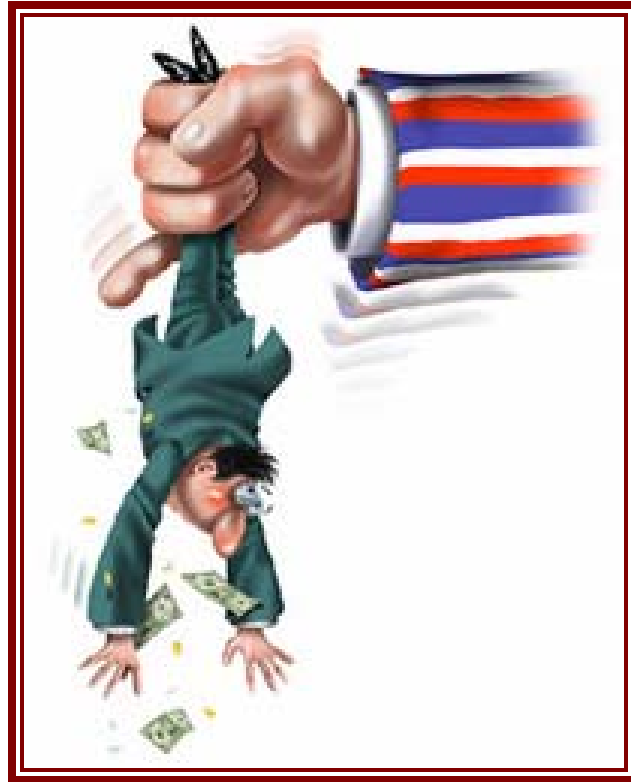


The Democrats' Budget of Broken Promises



Flashpoints, Vol. 1, No. 2

**Prepared by the Republican House Policy Committee
United States Representative Thaddeus G. McCotter, Chair
110th Congress**

The Democrats' "Budget of Broken Promises"



Overture: Inherently redistributionist and dishonest, the Democrats' budget is larded with higher spending, bogus accounting, and broken promises, excepting one: Democrats *will* hit Americans with the largest tax increase in American history.



A Bacchanalian Tax and Spending Spree: The Democrats' budget of broken promises reveals they still believe America's taxpayers are an ATM for bloated government. This is why they have budgeted for both higher taxes and higher spending. By assuming a Democratic Congress and their prospective Democratic President will not renew the Bush tax cuts, this budget of broken promises contains the largest tax increase in American history - \$400 billion over the next five years. Further, (as respectfully coined by Representative Dan Lungren) "the Democratic Party's Tax Increase Plan" allocates over \$22 billion in new, non-defense, discretionary federal government spending. (Remember, the Democrats' "PAYGO" rules do not apply to discretionary spending, only the mandatory variety.)



Wheel of Misfortune: But wait, there's more! In a stunning new low in Orwellian governmental double-speak, the Democrats' budget of broken promises also contains "reserve funds." These funds contain no money, only the vow to spend more than \$100 billion of other people's money once the Democrats make the "tough choices" required to fleece taxpayers. Highlighted in committee by Representative Jo Bonner, these "I.O.U. Accounts" for every Democratic core constituency allow the majority's budget to "balance" by 2012 without alienating their tax and spend liberals. No, they'd rather spin the "Wheel of Misfortune" and alienate and impoverish America's earners and entrepreneurs.



PETA Alert: Blue Dogs Neutered: Speaking of breaking promises, the newly neutered "Blue Dog" Democrats also get their licks in. This is why the Democrats' budget of broken promises contains language claiming how, despite their own budget's written

assumptions not a single one of the Bush tax relief measures will be renewed, their party blithely opines it will someday deign to preserve selected tax relief measures currently in place. (Importantly, the Democrats don't make this promise in the case of the one year AMT "patch.") Thus, the Democrats – especially their endangered, if not extinct, Blue Dogs – find themselves in the unenviable position of either having their budget balance in 2012 through the largest tax increase in American history or of preserving their promise to provide some muddling modicum of tax relief for American citizens. They cannot logically, let alone practically, do both, because one of their claims renders the other impossible and, therefore, dishonest. As cited by Representative Mario Diaz-Balart, in general, the best evidence of the Democrats' hypocrisy is their party line opposition to Budget Committee amendments protecting Americans' tax relief; and, in particular, the Blue Dogs' party line opposition to Representative Jeb Hensarling's amendments, one of which was a mirror image of an amendment these formerly "fiscally conservative" Democrats had themselves offered and voted for at past Budget Committee hearings while in the minority. Those surprised by this untoward revelation of Democratic hypocrisy should also be made aware "there is gambling in" Casablanca.



Generation X-Plotted and Generation Y-Bother: As noted by Representatives John Campbell and Pat Tiberi, by making no pretense to reform entitlement programs – the largest growing segment of the federal budget – the Democrats have endangered the social safety net for millions of younger Americans. The

Democrats' excuse *du jour* for this ignominious omission is they have only been in the majority for a few months. Unwittingly, this proves two points: firstly, the Democrats did not run on an agenda for America and only won the election by default; and, secondly, the Democrats have every intention of spending the 110th Congress campaigning with no intention of governing. It is also a warning to Republicans. We must maximize our time in the minority by devising a vital, visionary agenda for America, lest we one day find ourselves in the Democrats' position as an empty majority.



Fall Into the Tax Gap: Representative Scott Garrett brought the Democrats some unwelcome news. Their so-called "tax gap" solution, which is the difference between taxes levied and taxes collected, has two major problems. The first is these recovered taxes must be used exclusively for deficit and/or debt reduction,

because the services they were to pay for have *already* been purchased and/or provided by government. Thus, if these monies are used for new spending, they will only serve to increase the federal deficit and/or debt. Secondly, the Democrats' zeal for collecting these taxes will fall most onerously on honest, hard-working people who already pay their full and fair share of taxes (as best as anyone can within the confounding and contradictory tax code). In many ways, the Democrats are repeating the same mistake with taxpayers they make with gun owners: no problem is too big to be solved by passing new laws to punish the innocent.



Outro: The result of the Democrats' fiscal chicanery will be disaster for the American taxpayer, in particular, and the American economy, in general. By all accounts, the budget is a moral document; and, in this context, the Democrats have proven themselves bankrupt: they budget for the largest tax increase in

American history, but promise they don't mean it; they claim to make "tough choices," but make no choices at all in taxes, spending, and entitlements; and, by promising everything to everyone, they deliver nothing to anyone...except for the largest tax increase in American history. Further, because the budget is also a political document, we can surmise the Democrats who promised to change America have exempted themselves. They remain a redistributionist, class-warfare party hell-bent to seize and spend someone else's money, in order to perpetuate and promote their own political power. Naturally, then, they patched together their budget of broken promises to mute and mask their internal ideological differences and score partisan political points, not to secure sound public policy. But, in fairness, let us concede our opponents their due: the Democrats have taken America in a "New Direction..." Backwards.



Coda: *(For those seeking a closer examination of the Democrats' rapacity for taxing and spending after twelve years in the political wilderness, the following analysis has been kindly provided by our own Ranking Member of the House Budget Committee, Representative Paul Ryan.)*

"The Democrats' FY2008 Budget is the largest tax increase EVER:

- *Raising marginal rates on all taxpayers*
- *Eliminating the ten percent bracket that has benefited numerous low-income individuals*

- *Raising the tax on capital gains and dividends and discouraging investment in our economy and saving for seniors*
- *Slashing the child tax credit in half*
- *Reinstating the marriage penalty*
- *Re-imposing the death tax*
- *Eliminating the sales tax deduction for states like Texas and Florida*

While in the House Budget Committee's Chairman's Mark the Democrats claim that it is their policy "to minimize fiscal burdens on middle-income families and their children and grandchildren," their revenue projections assume a \$400 billion tax increase over the next five years. The Democrat budget assumes that the Alternative Minimum Tax (AMT) will not be fixed, the 10% bracket will not be extended, and the child tax credit will not be renewed.

Democrats' FY2008 Budget completely ignores the positive impact of the tax relief passed by Republicans in 2003. Thanks to the Republican tax policy 7.6 million new jobs have been created, the GDP has experienced a 3.5 percent average growth rate, unemployment has fallen to 4.5 percent, and business investment has been up for 15 straight quarters; but Democrats will disregard all of the benefits of tax relief to satisfy their hunger for spending."

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