

THE INFRASTRUCTURE INVESTMENT & JOBS ACT: OFFSET SHORTFALL

Key Points:

- Republicans and Democrats have long supported investments in infrastructure. However, such investments should be paid for – particularly at a time when the nation is running historically high annual deficits and adding substantially to our long-term debt.
- The Congressional Budget Office (CBO) conducted an analysis of the *Infrastructure Investment & Jobs Act* – otherwise known as the bipartisan infrastructure bill – and determined that the offsets outlined within the legislation provide some savings that can be applied to cover the new spending in the bill. Unfortunately, the total savings fall short of offsetting the total new spending in the bill.
- An analysis done by the Republican minority on the House Budget Committee reached a similar conclusion as CBO.
- The *Infrastructure Investment & Jobs Act* calls for more than a trillion dollars of spending, \$625 billion of which is new spending.
- The bill’s authors claimed approximately \$589 billion in offsets for the 5-year bill to occur over a 10-year timeframe.
- The CBO’s score of the offsets shows \$180 billion in savings – roughly equating to a \$400 billion shortfall.
- Further, a CBO report on infrastructure spending suggests the bill’s macroeconomic impact would be at most about one-tenth what was estimated by the bill’s authors.

See below for a graphical representation of the infrastructure bill’s offset shortfall:

