

REVENUES

SENATE BUDGET RESOLUTION FOR 2001

Federal revenues are taxes and other collections from the public that result from the government's sovereign or governmental powers. Federal revenues include individual income taxes, corporate income taxes, social insurance taxes, excise taxes, estate and gift taxes, custom duties and miscellaneous receipts (which include deposits of earnings by the Federal Reserve System, fines, penalties, fees for regulatory services, and others).

CHAIRMAN'S MARK

(\$ Billions)

	2000	2001	2002	2003	2004	2005
On-budget revenues	1464.6	1501.6	1546.5	1598.7	1655.0	1720.6
Off-budget revenues	479.6	501.5	524.9	547.2	569.9	597.3
Total revenues	1944.3	2003.1	2071.3	2145.9	2225.0	2317.9

The Chairman's mark assumes a tax cut of \$13 billion in 2001 and \$150 billion over 2001-2005 relative to the baseline. The Chairman's mark assumes that any tax cut adopted by Congress would not return the federal government to an unbalanced federal budget and would not dip into the Social Security surplus. Under the Chairman's mark, federal revenues grow at an average annual rate of 3.6 percent from 2000 through 2005. Under the baseline, federal revenues grow at an average annual rate of 3.9 percent from 2000 through 2005.

The Chairman's mark assumes a substantial tax cut package (the contents of which will be determined by the tax-writing committees). For example, the revenue levels in the Chairman's mark can accommodate tax cut legislation that has already begun to move in the 106th Congress: marriage penalty tax relief, tax relief for affordable education, health care tax relief associated with patients' rights legislation, and small business tax relief (including pension provisions, estate tax relief, real estate provisions and the American Community Renewal Act). In addition, it is possible for the Chairman's mark to accommodate a suspension or repeal of the 4.3 cents/gallon excise tax on all motor fuels

enacted in 1993, and other tax cuts.

The Chairman's mark assumes enactment of the President's proposal for a roll back to pre-1999 levels of Federal employee retirement contributions. The proposal would repeal the Balanced Budget Act of 1997 provision that temporarily increased federal employee retirement contributions by 0.5 percent.

In its reestimate of the President's budget, the Congressional Budget Office (CBO) found that the tax proposals in the President's budget result in a net tax increase of \$9.5 billion in 2001 and a net tax cut of \$4.9 billion over the 2001-2005 period. CBO's analysis found that the President's budget recommends gross tax increases of \$96 billion over the 2001-2005 period; the Chairman's mark rejects all of these tax increases.

Over five years, the Chairman's mark reduces taxes by \$145 billion more than the President's budget.

REVENUES

SENATE BUDGET RESOLUTION FOR 2001

COMPARISON OF CHAIRMAN'S MARK WITH PRESIDENT'S BUDGET AND SBC BASELINE (\$ Billions)

	2000	2001	2002	2003	2004	2005
<u>Chairman's Mark</u>						
Revenues	1944.3	2003.1	2071.3	2145.9	2225.0	2317.9
<u>President's Budget</u>						
Revenues	1945.7	2025.9	2097.1	2171.0	2261.9	2352.4
<u>SBC Baseline</u>						
Revenues	1945.1	2016.3	2096.2	2176.7	2262.6	2361.4
<u>Mark compared to:</u>						
<u>President's Budget</u>						
Revenues	-1.5	-22.7	-25.7	-25.1	-36.7	-34.5
<u>SBC Baseline</u>						
Revenues	-0.9	-13.2	-24.9	-30.8	-37.6	-43.5

DEBT LEVELS

SENATE BUDGET RESOLUTION FOR 2001

The table on the following page compares debt held by the public levels and debt subject to limit levels associated with the Chairman's mark, the President's budget and the SBC baseline.

Under the Chairman's mark, debt held by the public declines by \$1.1 trillion through the budget projection period. Debt held by the public under the President's budget declines by about the same amount. By the end of 2005, debt held by the public under the Chairman's mark is \$34 billion higher than under the President's budget. The difference is due to the Chairman's mark's inclusion of \$20 billion for Medicare reform and prescription drugs in function 570 and the Chairman's mark's \$150 billion tax cut (compared to the President's \$5 billion tax cut).

The statutory debt limit, which now stands at \$5.95 trillion, would not have to be increased until 2004 under the Chairman's mark. Under the President's budget, the statutory debt limit would have to be raised in 2004.

DEBT LEVELS

SENATE BUDGET RESOLUTION FOR 2001

COMPARISON OF CHAIRMAN'S MARK WITH PRESIDENT'S BUDGET AND SBC BASELINE (\$ Billions)

Debt	2000	2001	2002	2003	2004	2005
<u>Chairman's Mark</u>						
Held by Public	3,467	3,303	3,123	2,933	2,727	2,499
Subject to Limit	5,638	5,722	5,810	5,899	5,982	6,059
<u>President's Budget</u>						
Held by Public	3,464	3,287	3,100	2,903	2,690	2,465
Subject to Limit	5,634	5,715	5,809	5,900	5,987	6,085
<u>SBC Baseline</u>						
Held by Public	3,452	3,272	3,041	2,780	2,476	2,128
Subject to Limit	5,622	5,683	5,721	5,746	5,738	5,702
<u>Mark compared to:</u>						
<u>President's Budget</u>						
Held by Public	3	16	23	30	37	34
Subject to Limit	4	7	1	-1	-5	-26
<u>SBC Baseline</u>						
Held by Public	15	31	82	153	251	371
Subject to Limit	16	39	89	153	244	357

