



CONGRESSIONAL PROGRESSIVE CAUCUS’S “BETTER OFF BUDGET” BEATS REP. PAUL RYAN’S “PATH TO PROSPERITY” BUDGET

The federal budget expresses the priorities of our government and the moral choices of lawmakers. The budgets offered by House Budget Committee Chairman Paul Ryan (R-WI) and the Congressional Progressive Caucus offer stark differences. One would give huge tax breaks to the rich and big corporations – the other would ensure that they pay their fair share of taxes. One would eviscerate services and benefits that protect our families and communities – the other would make new investments to grow the economy and create jobs. Compare these two proposals.

Tax Proposal	Rep. Paul Ryan’s “Path to Prosperity” Budget	Congressional Progressive Caucus’s “Better Off Budget”
Require individuals to pay their fair share of taxes	Drops the tax rate for millionaires from 39.6% to 25% – an average tax break of at least \$400,000 a year. A similar tax plan proposed by Mitt Romney in 2012 was estimated to <i>increase</i> taxes on middle class families by \$2,000 a year.	Raises tax rates on millionaires and billionaires. Taxes income from stocks at the same rate as wages and salaries. Strengthens the estate tax and makes it more progressive. Caps itemized tax deductions the wealthy can take at the 28% tax rate.
Require corporations to pay their fair share of taxes	Drops the top corporate tax rate from 35% to 25% , which loses \$1.2 trillion over 10 years.	Assesses a modest fee on large banks to cover the cost of future financial failures. Enacts a Wall Street sales tax – a very small tax on Wall Street transactions – to raise \$900 billion and reduce reckless speculation. Ends tax subsidies for excessive CEO pay.
End tax breaks for corporations that ship jobs and profits offshore	Creates a “ territorial ” tax system, with big incentives to ship profits and jobs offshore by lowering the U.S. tax rate on offshore profits.	Ends tax “deferral,” which encourages corporations to shift profits offshore to avoid U.S. taxes. This will raise \$620 billion over 10 years.
Raise revenues to make new investments and reduce the deficit	Proposes \$5.7 trillion in tax cuts over 10 years, mostly benefitting corporations and the wealthy. States it will close loopholes to pay for tax cuts but does not identify any to close.	Raises a total of \$3.4 trillion over 10 years from the wealthy and corporations. Provides details on the loopholes to be closed.
Job Creation and Investments	Cuts \$5.1 trillion over 10 years from the Affordable Care Act, Medicaid, Food Stamps, education, Pell grants and more. Reduces the deficit by \$5 trillion without raising any additional revenue.	Increases investments in infrastructure, state and local aid, nutrition, housing, research and education by \$3.7 trillion over 10 years. Creates 8.8 million jobs by 2017 and reduces the deficit by \$4 trillion over 10 years.

Sources:

Rep. Paul Ryan’s FY2015 Budget Plan, [The Path to Prosperity](#)

Congressional Progressive Caucus, [“Better Off Budget”](#) for FY2015

Tax Policy Center, [FY2014 House Budget Proposal: Impact on Tax Revenue](#), 2014-2023, March 15, 2013. This revenue estimate is based on Rep. Paul Ryan’s FY2014 budget proposal, which appears to be the same as the FY2015 proposal.