

Table 1-1.**Projected Budget Deficits and Surpluses in CBO's Baseline**

(Billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-	2011-
													2015	2020
On-Budget Deficit	-1,550	-1,419	-1,154	-766	-639	-569	-650	-732	-727	-711	-777	-817	-3,778	-7,542
Off-Budget Surplus ^a	137	77	88	101	114	131	143	148	148	149	143	132	576	1,296
Total Deficit	-1,413	-1,342	-1,066	-665	-525	-438	-507	-585	-579	-562	-634	-685	-3,202	-6,246
Memorandum:														
Total Deficit as a Percentage of GDP	-9.9	-9.1	-7.0	-4.2	-3.1	-2.5	-2.7	-3.0	-2.8	-2.6	-2.9	-3.0	-3.8	-3.3
Debt Held by the Public as a Percentage of GDP ^b	53.0	61.6	66.1	68.5	68.4	67.3	67.3	67.7	68.1	68.3	68.8	69.4	n.a.	n.a.

Source: Congressional Budget Office.

Note: GDP = gross domestic product; n.a. = not applicable.

a. Off-budget surpluses comprise surpluses in the Social Security trust funds and the net cash flow of the Postal Service.

b. Debt held at the end of the year.

Table 1-2.**CBO's Baseline Budget Projections**

	Actual												Total, 2011-	Total, 2011-
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020
In Billions of Dollars														
Revenues														
Individual income taxes	915	891	1,211	1,404	1,589	1,743	1,904	2,055	2,193	2,326	2,461	2,602	7,851	19,489
Corporate income taxes	138	188	307	353	385	449	379	390	407	413	419	419	1,875	3,923
Social insurance taxes	891	862	922	979	1,047	1,117	1,178	1,235	1,291	1,357	1,417	1,475	5,243	12,018
Other revenues	161	203	207	216	214	253	282	296	309	325	343	359	1,172	2,804
Total Revenues	2,105	2,143	2,648	2,953	3,236	3,561	3,743	3,975	4,201	4,421	4,640	4,856	16,140	38,234
On-budget	1,451	1,512	1,982	2,251	2,489	2,766	2,902	3,092	3,276	3,449	3,624	3,796	12,391	29,628
Off-budget	654	631	665	702	746	795	841	883	925	973	1,016	1,060	3,749	8,607
Outlays														
Mandatory spending	2,093	1,925	2,085	1,971	2,035	2,172	2,316	2,515	2,646	2,766	2,964	3,141	10,579	24,610
Discretionary spending	1,238	1,358	1,404	1,388	1,399	1,418	1,443	1,481	1,511	1,542	1,584	1,622	7,051	14,791
Net interest	187	202	225	259	326	410	492	564	623	676	726	778	1,712	5,079
Total Outlays	3,518	3,485	3,714	3,618	3,760	4,000	4,250	4,560	4,780	4,983	5,274	5,541	19,342	44,480
On-budget	3,001	2,931	3,136	3,017	3,128	3,335	3,553	3,824	4,002	4,160	4,401	4,613	16,170	37,170
Off-budget	517	554	578	601	632	664	698	735	777	824	874	928	3,173	7,311
Deficit (-) or Surplus	-1,413	-1,342	-1,066	-665	-525	-438	-507	-585	-579	-562	-634	-685	-3,202	-6,246
On-budget	-1,550	-1,419	-1,154	-766	-639	-569	-650	-732	-727	-711	-777	-817	-3,778	-7,542
Off-budget	137	77	88	101	114	131	143	148	148	149	143	132	576	1,296
Debt Held by the Public	7,545	9,031	10,007	10,790	11,422	11,950	12,544	13,214	13,885	14,546	15,281	16,073	n.a.	n.a.
Memorandum:														
Gross Domestic Product	14,230	14,666	15,148	15,764	16,705	17,760	18,630	19,508	20,398	21,293	22,205	23,154	84,008	190,567
As a Percentage of Gross Domestic Product														
Revenues														
Individual income taxes	6.4	6.1	8.0	8.9	9.5	9.8	10.2	10.5	10.8	10.9	11.1	11.2	9.3	10.2
Corporate income taxes	1.0	1.3	2.0	2.2	2.3	2.5	2.0	2.0	2.0	1.9	1.9	1.8	2.2	2.1
Social insurance taxes	6.3	5.9	6.1	6.2	6.3	6.3	6.3	6.3	6.3	6.4	6.4	6.4	6.2	6.3
Other revenues	1.1	1.4	1.4	1.4	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.6	1.4	1.5
Total Revenues	14.8	14.6	17.5	18.7	19.4	20.1	20.1	20.4	20.6	20.8	20.9	21.0	19.2	20.1
On-budget	10.2	10.3	13.1	14.3	14.9	15.6	15.6	15.9	16.1	16.2	16.3	16.4	14.8	15.5
Off-budget	4.6	4.3	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.5	4.5
Outlays														
Mandatory spending	14.7	13.1	13.8	12.5	12.2	12.2	12.4	12.9	13.0	13.0	13.3	13.6	12.6	12.9
Discretionary spending	8.7	9.3	9.3	8.8	8.4	8.0	7.7	7.6	7.4	7.2	7.1	7.0	8.4	7.8
Net interest	1.3	1.4	1.5	1.6	2.0	2.3	2.6	2.9	3.1	3.2	3.3	3.4	2.0	2.7
Total Outlays	24.7	23.8	24.5	23.0	22.5	22.5	22.8	23.4	23.4	23.4	23.8	23.9	23.0	23.3
On-budget	21.1	20.0	20.7	19.1	18.7	18.8	19.1	19.6	19.6	19.5	19.8	19.9	19.2	19.5
Off-budget	3.6	3.8	3.8	3.8	3.8	3.7	3.7	3.8	3.8	3.9	3.9	4.0	3.8	3.8
Deficit (-) or Surplus	-9.9	-9.1	-7.0	-4.2	-3.1	-2.5	-2.7	-3.0	-2.8	-2.6	-2.9	-3.0	-3.8	-3.3
On-budget	-10.9	-9.7	-7.6	-4.9	-3.8	-3.2	-3.5	-3.8	-3.6	-3.3	-3.5	-3.5	-4.5	-4.0
Off-budget	1.0	0.5	0.6	0.6	0.7	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.7	0.7
Debt Held by the Public	53.0	61.6	66.1	68.5	68.4	67.3	67.3	67.7	68.1	68.3	68.8	69.4	n.a.	n.a.

Source: Congressional Budget Office.

Note: n.a. = not applicable.

Table 1-3.

Average Annual Growth Rates of Revenues and Outlays Since 1999 and as Projected in CBO's Baseline

(Percent)

	Actual		Projected ^a		
	1999–2008	2009	2010	2011	2012–2020
Revenues					
Individual income taxes	3.3	-20.1	-2.7	36.0	8.9
Corporate income taxes	4.9	-54.6	36.0	63.5	3.5
Social insurance taxes	4.6	-1.0	-3.2	6.9	5.4
Other revenues ^b	2.7	-7.6	26.2	2.4	6.3
Total Revenues	3.9	-16.6	1.8	23.5	7.0
Outlays					
Mandatory spending	6.4	31.2	-8.0	8.3	4.7
Social Security	5.0	10.7	3.4	3.6	5.7
Medicare	8.0	9.4	3.9	8.0	5.8
Medicaid	7.1	24.6	8.7	1.3	7.8
Other mandatory outlays ^c	6.7	104.4	-34.9	20.6	-1.0
Discretionary spending	7.5	9.1	9.7	3.4	1.6
Defense	8.5	7.2	5.3	4.5	2.2
Nondefense	6.4	11.2	14.7	2.3	1.0
Net interest	0.5	-26.1	8.3	11.0	14.8
Total Outlays	6.1	17.9	-0.9	6.6	4.5
Total Outlays Excluding Net Interest	6.8	22.0	-1.4	6.3	3.5
Memorandum:					
Consumer Price Index ^d	2.8	-0.3	1.7	0.9	2.1
Nominal GDP	5.2	-1.5	3.1	3.3	4.8
Discretionary Budget Authority	8.3	26.6	-15.4	2.2	2.3
Defense	9.7	1.3	2.9	1.5	2.4
Nondefense	6.7	61.6	-31.3	3.0	2.3

Source: Congressional Budget Office.

Notes: The growth rates in this table do not account for shifts in the timing of certain payments or receipts.

GDP = gross domestic product.

- When constructing its baseline projections, CBO uses the employment cost index for wages and salaries to inflate discretionary spending related to federal personnel and the GDP price index to adjust other discretionary spending.
- Includes earnings of the Federal Reserve System, excise taxes, estate and gift taxes, customs duties, and miscellaneous fees and fines.
- Includes offsetting receipts (funds collected by government agencies from other government accounts or from the public in businesslike or market-oriented transactions that are recorded as offsets to outlays).
- The consumer price index for all urban consumers.

Table 1-4.**CBO's Baseline Projections of Mandatory Outlays**

(Billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020
Social Security	678	701	726	753	789	831	878	931	989	1,052	1,119	1,191	3,978	9,259
Medicare ^a	499	519	560	563	611	645	677	733	763	797	869	929	3,056	7,148
Medicaid	251	273	276	263	279	324	369	416	450	476	508	542	1,510	3,902
Other Health Programs														
Health insurance subsidies, exchanges, and related spending	0	0	2	2	2	15	34	57	71	81	87	91	55	442
MERHCF	8	8	9	9	10	11	11	12	13	14	15	16	50	120
Children's Health Insurance Program	8	8	9	9	8	9	9	10	9	6	6	6	44	80
Other	<u>1</u>	<u>1</u>	<u>8</u>	<u>10</u>	<u>6</u>	<u>18</u>	<u>23</u>	<u>22</u>	<u>26</u>	<u>29</u>	<u>33</u>	<u>36</u>	<u>65</u>	<u>211</u>
Subtotal	17	18	27	30	27	53	77	101	119	129	141	149	214	853
Income Security														
SNAP	56	70	75	76	74	69	66	66	66	65	65	64	360	685
Unemployment compensation	120	160	93	65	55	49	48	51	53	55	57	60	311	587
Supplemental Security Income	45	47	53	46	52	53	54	61	58	54	61	63	258	555
Earned income and child tax credits	67	77	75	42	43	44	44	45	44	45	45	45	248	473
Family support ^b	26	27	26	25	25	25	25	25	25	25	25	25	125	249
Child nutrition	16	17	18	19	20	21	22	23	24	25	26	27	99	222
Foster care	7	7	7	7	8	8	8	8	9	9	9	10	38	82
Making Work Pay and other tax credits ^c	<u>13</u>	<u>29</u>	<u>17</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>18</u>	<u>18</u>
Subtotal	350	435	365	280	276	268	267	278	278	277	288	293	1,456	2,870
Civilian and Military Retirement														
Federal civilian ^d	80	82	84	87	90	93	96	100	104	108	112	116	449	988
Military	50	51	51	52	53	54	55	57	59	60	62	64	265	568
Other	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>40</u>	<u>96</u>
Subtotal	138	140	142	146	150	155	161	167	173	179	186	192	754	1,651
Veterans ^e														
Income security	46	49	64	51	57	58	59	66	62	58	65	66	289	606
Other	<u>4</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>16</u>	<u>58</u>	<u>133</u>
Subtotal	50	58	74	61	68	70	72	80	76	73	80	83	346	739
Other Programs														
Troubled Asset Relief Program	151	-106	7	6	5	4	*	*	*	*	*	*	22	22
Fannie Mae and Freddie Mac ^f	96	41	14	9	5	4	4	4	4	4	4	4	35	53
Higher education	-27	-16	-10	-2	-9	-3	2	6	8	9	9	9	-21	19
Agriculture	16	17	18	12	17	16	15	16	16	16	16	16	78	158
Universal Service Fund	8	9	9	9	9	9	9	9	9	10	10	10	46	94
Social services	5	5	5	5	5	5	5	5	5	5	6	6	26	53
Deposit insurance	23	-27	15	-1	-13	-15	-15	-14	-11	-12	-8	-7	-29	-81
Other	<u>28</u>	<u>39</u>	<u>47</u>	<u>43</u>	<u>35</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>30</u>	<u>29</u>	<u>29</u>	<u>30</u>	<u>188</u>	<u>338</u>
Subtotal	300	-38	104	80	53	53	53	58	61	61	65	68	344	656

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Table 1-4.

Continued

CBO's Baseline Projections of Mandatory Outlays

(Billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2015	2011-2020
Offsetting Receipts														
Medicare ^g	-74	-71	-78	-84	-89	-95	-100	-107	-113	-121	-131	-141	-446	-1,060
Employers' share of employees' retirement	-56	-61	-63	-63	-65	-67	-69	-72	-75	-79	-82	-85	-327	-721
Other	-60	-46	-50	-59	-64	-65	-68	-70	-75	-78	-79	-81	-307	-688
Subtotal	-190	-179	-190	-206	-219	-227	-238	-249	-264	-278	-292	-306	-1,080	-2,469
Total Mandatory Outlays	2,093	1,925	2,085	1,971	2,035	2,172	2,316	2,515	2,646	2,766	2,964	3,141	10,579	24,610
Memorandum:														
Mandatory Outlays Excluding														
Offsetting Receipts	2,283	2,104	2,275	2,177	2,254	2,399	2,553	2,764	2,909	3,044	3,257	3,447	11,659	27,079
Medicare Outlays Net of														
Offsetting Receipts	425	447	483	479	522	550	577	626	650	675	738	788	2,610	6,088

Source: Congressional Budget Office.

Notes: Spending for the benefit programs shown above generally excludes administrative costs, which are discretionary.

MERHCF = Department of Defense Medicare-Eligible Retiree Health Care Fund (including TRICARE for Life); SNAP = Supplemental Nutrition Assistance Program; * = between zero and \$500 million.

- a. Excludes offsetting receipts (funds collected by government agencies from other government accounts or from the public in businesslike or market-oriented transactions that are recorded as offsets to outlays).
- b. Includes Temporary Assistance for Needy Families and various programs that involve payments to states for child support enforcement and family support, child care entitlements, and research to benefit children.
- c. Includes outlays for the first-time homebuyer credit, the American Opportunity credit, acceleration of research and experimentation credits used in lieu of bonus depreciation, and payments made when the credit for the alternative minimum tax exceeds a taxpayer's liability.
- d. Includes Civil Service, Foreign Service, Coast Guard, and other, smaller retirement programs as well as annuitants' health benefits.
- e. Income security includes veterans' compensation, pensions, and life insurance programs. Other benefits are primarily education subsidies.
- f. The amounts recorded for 2009 and 2010 reflect cash transfers from the Treasury to Fannie Mae and Freddie Mac. The amounts shown for 2011 through 2020 reflect CBO's estimate of the subsidy cost of new loans and guarantees made by those two entities in each year, adjusted for market risk.
- g. Includes Medicare premiums and amounts paid by states from savings on Medicaid prescription drug costs.

Table 1-5.**CBO's Baseline Projections of Discretionary Spending**

(Billions of dollars)

	Actual												Total,	Total,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-	2011-
													2015	2020
Budget Authority														
Defense	695	715	726	737	752	770	789	811	832	853	874	895	3,774	8,038
Nondefense	798	549	565	572	583	596	611	628	645	661	678	694	2,928	6,234
Total	1,493	1,263	1,291	1,309	1,335	1,366	1,400	1,439	1,477	1,514	1,552	1,589	6,701	14,272
Outlays														
Defense	657	692	723	727	744	759	776	802	817	833	859	880	3,729	7,919
Nondefense	581	666	681	661	655	659	666	679	694	709	725	742	3,322	6,872
Total	1,238	1,358	1,404	1,388	1,399	1,418	1,443	1,481	1,511	1,542	1,584	1,622	7,051	14,791
Memorandum:														
Outlays as a														
Percentage of GDP														
Defense	4.6	4.7	4.8	4.6	4.5	4.3	4.2	4.1	4.0	3.9	3.9	3.8	4.4	4.2
Nondefense	4.1	4.5	4.5	4.2	3.9	3.7	3.6	3.5	3.4	3.3	3.3	3.2	4.0	3.6
Total	8.7	9.3	9.3	8.8	8.4	8.0	7.7	7.6	7.4	7.2	7.1	7.0	8.4	7.8

Source: Congressional Budget Office.

Notes: Nondefense discretionary outlays are usually higher than budget authority because of spending from the Highway Trust Fund and the Airport and Airway Trust Fund, which is subject to obligation limitations set in appropriation acts. The budget authority for such programs is provided in authorizing legislation and is not considered discretionary.

When constructing its baseline projections, CBO uses the employment cost index for wages and salaries to inflate discretionary spending related to federal personnel and the GDP price index to adjust other discretionary spending.

GDP = gross domestic product.

Table 1-6.**CBO's Baseline Projections of Federal Interest Outlays and Debt**

(Billions of dollars)

	Actual											Total, Total,		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-	2011-
Net Interest Outlays														
Interest on Treasury Debt Securities (Gross interest) ^a	383	422	438	463	543	637	739	835	914	995	1,070	1,149	2,820	7,783
Interest Received by Trust Funds														
Social Security	-118	-120	-116	-114	-116	-122	-130	-140	-152	-163	-175	-186	-598	-1,415
Other trust funds ^b	<u>-64</u>	<u>-71</u>	<u>-67</u>	<u>-55</u>	<u>-59</u>	<u>-52</u>	<u>-54</u>	<u>-55</u>	<u>-55</u>	<u>-61</u>	<u>-65</u>	<u>-70</u>	<u>-287</u>	<u>-592</u>
Subtotal	-182	-191	-183	-169	-175	-174	-184	-196	-206	-224	-240	-256	-884	-2,007
Other Interest ^c	-15	-28	-30	-35	-42	-52	-63	-74	-85	-95	-104	-114	-221	-693
Other Investment Income ^d	<u>*</u>	<u>-1</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>-1</u>	<u>*</u>	<u>*</u>	<u>-2</u>	<u>-5</u>
Total Net Interest Outlays	187	202	225	259	326	410	492	564	623	676	726	778	1,712	5,079
Federal Debt^e														
Debt Held by the Public	7,545	9,031	10,007	10,790	11,422	11,950	12,544	13,214	13,885	14,546	15,281	16,073	n.a.	n.a.
Debt Held by Government Accounts														
Social Security	2,504	2,583	2,672	2,771	2,882	3,011	3,151	3,295	3,440	3,585	3,724	3,852	n.a.	n.a.
Other accounts ^b	<u>1,827</u>	<u>1,923</u>	<u>1,964</u>	<u>2,030</u>	<u>2,117</u>	<u>2,222</u>	<u>2,357</u>	<u>2,498</u>	<u>2,653</u>	<u>2,826</u>	<u>3,013</u>	<u>3,207</u>	n.a.	n.a.
Subtotal	4,331	4,506	4,636	4,800	5,000	5,233	5,507	5,793	6,093	6,411	6,737	7,059	n.a.	n.a.
Total Gross Federal Debt	11,876	13,538	14,642	15,591	16,421	17,183	18,051	19,007	19,978	20,956	22,018	23,132	n.a.	n.a.

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Table 1-6.

Continued

CBO's Baseline Projections of Federal Interest Outlays and Debt

(Billions of dollars)

	Actual												Total, 2011-	Total, 2011-
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2015	2020
Memorandum:														
Total Debt Subject to Limit ^f	11,853	13,515	14,620	15,569	16,400	17,163	18,031	18,987	19,958	20,937	21,999	23,113	n.a.	n.a.
Debt Held by the Public as a Percentage of GDP	53.0	61.6	66.1	68.5	68.4	67.3	67.3	67.7	68.1	68.3	68.8	69.4	n.a.	n.a.
Debt Held by the Public Net of Financial Assets ^g	6,526	7,930	9,003	9,679	10,207	10,657	11,174	11,780	12,372	12,937	13,568	14,250	n.a.	n.a.
Debt Held by the Public Net of Financial Assets as a Percentage of GDP ^g	45.9	54.1	59.4	61.4	61.1	60.0	60.0	60.4	60.7	60.8	61.1	61.5	n.a.	n.a.

Source: Congressional Budget Office.

Note: * = between -\$500 million and \$500 million; n.a. = not applicable; GDP = gross domestic product.

- a. Excludes interest costs on debt issued by agencies other than the Treasury (primarily the Tennessee Valley Authority).
- b. Mainly the Civil Service Retirement, Military Retirement, Medicare, and Unemployment Insurance Trust Funds.
- c. Primarily interest on loans to the public.
- d. Earnings on private investments by the National Railroad Retirement Investment Trust.
- e. Debt held at the end of the year.
- f. Differs from gross federal debt primarily because most debt issued by agencies other than the Treasury and the Federal Financing Bank is excluded from the debt limit.
- g. Subtracts the value of financial assets (such as preferred stock) purchased from institutions participating in the Troubled Asset Relief Program, preferred stock holdings in Fannie Mae and Freddie Mac, purchases of mortgage-backed securities by the Treasury, cash holdings, and other financial instruments.

Table 1-7.**Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline**

(Billions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total, 2011- 2015	Total, 2011- 2020
Policy Alternatives That Affect Discretionary Outlays													
Reduce the Number of Troops Deployed for Certain Overseas Military Operations to 30,000 by 2013 ^a													
Effect on the deficit ^b	0	7	54	99	126	141	150	156	161	165	168	428	1,228
Debt service	0	*	1	3	9	17	27	38	49	61	74	30	280
Reduce the Number of Troops Deployed for Certain Overseas Military Operations to 60,000 by 2015 ^c													
Effect on the deficit ^b	0	1	6	34	72	104	124	135	141	146	150	218	914
Debt service	0	*	*	1	3	8	15	24	33	43	53	13	181
Increase Discretionary Appropriations at the Rate of Growth of Nominal GDP ^d													
Effect on the deficit ^b	0	-11	-33	-72	-120	-161	-198	-234	-270	-307	-346	-397	-1,752
Debt service	0	*	-1	-2	-7	-15	-27	-42	-58	-77	-99	-26	-329
Freeze Discretionary Appropriations at the Level Provided for 2010													
Effect on the deficit ^b	0	13	28	51	80	112	149	186	222	260	298	284	1,399
Debt service	0	*	1	2	5	11	20	31	44	59	78	19	251
Policy Alternatives That Affect the Tax Code													
Extend EGTRRA and JGTRRA ^e													
Effect on the deficit ^b	0	-113	-218	-250	-263	-278	-288	-297	-305	-315	-325	-1,123	-2,652
Debt service	0	-1	-4	-13	-28	-46	-67	-90	-113	-136	-162	-92	-660
Extend Other Expiring Tax Provisions ^f													
Effect on the deficit ^b	0	-197	-224	-229	-224	-221	-217	-217	-220	-224	-230	-1,095	-2,204
Debt service	0	-2	-6	-15	-29	-46	-63	-81	-99	-118	-138	-97	-596
Index the AMT for Inflation ^g													
Effect on the deficit ^b	0	-72	-32	-36	-40	-45	-52	-60	-70	-81	-94	-226	-583
Debt service	0	-1	-2	-3	-6	-9	-13	-18	-23	-28	-35	-21	-137
Extend EGTRRA and JGTRRA and Index the AMT for Inflation ^h													
Effect on the deficit ^b	0	-198	-295	-338	-362	-388	-411	-435	-460	-488	-517	-1,583	-3,893
Debt service	0	-2	-6	-19	-40	-65	-95	-128	-161	-196	-236	-131	-947

Continued

Table 1-7.

Continued

Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline

(Billions of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total, 2011– 2015	Total, 2011– 2020
Memorandum:													
Total Outlays for Operations in Iraq and Afghanistan in CBO's Baseline	169	169	169	170	172	173	177	181	184	188	192	853	1,776
Total Discretionary Outlays in CBO's Baseline	1,358	1,404	1,388	1,399	1,418	1,443	1,481	1,511	1,542	1,584	1,622	7,051	14,791
Total Deficit in CBO's Baseline	-1,342	-1,066	-665	-525	-438	-507	-585	-579	-562	-634	-685	-3,202	-6,246

Sources: Congressional Budget Office; Joint Committee on Taxation.

Notes: Positive numbers indicate a reduction in the deficit.

* = between -\$500 million and \$500 million; GDP = gross domestic product; EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; JGTRRA = Jobs and Growth Tax Relief Reconciliation Act of 2003; AMT = alternative minimum tax.

- a. This alternative does not extrapolate the \$164 billion in funding for military operations and associated costs in Iraq and Afghanistan provided for 2010. Future funding for operations in Iraq, Afghanistan, or elsewhere would total \$134 billion in 2011, \$70 billion in 2012, \$39 billion in 2013, \$29 billion in 2014, and then about \$25 billion a year from 2015 on—for a total of \$416 billion over the 2011–2020 period.
- b. Excluding debt service.
- c. This alternative does not extrapolate the \$164 billion in funding for military operations and associated costs in Iraq and Afghanistan provided for 2010. Future funding for operations in Iraq, Afghanistan, or elsewhere would total \$162 billion in 2011, \$145 billion in 2012, \$107 billion in 2013, \$70 billion in 2014, \$50 billion in 2015, and about \$40 billion a year from 2016 on—for a total of \$747 billion over the 2011–2020 period.
- d. Under this alternative, appropriations for 2010 for operations in Iraq and Afghanistan are extrapolated according to the rules that govern CBO's baseline.
- e. These estimates do not include the effects of extending the increased exemption amount or the treatment of personal credits for the AMT that expired at the end of December 2009. The effects of that alternative are shown separately.
- f. These estimates include the impact of extending expiring provisions that have been in effect for a number of years (such as the research and experimentation tax credit) as well as expiring provisions that have recently been enacted (such as the Making Work Pay tax credit, the American Opportunity tax credit, and the allowance for businesses to partially expense equipment purchases).
- g. This alternative incorporates the assumption that the exemption amount for the AMT (which was increased through December 2009) is extended at its higher level and, together with the AMT tax brackets, is indexed for inflation after 2009. In addition, the treatment of personal credits against the AMT (which was also continued through the end of 2009) is assumed to be extended. The estimates shown are relative to figures under current law.
- h. The combination of extending EGTRRA and JGTRRA and indexing the AMT reduces revenues by more than the sum of those alternatives considered alone. The total shown here includes an additional revenue loss of \$658 billion over the 2011–2020 period resulting from the interaction of the two policies.