HIGHLIGHTS

- **CREASES** up to 7 million new jobs with a one-year payroll tax holiday
- **STABILIZES** the debt at less than 60% of the economy by 2020
- **BALANCES** the primary budget in 2014
- **CREASES** a simple, pro-growth tax system that cuts individual and corporate rates
- **STRENGTHENS** Social Security for the next 75 years
- **FREEZES** domestic and defense discretionary spending
- **CONTROLS** health care costs for families, businesses, and government
- **ACHEIVES** a bipartisan agreement that is realistic and politically viable
CREATING A SIMPLE, PRO-GROWTH TAX SYSTEM

- **ESTABLISHES** two individual tax rates: 15% and 27%
- **CUTS** top corporate tax rate from 35% to 27%
- **ELIMINATES** a maze of tax preferences, deductions, and credits
- **SIMPLIFIES** benefits for low-income taxpayers and families with children
- **ESTABLISHES** a new 6.5% “debt reduction” sales tax
- **ENSURES** 90 million households no longer have to file tax returns
Debt Drops Dramatically Under Bipartisan Plan

Note: Baseline Debt Held by the Public is CBO’s “Alternative Fiscal Scenario” constructed from the August 2010 Budget and Economic Outlook, additionally assuming that troops in Iraq and Afghanistan are reduced to 30,000 by 2013.
Net Interest Payments Drop Dramatically Under Bipartisan Plan

Note: Baseline Debt Held by the Public is CBO’s “Alternative Fiscal Scenario” constructed from the August 2010 Budget and Economic Outlook, additionally assuming that troops in Iraq and Afghanistan are reduced to 30,000 by 2013.
Breakdown of Spending Cuts, Tax Expenditure Cuts, and New Revenues

- **Spending Cuts**:
  - 2020: 54%
  - 2030: 50%
  - 2040: 52%

- **Tax Expenditure Cuts**:
  - 2020: 38%
  - 2030: 37%
  - 2040: 35%

- **New Revenues**
  - 2020: 9%
  - 2030: 13%
  - 2040: 13%

**Notes:**

- The chart illustrates the breakdown of spending cuts, tax expenditure cuts, and new revenues over the years 2020, 2030, and 2040.
- The spending cuts are the largest component, followed by tax expenditure cuts and then new revenues.