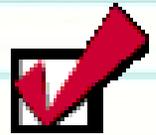


To Do:



Raise taxes by \$1.2 trillion



Dramatically increase spending



Grow debt by \$2 trillion



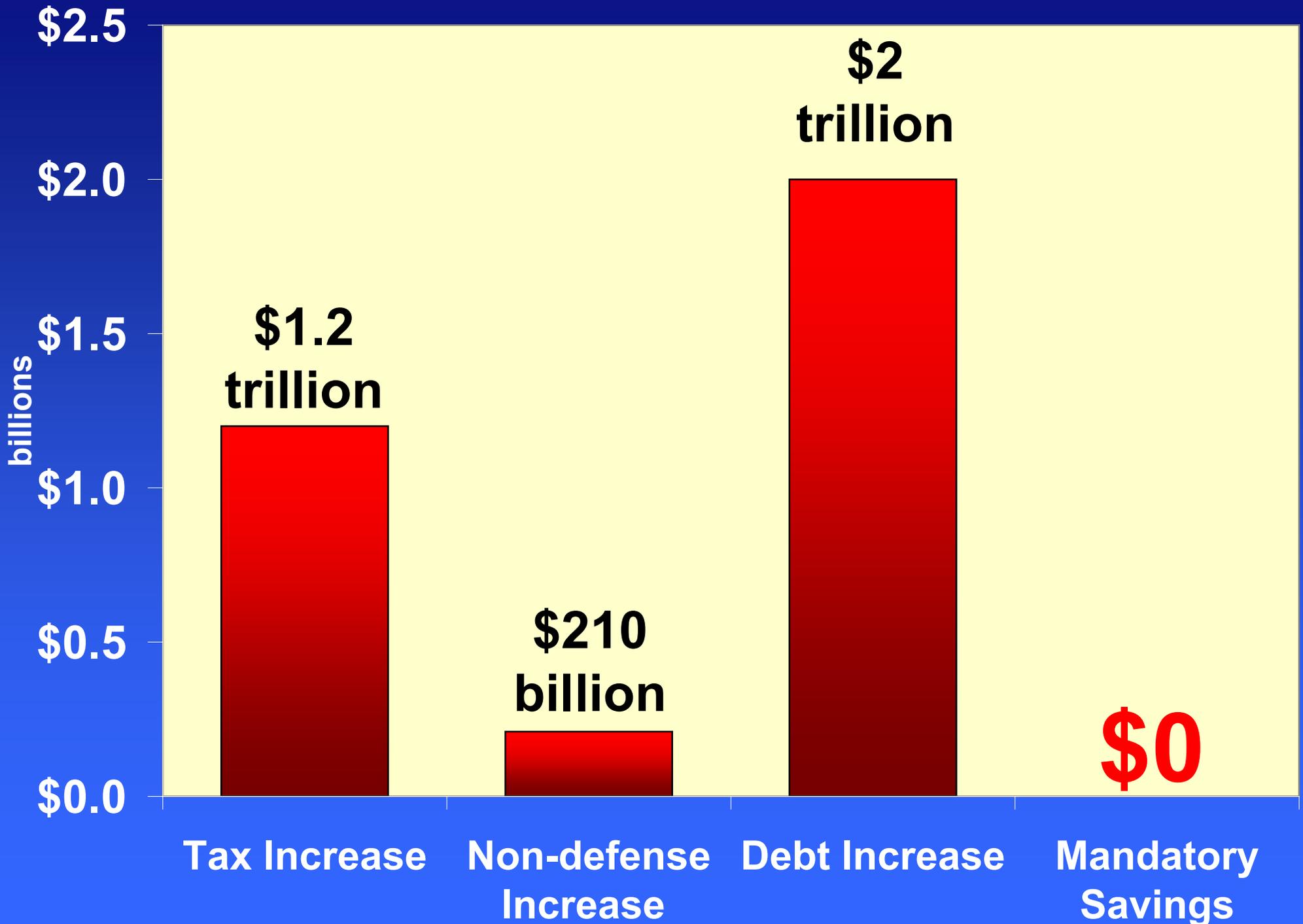
Gimmick Pay-Go



Ignore \$66 trillion unfunded liabilities



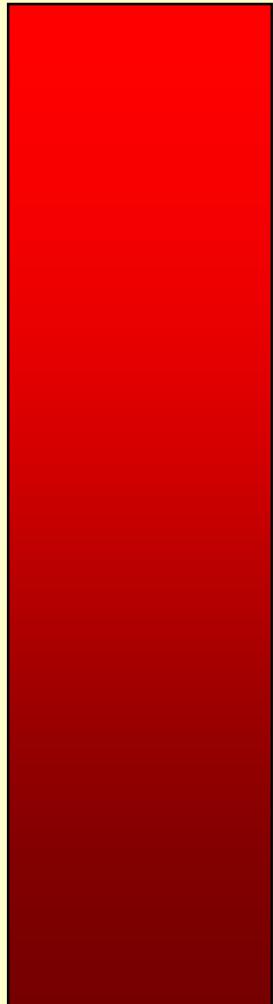
DEMOCRATIC FY09 BUDGET HIGHLIGHTS



DEMOCRATIC BUDGET PLAN 2008 - 2013

Billions

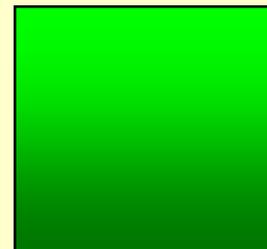
\$2,000



\$1,200



\$488



\$210



Debt

Tax Increases

**Mandatory
Increases**

**Discretionary
Increases**

“I believe first of all, we need more revenue”

*Sen. Kent Conrad
60 Minutes interview, 3/4/07*

FY09

Amount of Tax Increase in ~~FY08~~ Budget

\$1.2 Trillion

~~\$736 Billion~~

116 Million Americans Pay Higher Taxes Under Democrats' FY09 Budget

<u>Families</u>	43 million pay \$2,300 more
<u>Seniors</u>	18 million pay \$2,200 more
<u>Low-Income Workers</u>	7.8 million back on tax rolls
<u>Small Businesses</u>	27 million pay \$4,100 more

\$2,300 is a LOT to Most Working Families

- ✓ **Groceries for more than eight months,**
- ✓ **Home heating oil & electricity for nearly a year,**
- ✓ **Gasoline for two cars for more than a year,**
- ✓ **Health care expenses for nearly a year**

JOHN Q. PUBLIC
10 MAIN STREET
PLEASANT VALLEY, USA 20510

25-1390/5220
03251978365

111

DATE 1/1/2011

PAY TO THE ORDER OF UNCLE SAM

\$ **2,300.00**

Two Thousand Three Hundred DOLLARS

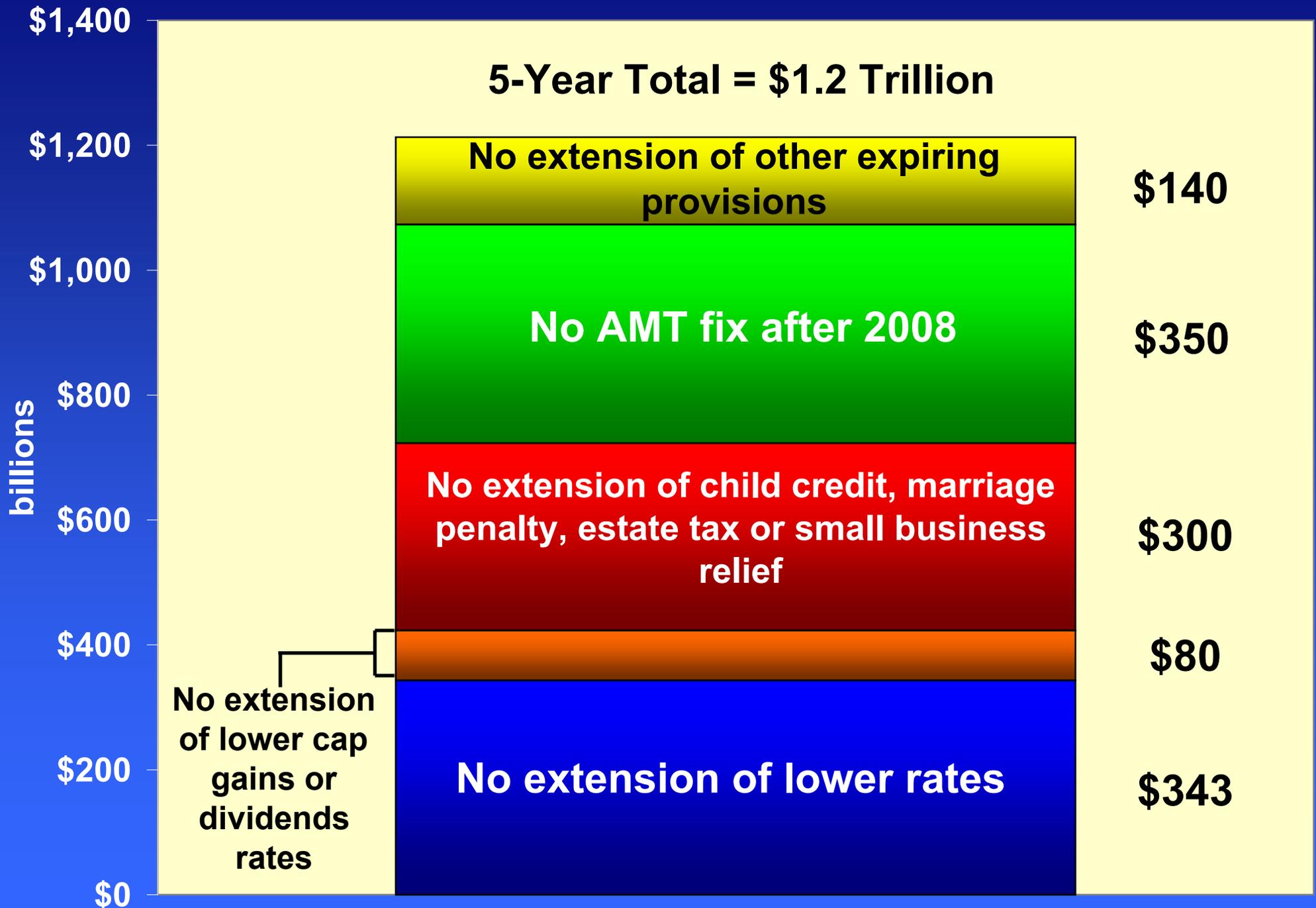
**FOR BIGGER
GOVERNMENT**

MEMO

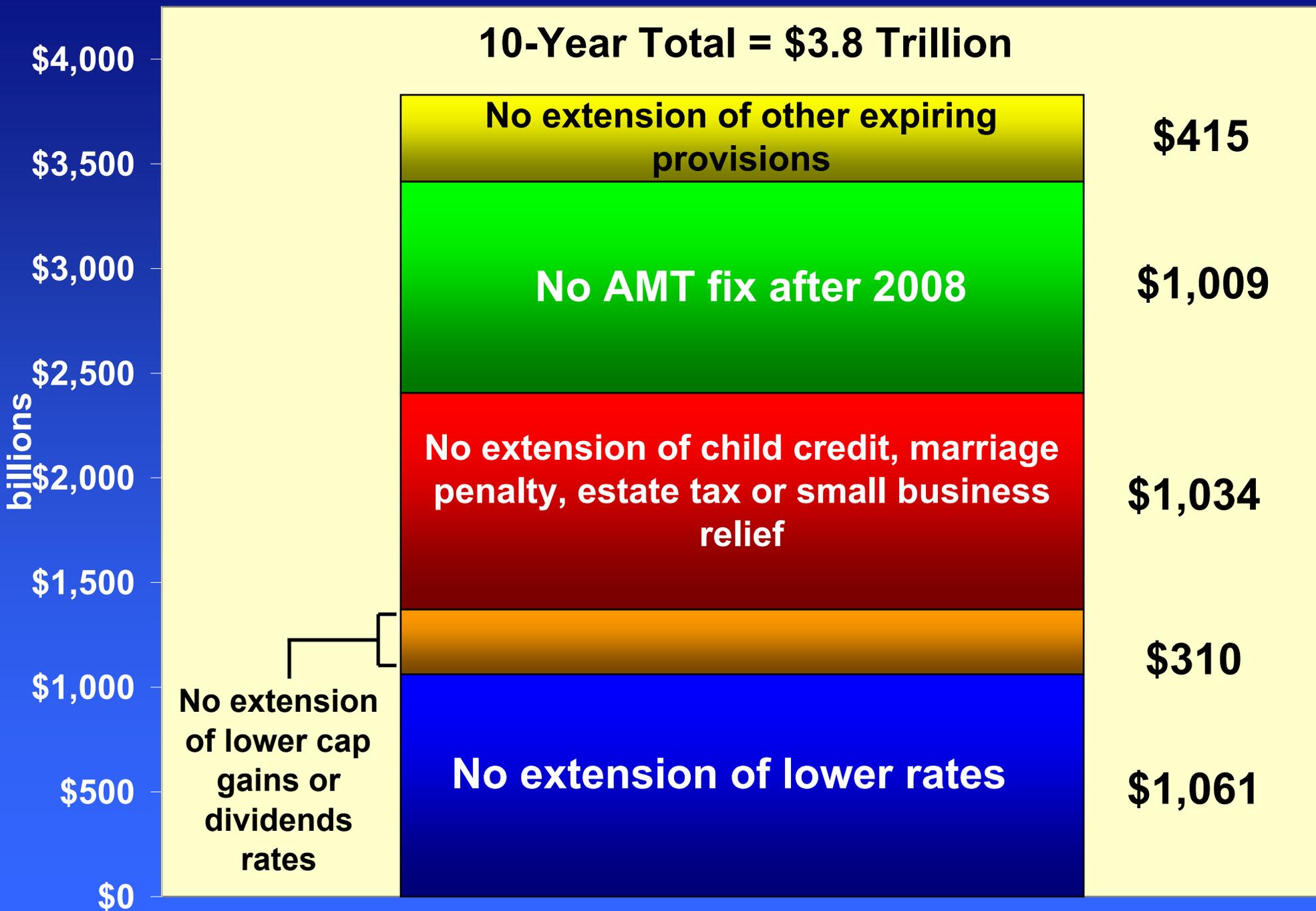
John Q. Public

⑆ 1234567890⑆ 54321 3142524⑈ 0111

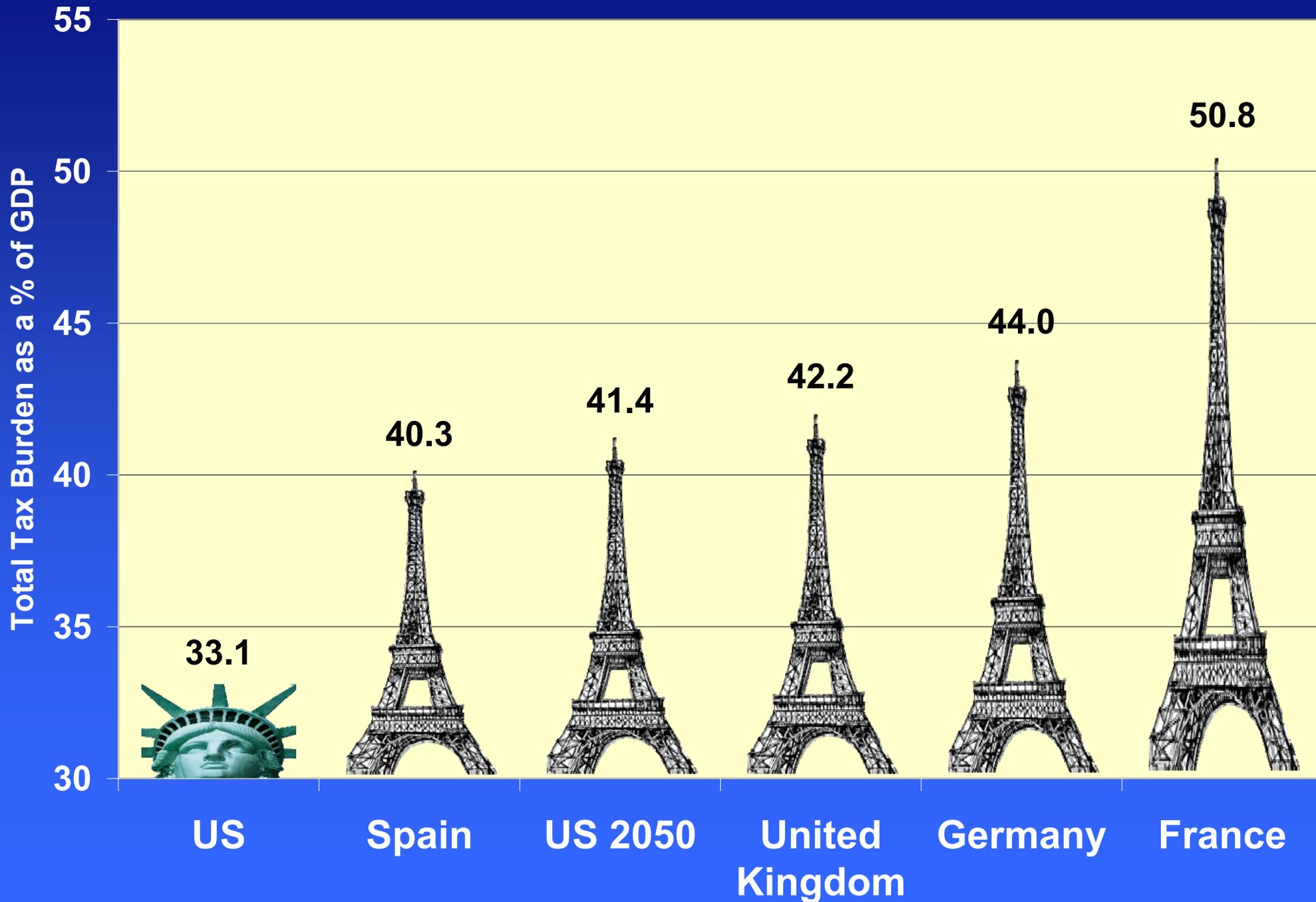
HOW MUCH WILL TAXES GO UP?



HOW MUCH WILL TAXES GO UP?

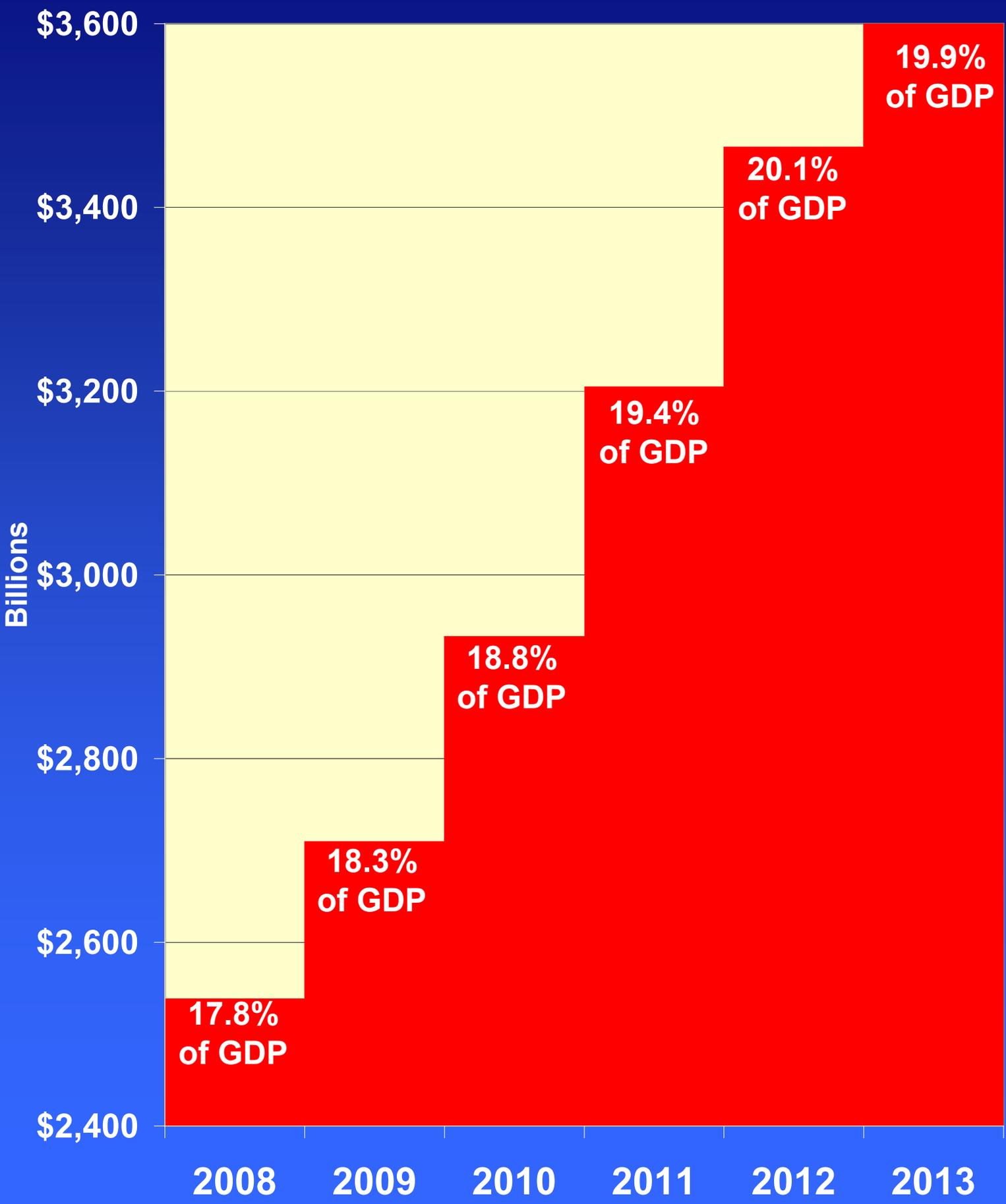


DEMOCRAT BUDGET PUTS US ON PATH TO EUROPEAN TAX LEVELS



BUILDING A WALL OF TAXES

Revenue Levels in Democrats' Budget



Source: SBC Republican Staff

2.5%

IS A HUGE TAX INCREASE

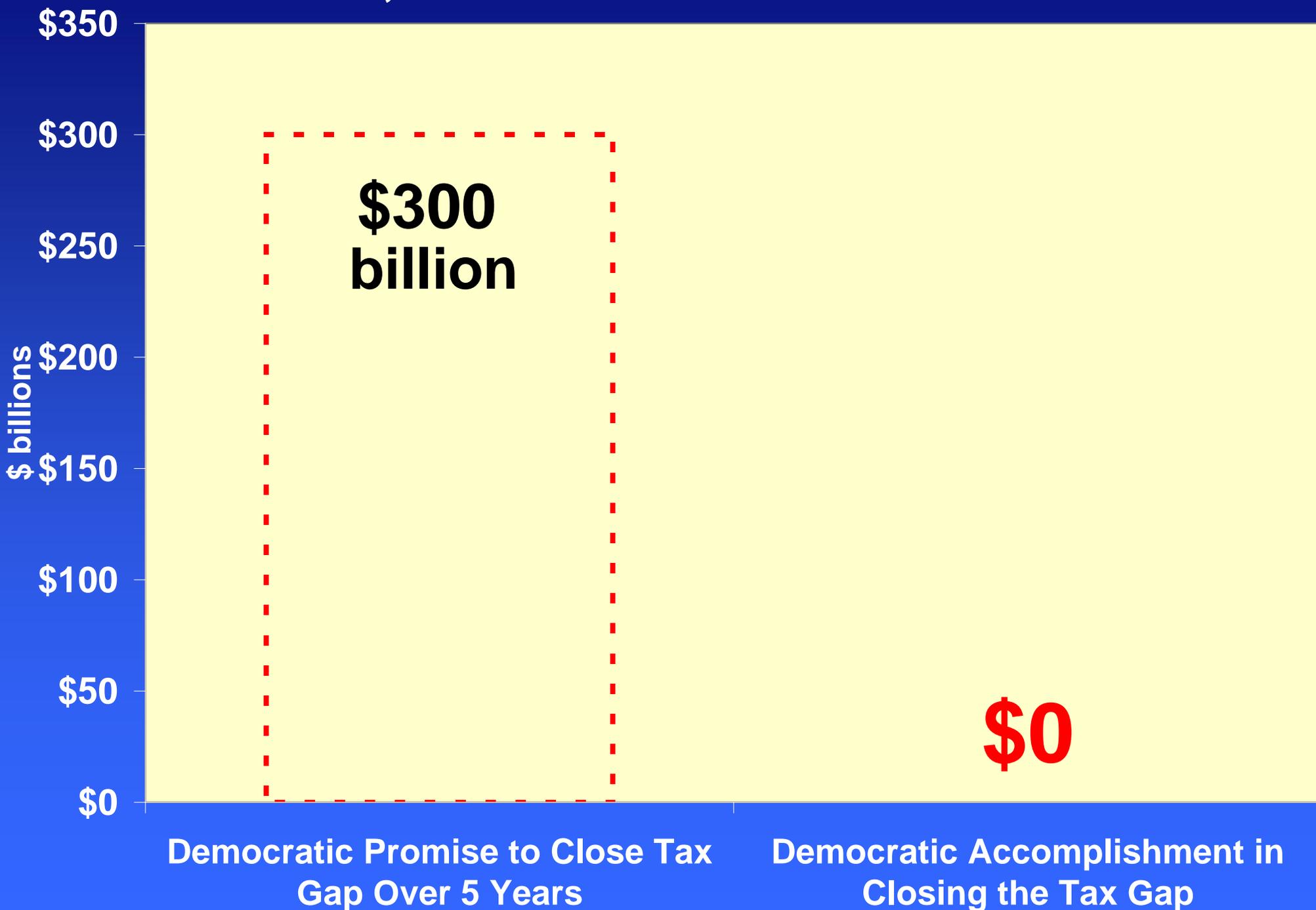
2.5% = \$396 Billion

4.7%

IS A HUGE TAX INCREASE

4.7% = \$719 Billion

DESPITE PROMISE THAT CLOSING TAX GAP WOULD BE EASY, DEMOCRATS COME UP EMPTY



Source: Senate Budget Committee Republican Staff

“If we just collected 15 percent of it [tax gap] that would be over \$300 billion. That alone would come close to meeting the revenue needs under our budget resolution.”

Senator Conrad
Congressional Record, FY 2008 Budget Resolution
March 20, 2007

Tax Gap money collected in 2007

0

“We need to be tough on spending”

Sen. Kent Conrad

60 Minutes interview, 3/4/07

Number of Spending Cuts in Democrat Budget

0

“I have said I am prepared to get savings out of long-term entitlement programs.”

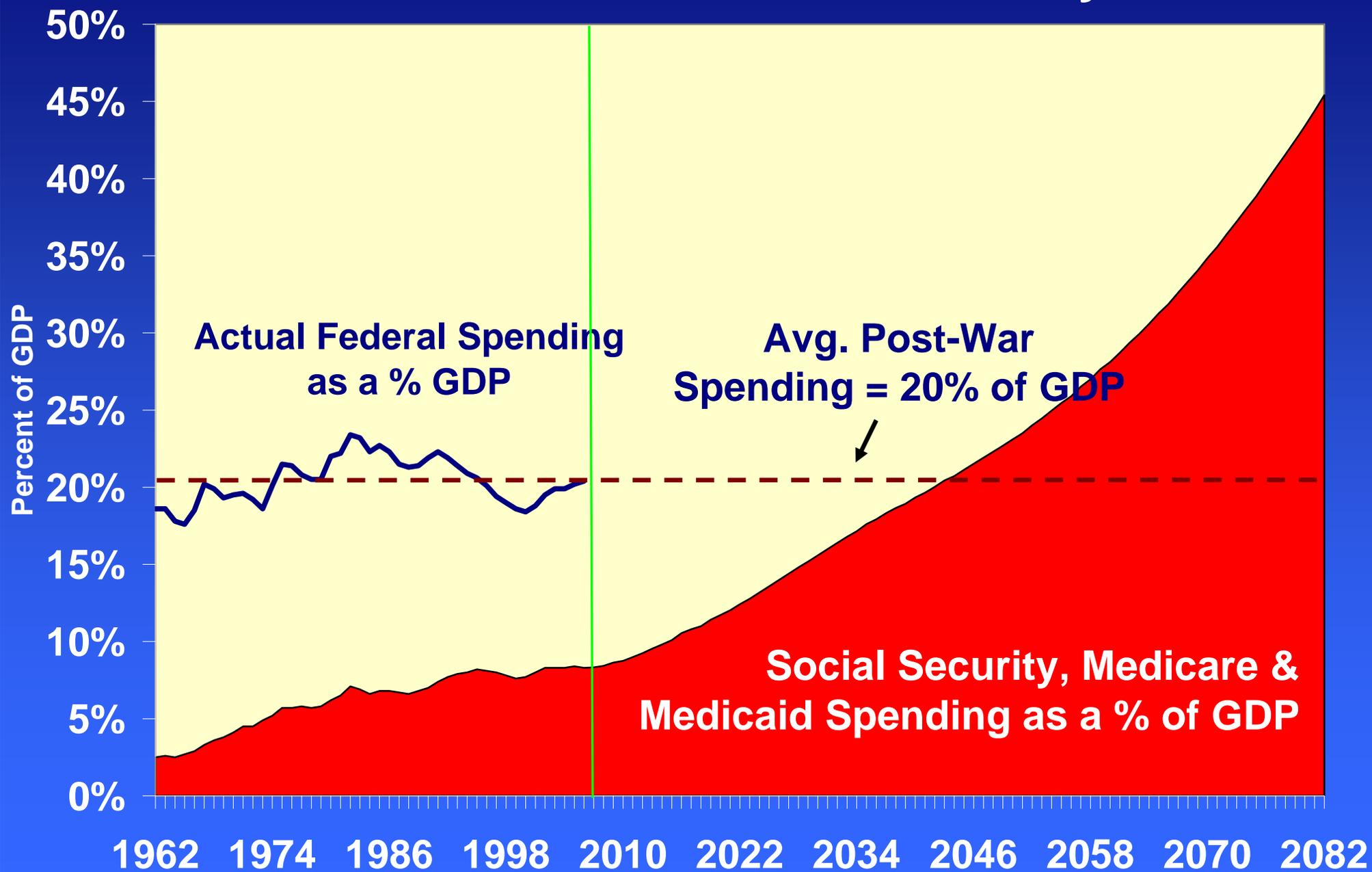
Sen. Kent Conrad

FY2008 Budget Hearing with Director Portman, 2/7/07

Number of Savings From Entitlements in Democrat Budget

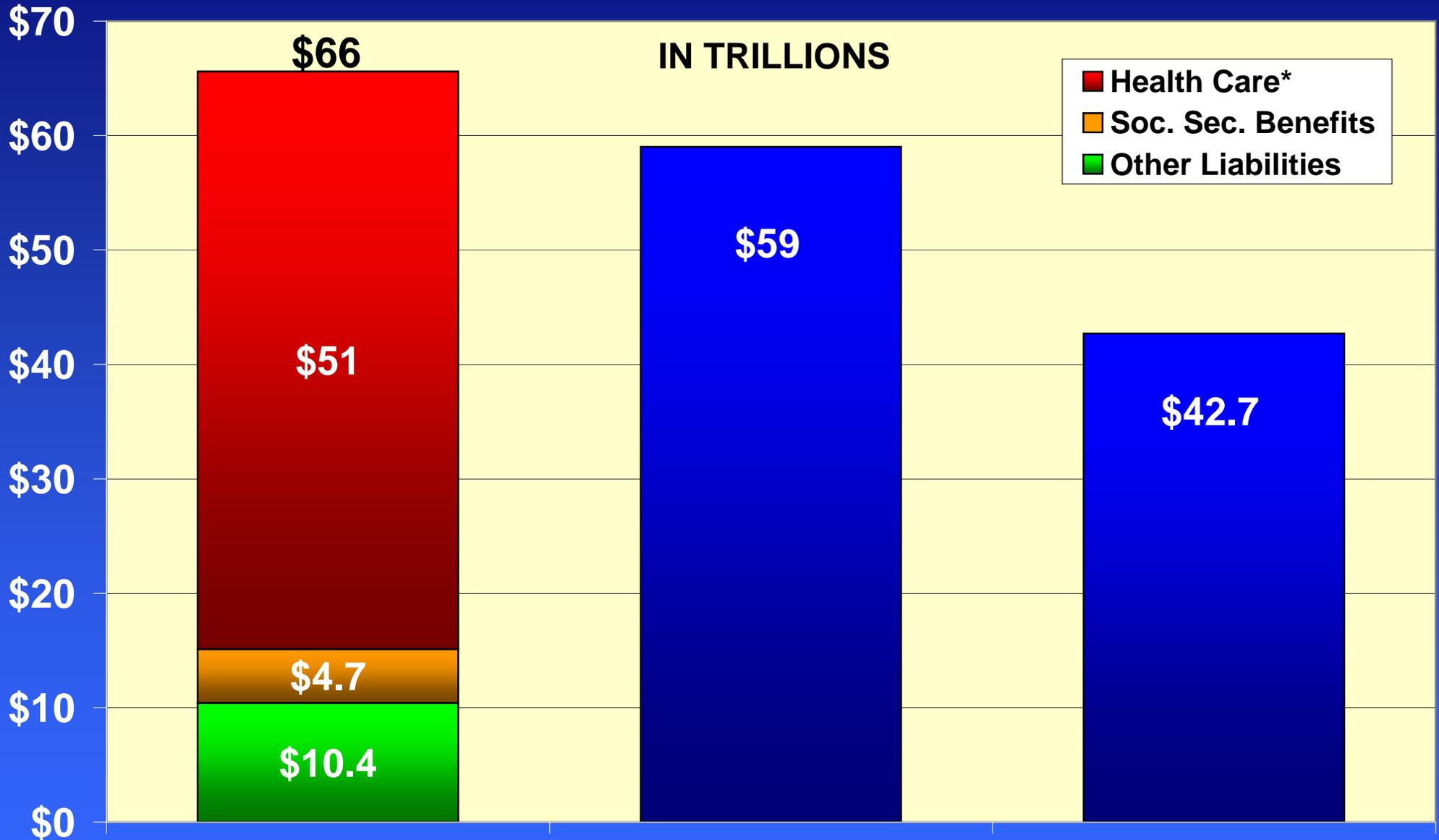
0

Mandatory Spending Grows Higher Than One Fourth of the Economy



Outstanding Financial Exposure

Assets, Historic Revenues



75-Year Spending Total
(Today's Dollars)

Present Net Worth of U.S. Citizens
(Today's Dollars)

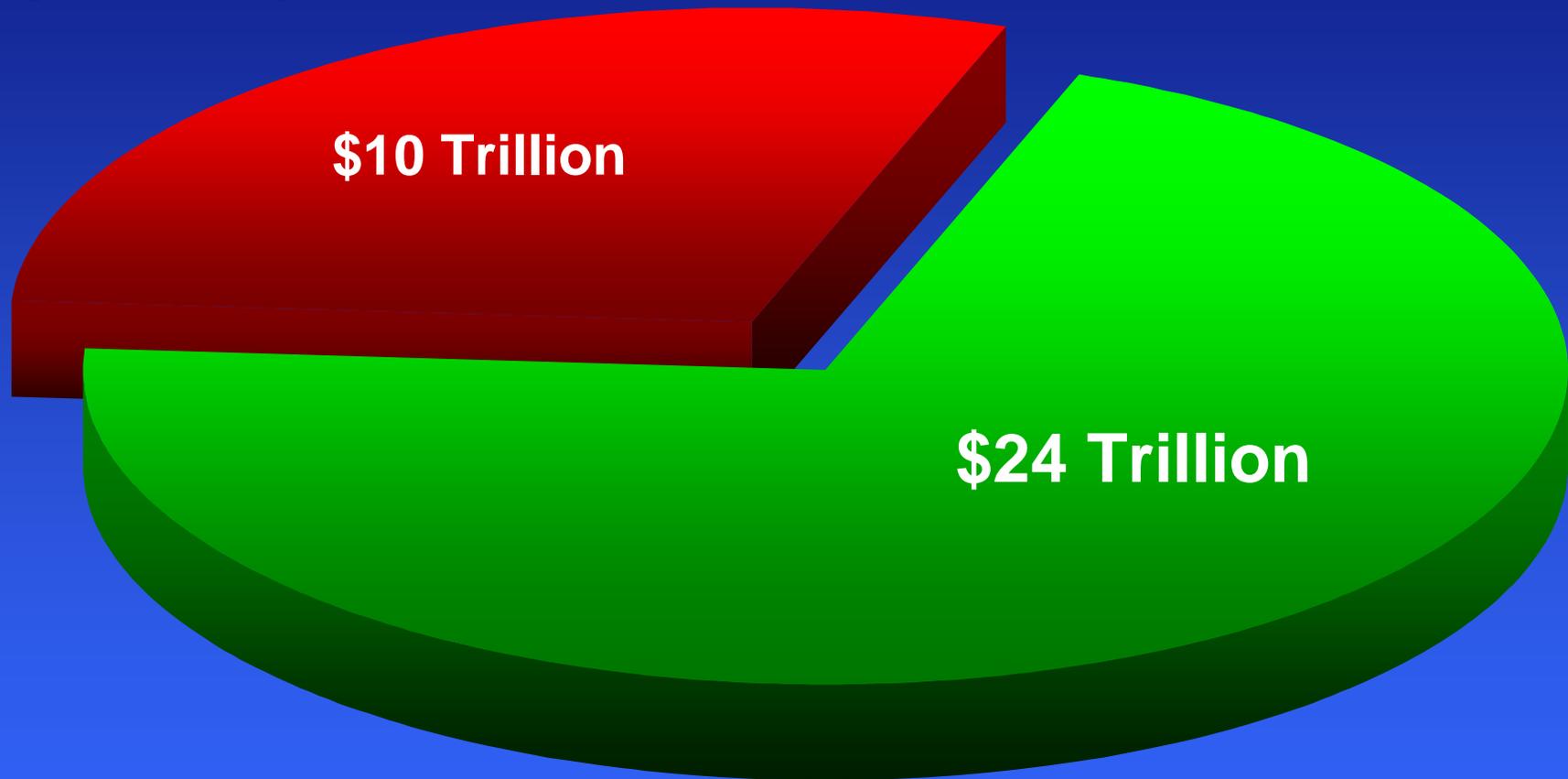
Total Taxes Collected in U.S. History (Including 2007 Estimates)

Source: GAO, OMB and SBC Republican Staff Analysis

* Medicare, Medicaid

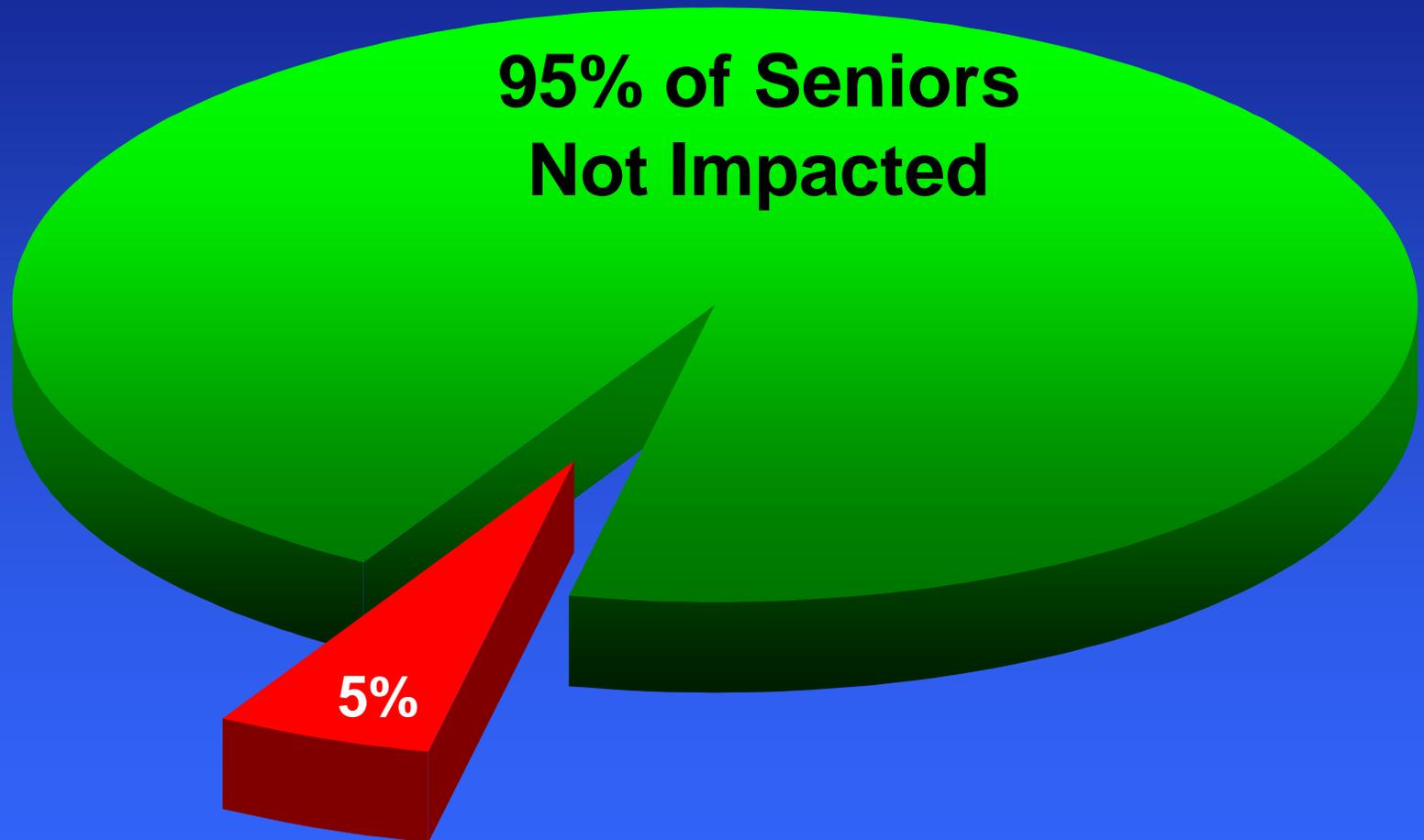
75-YEAR MEDICARE UNFUNDED LIABILITY

President's FY09
Budget Savings



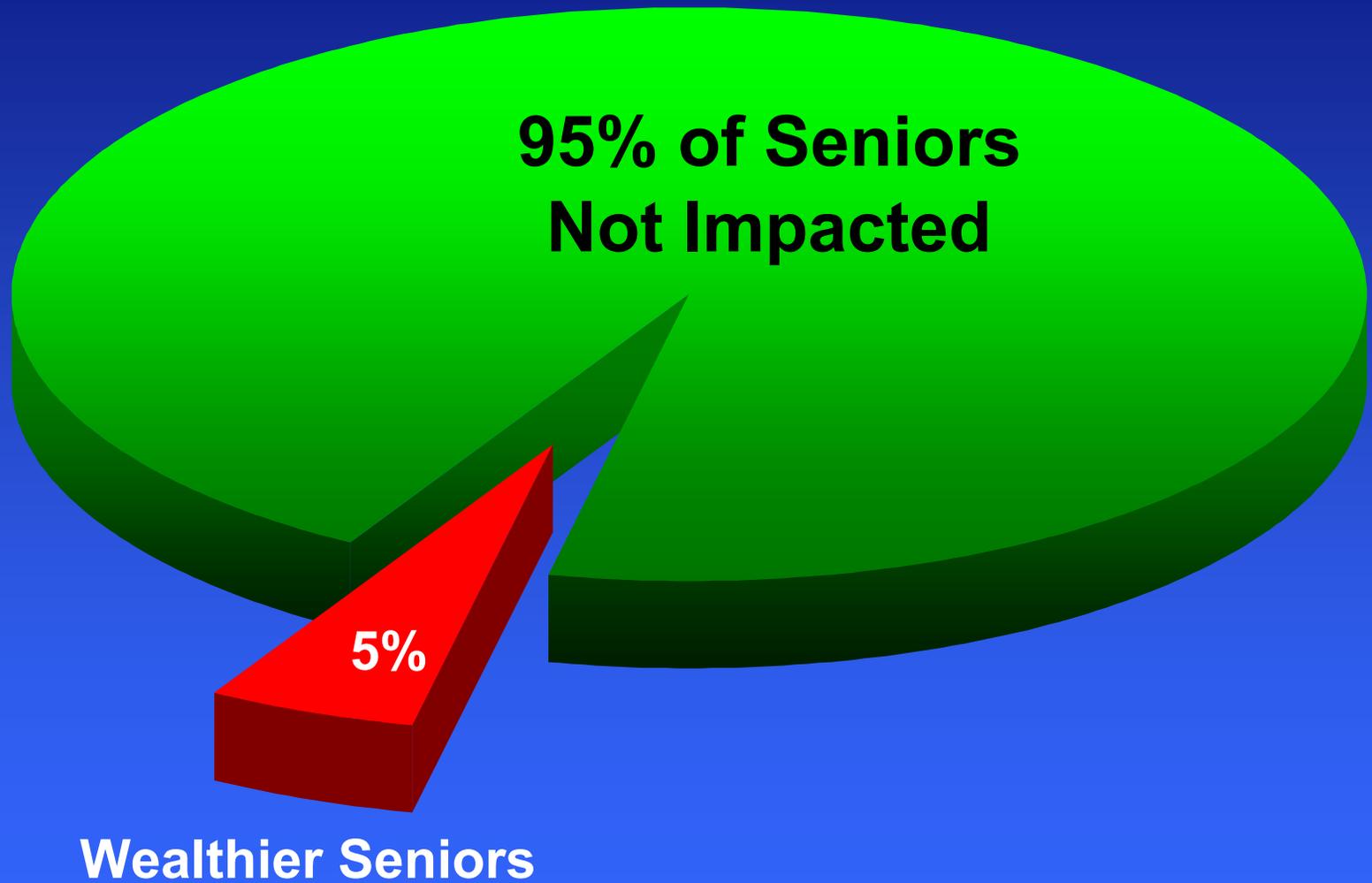
Current Total Unfunded Liability = \$34 Trillion

PRESIDENT'S PROPOSALS DO NOT IMPACT BENEFICIARIES



Wealthier Seniors

PRESIDENT'S PART D COST-SHARING IMPACT



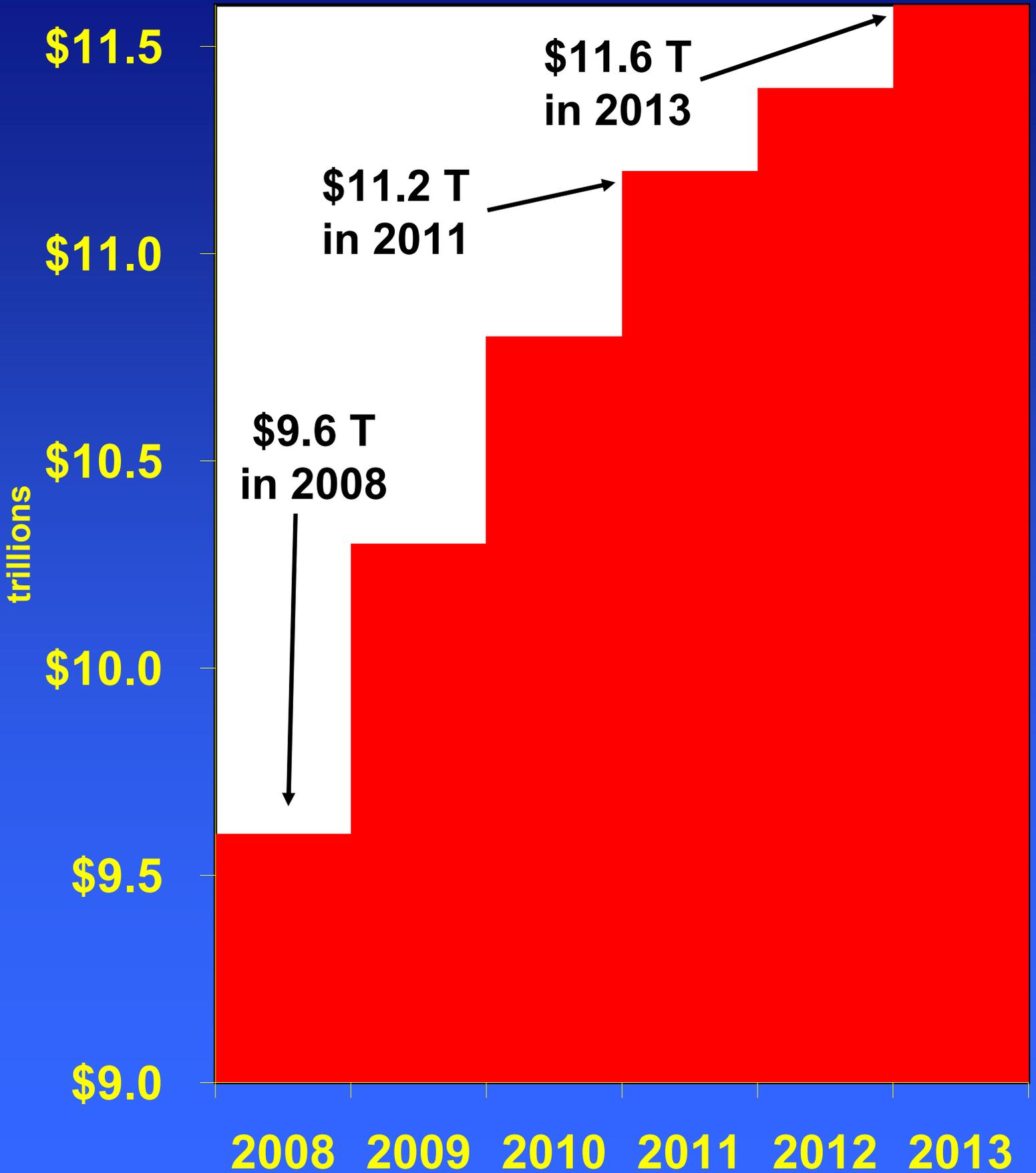
DEMOCRATS BURY OUR CHILDREN IN DEBT

**Debt Increase Since
Democrats Won Majority (1 Year):** **\$500 billion,
\$6,800 for every
American child
under 18**

**Debt Increase Under
Democratic Budget Plan (5 Year):** **\$2 Trillion
\$27,000 for
every American
child under 18**

Building a Wall of Debt

Gross Federal Debt Soars



**“I really believe increasingly
the debt is the threat”**

\$2 trillion debt increase

**Sen. Kent Conrad
Budget Committee Hearing with OMB Director Nussle
2/05/08**

“Every dollar we add to the Federal debt is another dollar that we are forcing our children to pay back in higher taxes or fewer Government benefits.”

\$27,000 for every American under 18.

Senator Conrad
FY 2007 Budget Resolution
March 14, 2006

Social Security Dollars Raided by Democrat Budget

\$1,000

\$777 billion

\$800

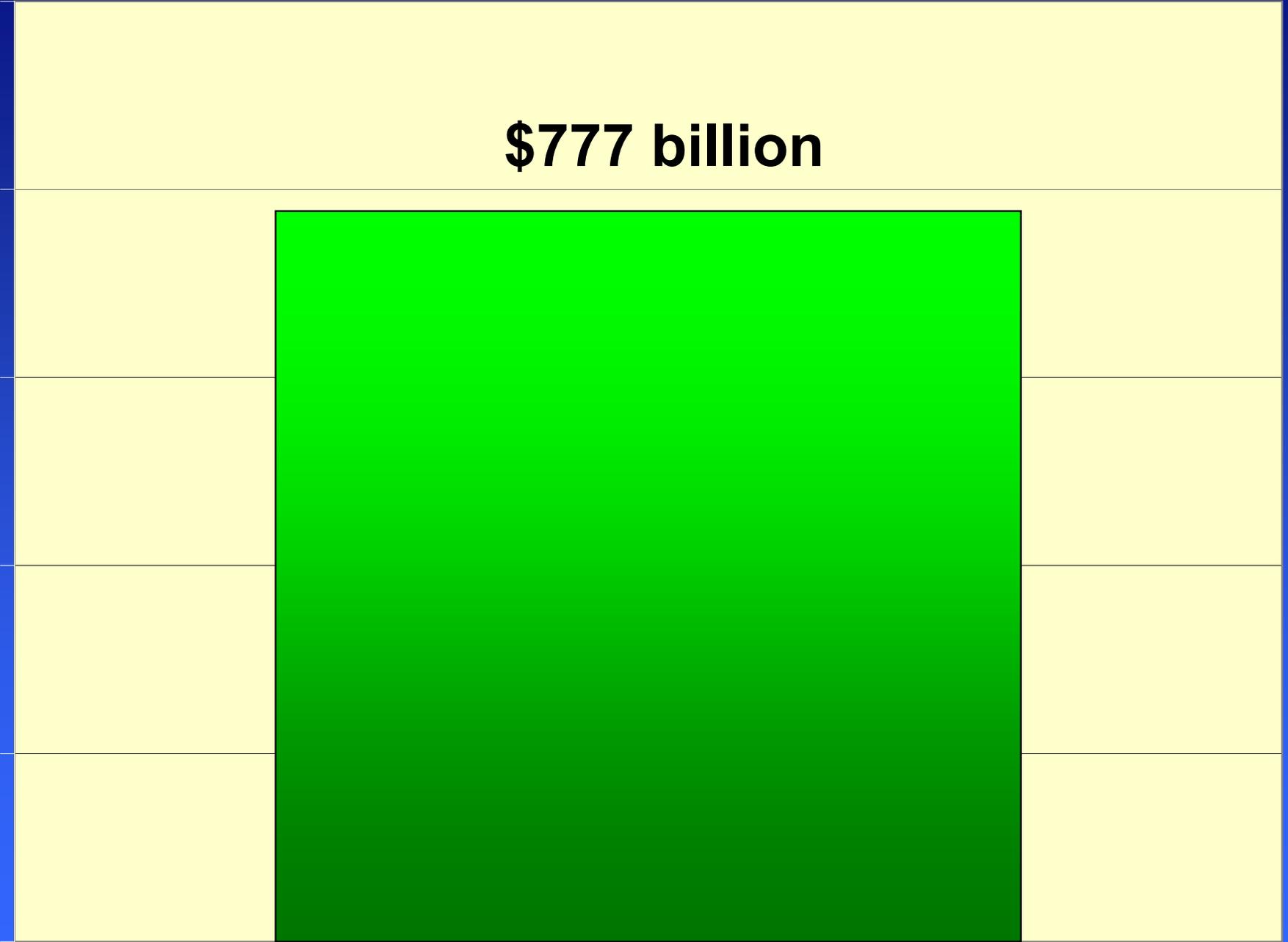
\$600

\$400

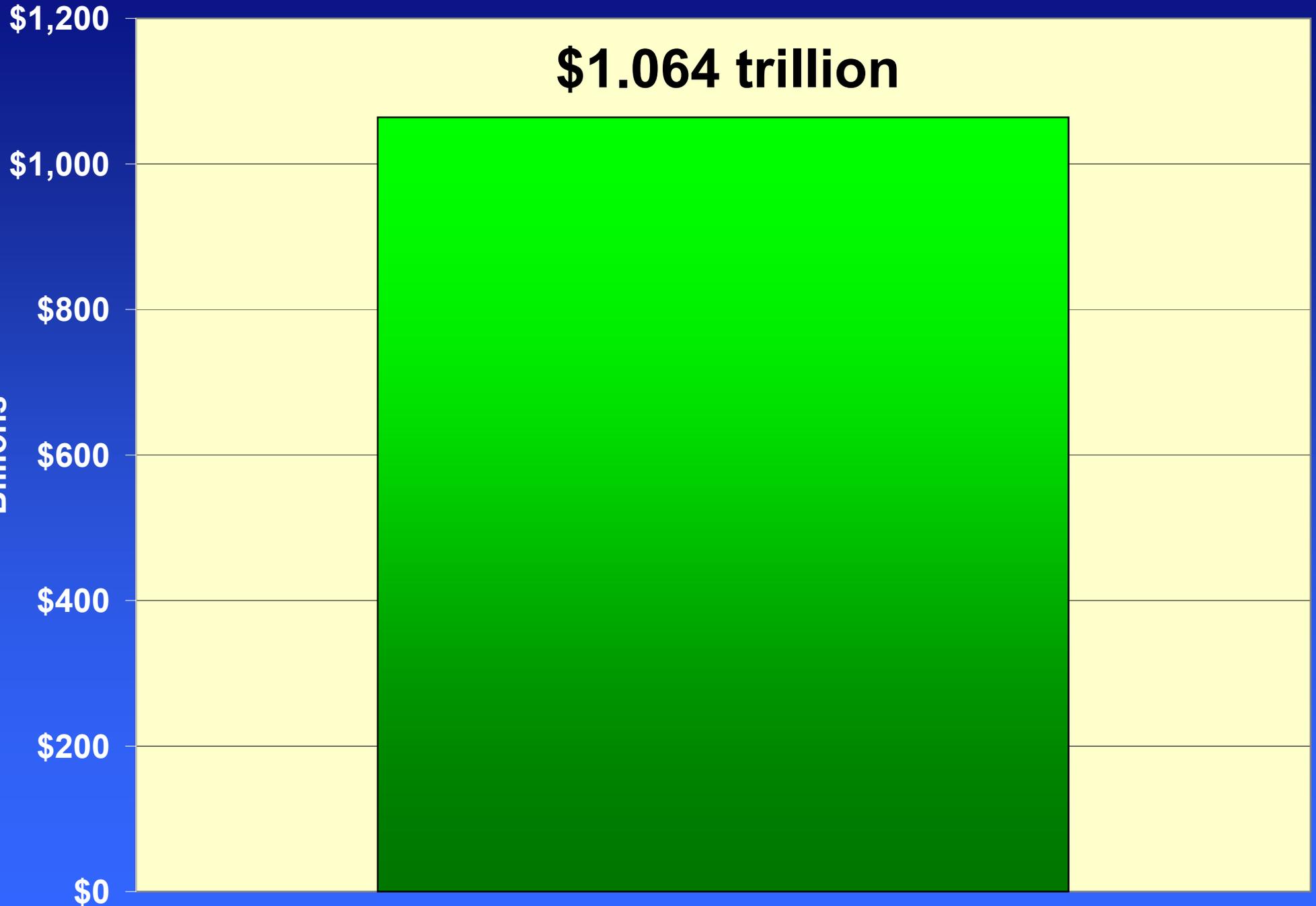
\$200

\$0

Billions



Social Security Dollars Raided by Democrat Budget



What's Left Out of the Democrats' FY09 Budget

- × Long-term entitlement reform
- × AMT relief after 2008
- × Funding for war costs beyond Jan. 2009
- × Debt reduction
- × Spending and taxes in 37 reserve funds

“We know that more will be needed in 2009 and beyond, no matter what happens next”

Spending for the Iraq War in Conrad's Budget

\$70 Billion

Sen. Kent Conrad
Budget Committee Hearing with Gordon England Dept. Sec US DoD
2/08/08

“And we know, I think with great certainty, \$70 billion is not the right answer for 2009, zero is not the right answer for 2010”

Spending for the Iraq War in Conrad's Budget

\$70 Billion

Sen. Kent Conrad
Budget Committee Hearing with Gordon England Dept. Sec US DoD
2/08/08

~~Pay-Go~~ Swiss-Cheese-Go

Real pay-go violations

Gimmicks to get around pay-go offset requirements

\$143 Bil



Minimum Wage Increase
\$50 mil

Water Resources Development Act
\$4 mil

PDUFA
\$171 mil

Immigration Reform
\$30.3 bil

Energy Bill
\$4.2 bil

Mental Health Parity
\$2.8 bil

Spending for MILC
\$2.4 bil

Farm Bill Hidden Future Costs
\$17.7 bil

Farm Bill Spending after 2017
\$9.8 bil

County Payments/PILT
\$4.1 bil

SCHIP Reauthorization
\$45 bil

New Mandatory Pell Grant Spending
\$9 bil

Student Loan Interest Rate Switch-a-roo
\$17 bil

\$38 bil

\$105 bil

“Let’s restore Pay-Go. Let’s really pay as we go. Let’s close the loophole.”

Statement by Senator Conrad on Pay-go Amendment to the FY 2007 Budget Resolution
March 9, 2006

**\$143 Billion of
Gimmicks**

0 Loopholes Closed