhere in the budget. Two of the major reductions have come from dropping “temporary” extensions of spending that Congress is likely to revisit: a continuation of health insurance subsidies for laid-off workers, and a higher Federal Medicaid contribution to States known as the Federal Medical Assistance Percentage [FMAP]. Other reductions are illusory savings from timing shifts (shortening the length of the program funding extensions), increased taxes, and double-counting \$11.8 billion in new taxes for the Oil Spill Trust Fund.

Here are some updated budget facts about the revised American Workers, State, and Business Relief Act of 2010 (H.R. 4213):

- It increases net spending by \$102 billion, bringing total spending increases since January 2009 – the beginning of the Obama administration – to almost \$1.9 trillion.
- It increases net taxes by \$47 billion (\$5 billion more than the prior version), bringing total tax increases since January 2009 to \$718 billion.
- It increases the deficit by \$25 billion this year and by \$54 billion over 10 years.
- It double-counts \$11.8 billion in increased taxes for the Oil Spill Liability Trust Fund to cover the cost of the Gulf Coast cleanup, and to offset unrelated spending in the bill.
- It selectively uses the House pay-as-you-go [pay-go] rule to turn a bill that the Congressional Budget Office says adds \$54 billion to the deficit into one that reduces the deficit by \$887 million on the Majority’s official pay-go scorecard. This fiscal alchemy will enable the Democratic Majority to use this \$887-million “credit” to offset additional spending in the future.

This document was prepared by the Republican staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of individual committee members.

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