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MID-SESSION REVIEW OF THE BUDGET FOR FISCAL YEAR 2014

COMMUNICATION

FROM

THE DIRECTOR, THE OFFICE OF MANAGEMENT AND BUDGET

TRANSMITTING

A SUPPLEMENTAL UPDATE OF THE BUDGET FOR FISCAL YEAR 2014, PURSUANT TO 31 U.S.C. 1106(a)

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FISCAL YEAR 2014

MID-SESSION REVIEW

BUDGET OF THE U.S. GOVERNMENT

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FISCAL YEAR 2014

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

July 8, 2013

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, DC 20510

Dear Mr. Speaker:

Section 1106 of Title 31, United States Code, requests that the President send to the Congress a supplemental update of the Budget that was transmitted to the Congress earlier in the year. This enclosed supplemental update of the Budget, commonly known as the Mid-Session Review, contains revised estimates of receipts, outlays, budget authority, and the budget deficit for fiscal years 2013 through 2023.

Sincerely,

Sylvia M. Burwell
Director

Enclosure

Identical Letter Sent to the President of the Senate

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GENERAL NOTES

1. Unless otherwise noted, years referenced for budget data are fiscal years, and years referenced for economic data are calendar years.
2. All totals in the text and tables include both on-budget and off-budget spending and receipts unless otherwise noted.
3. Details in the tables and text may not add to totals due to rounding.
4. Web address: *http://www.budget.gov*

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SUMMARY

This Mid-Session Review (MSR) updates the Administration's estimates for outlays, receipts, and the deficit for economic, legislative, and other changes that have occurred since the release of the President's 2014 Budget. The 2013 deficit is now projected to be $759 billion, $214 billion lower than the $973 billion deficit projected in the Budget. As a percentage of gross domestic product (GDP), the 2013 deficit is now projected to equal 4.7 percent, down from the 6.0 percent projected in the Budget. Going forward, the MSR estimates that the deficit will fall to below 3 percent of GDP by 2017 and to about 2 percent of GDP by 2023. The MSR also shows that the Budget achieves the core goal of fiscal sustainability by putting Federal debt on a declining path as a share of the economy.

STRENGTHENING THE ECONOMIC RECOVERY

The President believes our top priority must be strengthening the true engine of economic growth—a rising and thriving middle class. He will continue to pursue policies to accelerate the recovery, speed job creation, and expand the middle class. The 2014 Budget demonstrates that we do not need to choose between making critical investments necessary to help grow our economy and support middle class families and continuing to cut the deficit in a balanced way. The Budget shows how we can do both. It offers concrete strategies to address three fundamental questions: How do we attract more jobs to our shores? How do we equip our people with the skills needed to do the jobs of the 21st Century? How do we make sure hard work leads to a decent living?

To once again make America a magnet for jobs, the Budget invests in high-tech manufacturing and innovation, clean energy, and infrastructure, while cutting red tape to help businesses grow. To give workers the skills they need to compete in the global economy, it invests in education and job training, and sets forth a visionary proposal to ensure every four-year-old has access to high quality pre-school. To ensure hard work is rewarded, it builds ladders of opportunity to help every American and every community. By identifying offsets for each of these initiatives, the Budget invests in the potential of the middle class and our economy while keeping us on a fiscally disciplined long-term path.

While more work remains to be done, the U.S. economy has made significant progress in recovering from the worst downturn since the Great Depression. When the President took office in 2009, the private sector was losing over 800,000 jobs a month, credit markets that provide capital for investment had seized up, and businesses—small and large—were struggling. The housing market was in free fall and our auto industry was near collapse.

Through the determination and resiliency of the American people and the decisive actions of the President working with Congress to bolster job growth and jumpstart economic activity, we successfully broke the back of the recession and pulled the Nation back from the brink. The economy has been recovering ever since. We have seen positive economic growth for 15 consecutive quarters. Through June, the private sector has added jobs every month for 40 straight months, with a total of 7.2 million jobs added over that period. This year alone, more than 1.2 million private sector jobs have been added so far. The unemployment rate has fallen from a high of 10 percent in 2009 to 7.6 percent as of June. Manufacturers have added more than 500,000 jobs over the past three years. And the housing market and the auto industry continue to show signs of recovery.

But while the economy is adding jobs, too many Americans are still unemployed and have been looking for work for too long. Businesses are hiring again, but too many are still struggling to compete and find workers with the right skills to meet their needs. Home prices are rising at the fastest pace in seven years and construction is expanding, but too many families with solid credit are still finding it difficult to buy a home or refinance. And although corporate profits have climbed to all-time highs, wages and incomes for America's middle class have continued to stagnate.

By making investments in our people and infrastructure, we can strengthen the middle class, make America a magnet for jobs and innovation, and grow our economy. But economic growth alone will not solve our Nation's long-term fiscal challenges. That is why the President is committed to continuing to reduce the deficit in a balanced way.

THE ROLE OF DEFICIT REDUCTION IN PROMOTING SUSTAINED ECONOMIC GROWTH AND JOB CREATION

Over the past few years, we have experienced the fastest period of deficit reduction since the years immediately following World War II. The President and the Congress have achieved over $2.5 trillion in deficit reduction by cutting spending by more than $1.4 trillion, achieving more than $600 billion in new revenue from raising tax rates on the wealthiest Americans, and realizing interest savings. As a Nation we are more than halfway toward the goal of $4 trillion in deficit reduction that bipartisan, independent experts have identified as necessary to bring deficits below 3 percent of GDP, put our debt on a downward trajectory, and put us on a fiscally sustainable path.

The President's Budget includes a compromise plan to achieve that goal while demonstrating that we do not need to choose between economic growth and fiscal discipline. The President's compromise proposal combines additional spending cuts, entitlement reforms, and revenue from tax reform to achieve nearly $1.8 trillion in additional deficit reduction over the next 10 years, bringing total deficit reduction to more than $4.3 trillion.

We are already making progress down this path to further deficit reduction. Under the revised estimates in the MSR, the current year deficit has fallen by $214 billion compared to the projections in the Budget, and deficits will continue to fall to below 3 percent of GDP in 2017. In addition, the MSR shows that the Federal debt will begin to decline as a share of the economy in 2016. Over the next 10 years, deficits fall to about 2 percent of GDP, and debt continues to decline every year after 2015. Putting our budget on a sustainable fiscal path is a critical step toward ensuring that we have a solid foundation on which to build a strong economy and a thriving middle class for years to come.

In addition to the policies explicitly reflected in the MSR, the President has outlined a plan for commonsense immigration reform and called on Congress to enact legislation that would strengthen our borders; crack down on employers who exploit American and immigrant workers; streamline the legal immigration system to attract highly-skilled entrepreneurs and engineers to help create jobs, drive economic growth, and reunite Americans with their families; and establish a responsible pathway to earned citizenship. In June, the Senate passed, with a strongly bipartisan vote, a bill that would achieve these goals and also make a substantial contribution to reducing the deficit. The Congressional Budget Office estimated the effect of the Senate immigration bill, using its own economic and technical assumptions, and found that the bill would reduce Federal deficits by $158 billion over the first decade and by about $700 billion in the second decade. In addition, according to the independent Social Security Office of the Chief Actuary, the bipartisan Senate-passed immigration reform bill would strengthen Social Security over the long-term, ensuring full Social Security solvency until 2035—two years longer than if we fail to act on immigration—and reducing Social Security unfunded liabilities by half a trillion dollars through 2087.

REPLACING SEQUESTRATION WITH BALANCED DEFICIT REDUCTION, WHILE INVESTING IN THE MIDDLE CLASS AND AMERICA'S FUTURE

The 2014 Budget presents a strategy to grow the economy in both the short and long term. To ensure America remains competitive in the 21st Century, it invests in American innovation, reviving our manufacturing base and keeping our Nation at the forefront of technological advancement. For example, it invests in 15 manufacturing innovation institutes across the country, transforming regions into global epicenters of advanced manufacturing. To ensure our energy security and combat global climate change, it advances the President's all-of-the-above energy strategy, focusing on energy production, the development of clean energy alternatives, and the promotion of energy efficiency efforts in

both the public and private sectors. To build a foundation for growth and competitiveness and create jobs now, it invests in repairing our existing infrastructure and building the infrastructure of tomorrow, including high-speed rail, high-tech schools, and power grids that are resilient to future extreme conditions. And to ensure hard work leads to a decent living, it creates new ladders of opportunity by expanding childhood education, supporting communities as they rebuild from the Great Recession, creating pathways to work for the long-term unemployed and youth, and raising the minimum wage to $9 an hour so a hard day's work pays more.

Importantly, the 2014 Budget also supports economic growth by including more than enough deficit reduction to replace sequestration and the deep discretionary funding cuts triggered by the failure of the Joint Select Committee on Deficit Reduction (the "Joint Committee") to reach an agreement. With the recovery gaining traction, we need to focus on ways to protect and accelerate economic growth, not hold it back. The Budget demonstrates that we can replace these economically-damaging cuts with smart, targeted efforts to cut wasteful spending, strengthen entitlements, and eliminate loopholes through tax reform, while at the same time making critical investments to grow the economy, create jobs, and strengthen the middle class.

In the Budget Control Act (BCA), the Congress agreed on tight caps for discretionary spending that will allow for the critical investments we need to grow the economy while saving more than a trillion dollars over the next 10 years and bringing domestic discretionary spending to its lowest level as a share of the economy since the Eisenhower Administration. The BCA also established the Joint Committee to provide Congress with an opportunity to reach bipartisan agreement on achieving an additional $1.2 trillion in balanced deficit reduction over 10 years. The law included the threat of sequestration as a mechanism to force Congress to act. The specter of harmful across-the-board cuts to defense and non-defense programs was intended to drive both sides to compromise; sequestration itself was never intended to be implemented. However, Congress's failure to act on an alternative deficit reduction plan led the scheduled cuts to begin taking effect in March.

Sequestration is already having negative impacts on the country and the American people. Although the economy has continued to grow and job creation has held steady, we could be experiencing even stronger growth and job creation were it not for sequestration. The CBO estimated that sequestration will reduce the Nation's economic growth by more than half a percentage point and cost 750,000 jobs in 2013. Other independent economic forecasters have reached similar conclusions. The negative effects of sequestration are already being felt in areas ranging from reduced Army and Air Force training programs to cuts in National Institute of Health research to cuts at Head Start centers. Moreover, these impacts will build over time.

If allowed to continue, sequestration will further harm the economy and undermine the middle class. Congress can and should take action to replace it by passing a comprehensive and balanced deficit reduction package. Unfortunately, Congressional Republicans, primarily in the House of Representatives, have been unwilling to accept any plan to replace sequestration that includes new revenue. Instead, the Republican House has proposed to shift funding to defense accounts by imposing even deeper cuts in areas such as education, innovation and infrastructure.

Bipartisan and independent groups that have examined the Nation's fiscal outlook have concluded that the best way forward is a balanced plan that phases in deficit reduction to avoid harming the economic recovery, raises new revenue from tax reform that will also improve U.S. competitiveness, includes entitlement reform that takes further steps to address rising health care costs while providing protections for the most vulnerable, and maintains investments in education, innovation, and infrastructure. That is the right path forward, and it is the approach the President has proposed in his 2014 Budget.

Table 1. CHANGES IN DEFICITS FROM THE 2014 BUDGET

(In billions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
2014 Budget deficit	973	744	576	528	487	475	498	503	501	519	439		
Percent of GDP	6.0%	4.4%	3.2%	2.8%	2.4%	2.3%	2.3%	2.2%	2.1%	2.1%	1.7%		
Enacted legislation:													
Consolidated and Further Continuing Appropriations Act of 2013	5	–8	*	*	–*	–*	*	*	*	*	*	–8	–7
Debt service	*	*	–*	–*	–*	–*	–*	–*	–*	–*	–*	–*	–1
Subtotal, enacted legislation	5	–8	*	*	–*	–*	–*	*	*	*	–*	–8	–8
Economic and technical reestimates:													
Receipts	–65	11	47	46	27	15	30	58	40	42	69	146	384
Outlays:													
Discretionary programs	–43	1	3	6	3	3	2	2	2	1	1	14	21
Mandatory:													
Medicaid	8	8	11	11	11	12	13	13	14	14	15	54	123
Social Security	–3	–9	–12	–12	–11	–10	–8	–7	–6	–5	–4	–54	–85
Supplemental Nutrition Assistance Program	2	6	7	6	7	6	6	6	6	7	8	32	65
Premium assistance tax credits	.....	1	–5	–7	–3	–2	–3	–4	–5	–7	–8	–16	–43
Proceeds from GSE Preferred Stock	–71	3	5	6	4	3	3	3	3	3	3	20	34
Earned Income Tax Credit	2	3	3	2	2	2	4	4	4	4	4	12	32
Medicare	–2	*	1	1	–2	*	2	4	5	8	10	1	31
Unemployment compensation	–6	–5	–3	–3	–2	–2	–1	–1	–1	–1	–1	–15	–19
Supplemental Security Income program	–*	–1	–1	–1	–1	–1	–2	–2	–2	–2	–2	–6	–15
Federal retirement	*	–*	–1	–2	–2	–2	–2	–2	–2	–2	–1	–7	–14
Child Tax Credit	–1	–3	–3	–3	–3	–3	1	1	1	1	1	–16	–11
Troubled Asset Relief Program	–7	1	1	1	1	1	1	1	.....	.....	.....	5	7
Deposit Insurance Fund	–6	*	1	*	–*	–*	1	2	*	1	1	1	5
Other	–18	–1	–4	–4	–2	–2	–1	–*	–*	–1	–1	–13	–16
Total mandatory	–104	3	–*	–3	–2	2	14	17	17	21	25	*	93
Net interest[1]	–7	–*	–*	2	1	1	1	4	7	11	15	3	41
Subtotal, outlays[2]	–154	3	2	4	2	6	17	23	26	33	41	17	156
Subtotal, economic and technical reestimates	–219	14	49	50	29	21	47	81	65	74	109	163	540
Total, changes	–214	6	49	50	29	21	47	81	65	74	109	155	532
Mid-Session Review deficit	759	750	626	578	516	496	545	584	566	593	549		
Percent of GDP	4.7%	4.5%	3.5%	3.1%	2.6%	2.4%	2.5%	2.6%	2.4%	2.4%	2.1%		

Note: positive figures represent higher outlays or lower receipts.

*$500 million or less.

[1] Includes debt service on all reestimates.

[2] Includes change in allowance for future disaster costs.

ECONOMIC ASSUMPTIONS

This Mid-Session Review (MSR) updates the economic forecast from the 2014 Budget. The 2014 Budget forecast projected that the economic recovery, which began in 2009, would continue. Unemployment was expected to decline as the economy recovered, and inflation was expected to remain moderate. Interest rates were expected to remain quite low in the near term, but to rise gradually in the medium term. The MSR forecast, completed in late May, maintains these assumptions with minor modifications to take account of evolving conditions since the last forecast.

Since 2009, and through the first quarter of 2013, real GDP has risen for 15 straight quarters. Following the resumption of real GDP growth, the private sector began adding jobs. Private-sector employment has increased in each of the past 40 months, although it will take a further period of healthy job growth to fully recover from the losses due to the recession. The unemployment rate has declined from its peak of 10.0 percent in October 2009 to 7.6 percent in June 2013. Likewise, the housing market has begun to contribute to the recovery. The steep decline in the housing market ended in 2009, and housing starts and home prices have rebounded over the past two years.

Administration policies contributed to the economic revival, as have automatic fiscal stabilizers such as the unemployment compensation system. The American Recovery and Reinvestment Act was passed soon after the President took office, at a time when we were losing more than 800,000 jobs per month and after real GDP fell at an annual rate of 8.9 percent in the fourth quarter of 2008. The Administration's prompt action helped to reverse these precipitous declines and opened the way to a sustained economic recovery. Additional actions by the Administration and Congress, culminating in the passage of the temporary payroll tax holiday as part of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act in December 2010, further sustained demand and fostered continued growth.

Although Administration actions helped spark the ongoing recovery, the economy has faced serious headwinds that have held down the growth rate and limited gains in employment. Several European countries are experiencing slowing or negative growth as they have engaged in fiscal austerity measures to address their deficit and debt problems. China and other emerging countries have also experienced some slowing in their very rapid growth rates of the past decade. The global slowdown has reduced the growth of U.S. exports, which subtracted from overall U.S. GDP growth during the fourth quarter of 2012 and first quarter of 2013. In addition, the economic downturn, which reduced State and local tax revenue significantly, forced fiscal consolidation at the State and local government level because State governments generally face balanced-budget requirements.

Notably, sequestration has imposed a drag on growth in recent months. Congress has not yet acted on the comprehensive plan that the President proposed to replace sequestration with long-term deficit reduction. As a consequence, the economy was under additional fiscal pressure during the first half of 2013, leading to a reduction in the forecast for growth during 2013, although the MSR continues to assume that the sequestration will be reversed going forward.

Assuming adoption of the President's proposed fiscal plan, the Administration projects economic growth to continue in the second half of 2013 and to pick up in 2014. As various headwinds die down, and the proposed Budget replaces sequestration, the Administration expects more rapid growth in 2014. The decline in the unemployment rate over the past several months has been more rapid than expected when the 2014 Budget forecast was finalized, and unemployment is now projected to decline somewhat more rapidly than in the Budget projections.

Beyond 2018, the Administration's forecast is based on the long-run trends expected for real GDP growth, price inflation, and interest rates. Projected real GDP growth in the long run is below the historical average growth for

the United States because of an expected decline in the growth of the labor force as the population ages.

ECONOMIC PROJECTIONS

The MSR economic projections are based on information available through late May 2013 and assume adoption of the policies in the President's Budget. They are summarized in Table 2.

Real Gross Domestic Product (GDP): Real GDP is expected to rise by 2.4 percent during the four quarters of 2013 and to increase 3.4 percent during 2014. The growth rate is projected to average 3.5 percent for the three years from 2015 to 2017. The average growth from 2013-2018 is slightly below what was published in the Budget. Beyond 2018, real GDP growth is projected to moderate. The growth rate is steady at 2.3 percent per year in 2021-2023, which is the same rate as in the Budget.

Unemployment: The unemployment rate is projected to reach 7.3 percent by the fourth quarter of 2013, three-tenths of a percentage point below its level in June. Unemployment is projected to decline at a moderate pace reflecting the expected pace of real GDP growth and because, as labor market conditions improve, discouraged workers are expected to rejoin the labor force. With continued growth, the unemployment rate is projected to fall, eventually stabilizing at 5.4 percent.

Table 2. ECONOMIC ASSUMPTIONS[1]

(Calendar years; dollar amounts in billions)

	Actual					Projections							
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Gross Domestic Product (GDP):													
Levels, dollar amounts in billions:													
Current dollars	15,076	15,685	16,240	17,057	17,982	18,969	20,007	20,984	21,919	22,873	23,853	24,873	25,935
Real, chained (2005) dollars	13,299	13,593	13,861	14,289	14,784	15,305	15,843	16,308	16,718	17,121	17,524	17,932	18,350
Chained price index (2005 = 100), annual average	113.4	115.4	117.2	119.3	121.6	123.9	126.3	128.7	131.1	133.6	136.1	138.7	141.3
Percent change, fourth quarter over fourth quarter:													
Current dollars	4.0	3.5	4.0	5.4	5.5	5.5	5.5	4.5	4.4	4.3	4.3	4.3	4.3
Real, chained (2005) dollars	2.0	1.7	2.4	3.4	3.5	3.5	3.5	2.6	2.4	2.4	2.3	2.3	2.3
Chained price index (2005 = 100)	2.0	1.8	1.6	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Percent change, year over year:													
Current dollars	4.0	4.0	3.5	5.0	5.4	5.5	5.5	4.9	4.5	4.4	4.3	4.3	4.3
Real, chained (2005) dollars	1.8	2.2	2.0	3.1	3.5	3.5	3.5	2.9	2.5	2.4	2.4	2.3	2.3
Chained price index (2005 = 100)	2.1	1.8	1.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Incomes, billions of current dollars:													
Domestic corporate profits	1,388	1,521	1,522	1,676	1,832	1,921	1,947	1,833	1,680	1,562	1,467	1,372	1,297
Employee compensation	8,295	8,566	8,841	9,262	9,725	10,319	10,907	11,498	12,060	12,646	13,255	13,868	14,506
Wages and salaries	6,661	6,881	7,124	7,477	7,842	8,330	8,820	9,308	9,768	10,249	10,734	11,227	11,739
Other taxable income[2]	3,252	3,415	3,518	3,609	3,804	3,998	4,301	4,619	4,914	5,166	5,389	5,594	5,793
Consumer Price Index (all urban):[3]													
Level (1982–84 = 100), annual average	224.9	229.6	232.8	237.3	242.4	247.7	253.0	258.5	264.0	269.7	275.5	281.5	287.5
Percent change, fourth quarter over fourth quarter	3.3	1.9	1.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Percent change, year over year	3.1	2.1	1.4	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2

Table 2. ECONOMIC ASSUMPTIONS[1]—Continued

(Calendar years; dollar amounts in billions)

	Actual						Projections						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unemployment rate, civilian, percent:													
Fourth quarter level	8.7	7.8	7.3	6.8	6.3	5.9	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Annual average	8.9	8.1	7.5	7.0	6.5	6.0	5.6	5.4	5.4	5.4	5.4	5.4	5.4
Federal pay raises, January, percent:													
Military[4]	1.4	1.6	1.7	1.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Civilian[5]	0.0	0.0	0.5	1.0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Interest rates, percent:													
91-day Treasury bills[6]	0.1	0.1	0.1	0.1	0.3	1.2	2.3	3.2	3.6	3.7	3.7	3.7	3.7
10-year Treasury notes	2.8	1.8	2.1	2.6	3.2	3.7	4.1	4.4	4.6	4.8	5.0	5.0	5.0

NA = Not Available

[1] Based on information available as of mid-May 2013.

[2] Rent, interest, dividend, and proprietors' income components of personal income.

[3] Seasonally adjusted CPI for all urban consumers.

[4] Percentages apply to basic pay only; percentages to be proposed for years after 2014 have not yet been determined.

[5] Overall average increase, including locality pay adjustments. Percentages for years after 2014 have not yet been determined.

[6] Average rate, secondary market (bank discount basis).

Inflation: Overall inflation, as measured by the consumer price index (CPI), rose in early 2013, but it has moderated since then. Core inflation, excluding food and energy prices, has declined over the last 12 months to 1.7 percent, from 2.3 percent during the preceding 12-month period. Inflation is presently below the Federal Open Market Committee's (FOMC) target, but is expected to pick up again as the economy recovers and unemployment declines in the medium term. In the long run, the CPI inflation rate is projected to be 2.2 percent per year. Another key measure of inflation is the chained price index for gross domestic product, which is projected to increase by 1.6 percent in 2013, and 1.9 percent for 2014 onward.

Interest Rates: The projections for interest rates are based on financial market data and market expectations at the time the forecast was developed in late May. The three-month Treasury bill rate is expected to average only 0.1 percent in 2013 and 2014. It is expected to begin to rise in 2015 and to reach 3.7 percent by 2020. The yield on the 10-year Treasury note is expected to rise to 3.2 percent in 2015, and to reach 5.0 percent by 2021. In the later years of the forecast, interest rates are close to their historical averages in real terms; that is, adjusted for the projected rate of inflation.

Incomes and Income Shares: Corporate profits have rebounded more quickly than labor compensation (which consists of wages and salaries and employee fringe benefits). As a result, corporate profits have risen as a share of total income, while the share for labor compensation is below its long-run average. As the economy recovers, some of this shift in shares is expected to reverse. Labor compensation is projected to rise somewhat relative to total income, while the share of corporate profits is projected to fall. The wage share (which excludes fringe benefits) is also expected to recover from its recent low level in step with the increase in compensation.

FORECAST COMPARISONS

A comparison of the MSR forecast with the most recent Blue Chip consensus (an average of about 50 private-sector forecasts), the Congressional Budget Office (CBO), and the FOMC forecasts is shown below in Table 3. For 2013, the Administration's 2.4 percent projected rate of real GDP growth during the four quarters of the year is somewhat above that of the other forecasts, largely because of the assumption that the sequester will be replaced by the President's package of alternative deficit reduction proposals before the end

of the fiscal year, which would reduce the fiscal drag during the second half of 2013. During 2014, real GDP growth (Q4/Q4) is expected to be 3.4 percent, which is above the Blue Chip consensus of 2.8 percent, but it is within the FOMC central tendency of 3.0 to 3.5 percent, and again reflects the assumption that the President's Budget policies are adopted. In 2015 and 2016, the Administration's projected rate of GDP growth is more conservative than CBO's forecast, while average growth from 2013 through 2023 is 0.1 percentage point higher than CBO.

The Administration projects that unemployment will average 7.5 percent in 2013, 7.0 percent in 2014, and 6.5 percent in 2015. The Blue Chip consensus is quite similar: 7.5 percent in 2013, 7.1 percent in 2014, and 6.7 percent in 2015. (The CBO projections—last updated in January—assumed a somewhat higher trajectory for the unemployment rate.) The FOMC also projects that unemployment will fall. By the fourth quarter of 2015, the central tendency of the FOMC forecast ranges from 5.8 percent to 6.2 percent.

The forecasts are fairly similar for inflation and interest rates. Private forecasters expect inflation to rise to between 2 percent to 2-1/2 percent per year for both main measures of inflation. The Administration forecast projects slightly less inflation and slightly higher interest rates than the Blue Chip consensus in the long run.

Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS

(Calendar years; dollar amounts in billions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Nominal GDP:												
MSR	15,685	16,240	17,057	17,982	18,969	20,007	20,984	21,919	22,873	23,853	24,873	25,935
Budget	15,705	16,384	17,235	18,181	19,192	20,247	21,275	22,247	23,219	24,216	25,253	26,331
CBO	15,692	16,149	16,863	17,913	19,087	20,224	21,178	22,129	23,099	24,093	25,117	26,180
Blue Chip[1]	15,685	16,224	16,952	17,839	18,741	19,671	20,626	21,607	22,612	23,664	24,765	25,917
Real GDP:	*percent change, fourth quarter over fourth quarter*											
MSR	1.7	2.4	3.4	3.5	3.5	3.5	2.6	2.4	2.4	2.3	2.3	2.3
Budget	2.0	2.6	3.4	3.6	3.6	3.5	2.9	2.4	2.4	2.3	2.3	2.3
CBO	1.9	1.4	3.4	4.4	4.3	3.2	2.5	2.4	2.2	2.2	2.2	2.2
Blue Chip[1]	1.7	2.3	2.8	3.2	2.8	2.8	2.6	2.6	2.5	2.5	2.5	2.5
FOMC	.....	2.3–2.6	3.0–3.5	2.9–3.6	.....	.....	.....	.....	.....	.....	.....	.....
Real GDP:	*percent change, year over year*											
MSR	2.2	2.0	3.1	3.5	3.5	3.5	2.9	2.5	2.4	2.4	2.3	2.3
Budget	2.3	2.3	3.2	3.5	3.6	3.5	3.1	2.6	2.4	2.4	2.3	2.3
CBO	2.3	1.4	2.6	4.1	4.4	3.8	2.6	2.4	2.3	2.2	2.2	2.2
Blue Chip[1]	2.2	1.9	2.6	3.1	2.9	2.8	2.7	2.6	2.5	2.5	2.5	2.5
GDP Price Index:												
MSR	1.8	1.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Budget	1.9	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
CBO	1.8	1.5	1.8	2.0	2.1	2.1	2.1	2.0	2.1	2.0	2.0	2.0
Blue Chip[1]	1.8	1.5	1.8	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Consumer Price Index (CPI-U):												
MSR	2.1	1.4	1.9	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Budget	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
CBO	2.1	1.6	1.9	2.1	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Blue Chip[1]	2.1	1.6	2.0	2.3	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3
Unemployment Rate:	*annual average in percent*											
MSR	8.1	7.5	7.0	6.5	6.0	5.6	5.4	5.4	5.4	5.4	5.4	5.4
Budget	8.1	7.7	7.2	6.7	6.2	5.7	5.5	5.4	5.4	5.4	5.4	5.4
CBO	8.1	7.9	7.8	7.1	6.3	5.6	5.5	5.5	5.4	5.4	5.3	5.3
Blue Chip[1]	8.1	7.5	7.1	6.7	6.3	6.0	5.7	5.6	5.6	5.6	5.6	5.6
FOMC[2]	.....	7.2–7.3	6.5–6.8	5.8–6.2	.....	.....	.....	.....	.....	.....	.....	.....
Interest Rates:												
91-Day Treasury Bills (discount basis):												
MSR	0.1	0.1	0.1	0.3	1.2	2.3	3.2	3.6	3.7	3.7	3.7	3.7
Budget	0.1	0.1	0.2	0.4	1.3	2.3	3.2	3.6	3.7	3.7	3.7	3.7
CBO	0.1	0.1	0.2	0.2	1.5	3.4	4.0	4.0	4.0	4.0	4.0	4.0
Blue Chip[1]	0.1	0.1	0.2	0.9	2.1	3.0	3.3	3.5	3.6	3.6	3.6	3.6
10-Year Treasury Notes:												
MSR	1.8	2.1	2.6	3.2	3.7	4.1	4.4	4.6	4.8	5.0	5.0	5.0
Budget	1.8	2.0	2.6	3.1	3.7	4.1	4.4	4.6	4.8	5.0	5.0	5.0
CBO	1.8	2.1	2.7	3.5	4.3	5.0	5.2	5.2	5.2	5.2	5.2	5.2
Blue Chip[1]	1.8	2.0	2.6	3.4	4.1	4.5	4.7	4.7	4.7	4.7	4.7	4.7

MSR = 2014 Mid-Session Review (forecast date: May 2013).

Budget = 2014 Budget (forecast date: November 2012).

CBO = Congressional Budget Office February 2013 baseline economic forecast.

FOMC = Federal Reserve Open Market Committee (forecast central tendency date: June 19, 2013).

Blue Chip = June 2013 Blue Chip Consensus Forecast extended with March 2013 Blue Chip long-run survey.

Sources: Administration; Federal Open Market Committee projections materials, June 19, 2013; Blue Chip Economic Indicators, March and June 2013, Aspen Publishers; CBO, The Budget and Economic Outlook: February 2013.

[1] Values for 2015–2023 interpolated by OMB from annual growth rates.

[2] Fourth quarter levels of unemployment.

RECEIPTS

The Mid-Session Review (MSR) estimates of receipts are above the Budget estimates by $65 billion in 2013 and below the Budget estimates by $11 billion in 2014. In each subsequent year, the MSR estimates of receipts are below the Budget estimates by amounts ranging from $15 billion to $69 billion, resulting in a $384 billion decrease in receipts over the 10-year budget horizon (2014 through 2023). The net increase in 2013 receipts is in large part attributable to the effect of technical revisions based on new tax reporting data, collections to date and other information, which increase receipts by $110 billion. Revised economic assumptions partially offset this increase, reducing 2013 receipts by $46 billion.

The $11 billion net reduction in 2014 receipts reflects a $40 billion decrease in receipts attributable to revised economic assumptions, which is partially offset by a $27 billion increase in receipts attributable to technical factors. Changes in the estimated effect of the Administration's proposals on receipts offset the reduction attributable to revised economic assumptions by an additional $2 billion.

The $384 billion reduction in receipts over the 10-year budget horizon is primarily due to receipt losses of $424 billion attributable to revisions in the economic forecast. These reductions are partially offset by net increases of $40 billion attributable to technical revisions and to changes in the estimates of the Administration's proposals and the provisions extended in the adjusted baseline.

ECONOMIC CHANGES

Revisions in the economic forecast reduce receipts by $46 billion in 2013, $40 billion in 2014, and $23 billion to $71 billion in each subsequent year, for a total reduction of $424 billion over the 10 years from 2014 through 2023. In 2013, revisions to the economic forecast have the greatest effect on individual and corporation income taxes, reducing those sources of receipts by $25 billion and $14 billion, respectively. Revisions in the economic forecast also reduce collections of social insurance and retirement receipts by $7 billion in 2013. The reduction in individual income tax receipts is primarily attributable to reductions in the forecasts of wages and salaries and nonwage sources of personal income. Changes in the forecasts of GDP and other economic measures that affect the profitability of corporations are primarily responsible for the reduction in 2013 in corporation income taxes. Reductions in the forecasts of wages and salaries and proprietors' income, which are the tax base for Social Security and Medicare payroll taxes, the largest components of social insurance and retirement receipts, account for most of the reduction in this source of receipts.

Over the 10-year budget horizon, revisions in the economic forecast reduce collections of individual income taxes and social insurance and retirement receipts by $444 billion and $200 billion, respectively. Reductions in the economic forecast for wages and salaries, nonwage sources of personal income, and proprietors' income account for most of the downward revision in these two sources of receipts. The reductions in individual income taxes and social insurance and retirement receipts are partially offset by increases in corporation income taxes of $241 billion. Revisions in the forecasts of GDP, interest rates, other sources of income, and imports reduce all remaining sources of receipts by a net $21 billion.

TECHNICAL CHANGES

Technical revisions in the estimates increase receipts by $110 billion in 2013 and $27 billion in 2014. In later years, technical revisions increase receipts in some years and decrease them in others, resulting in a net increase in receipts of $21 billion over the 10-year budget horizon. The increase in receipts in 2013 is mostly due to a $101 billion increase in individual income taxes, attributable in large part to more recent collections data. The net increase in receipts over the 10-year budget horizon is primarily due to net downward re-estimates of corporation income taxes and miscellaneous receipts, which are more than offset by upward re-estimates of individual income taxes, social insurance and retirement receipts, and the remaining

sources of receipts. The technical revisions in individual and corporation income taxes and in social insurance and retirement receipts are in large part attributable to more recent collections data and revisions in the tax models based primarily on updated tax data for prior years. The technical revisions in miscellaneous receipts primarily reflect changes in the estimates of various penalties based on more recent information.

REVISIONS IN EXPIRING PROVISIONS EXTENDED IN THE ADJUSTED BASELINE

The Budget's adjusted baseline permanently continued the tax relief provided to individuals and families under the American Recovery and Reinvestment Act of 2009 that was extended only through tax year 2017 under the American Taxpayer Relief Act of 2012. This tax relief includes increased refundability of the child tax credit, expansions in the earned income tax credit for larger families and married taxpayers filing a joint return, and increased assistance for qualified tuition and related expenses provided by the American Opportunity Tax Credit. Because these provisions are refundable (taxpayers may receive payments in excess of their tax liability), the proposed extension of these provisions affects both outlays and receipts. Revisions in the estimated cost of extending these provisions increase receipts in each year, beginning in 2018, and by $8 billion over the 10 years, 2014 through 2023. This reduction in the cost of extending these provisions is in large part attributable to a reallocation of a portion of the cost from receipts to outlays, rather than a reduction in the total relief provided to individuals and families. This reallocation reflects the revised economic forecast, current collection experience and updated tax data for prior years.

REVISIONS IN PROPOSALS

Revisions in the estimates of the Administration's proposals increase receipts by a net $11 billion over the 10 years, 2014 through 2023. These revisions, which reflect the revised economic forecast and technical re-estimates based on more recent collections data and other information, are the net effect of relatively small revisions in the estimates of a number of provisions.

Table 4. CHANGE IN RECEIPTS

(In billions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
2014 Budget estimate	**2,712**	**3,034**	**3,332**	**3,561**	**3,761**	**3,974**	**4,226**	**4,464**	**4,709**	**4,951**	**5,220**		
Changes in current law receipts due to revised economic assumptions:													
Individual income taxes	–25	–37	–44	–31	–28	–31	–41	–49	–55	–59	–69	–171	–444
Corporation income taxes	–14	9	27	22	24	23	24	25	27	29	31	105	241
Social insurance and retirement	–7	–10	–16	–16	–17	–17	–20	–26	–22	–26	–31	–75	–200
Other	–*	–1	–2	–2	–2	–2	–2	–3	–3	–3	–3	–8	–21
Total, changes due to revised economic assumptions	–46	–40	–34	–26	–23	–27	–39	–52	–52	–59	–71	–149	–424
Changes in current law receipts due to technical re-estimates:													
Individual income taxes	101	49	31	12	3	7	7	7	6	4	–16	102	110
Corporation income taxes	5	–9	–19	–17	–16	–15	–15	–15	–16	–16	–17	–75	–155
Social insurance and retirement	7	10	9	10	11	12	14	15	13	19	21	52	135
Miscellaneous receipts	–6	–24	–34	–29	–5	3	–4	–23	1	4	7	–88	–103
Other	4	1	3	4	5	5	4	4	4	3	2	18	34
Total, changes due to technical re-estimates	110	27	–9	–18	–2	11	5	–12	9	14	–4	9	21
Changes in provisions extended in the adjusted baseline due to economic and technical revisions	.....	.....	.....	.....	.....	*	1	2	2	2	2	*	8
Changes in proposals due to economic and technical revisions	*	2	–4	–1	–2	*	3	5	2	2	5	–6	11
Total change in receipts	65	–11	–47	–46	–27	–15	–30	–58	–40	–42	–69	–146	–384
2014 Mid-Session estimate	**2,777**	**3,023**	**3,285**	**3,516**	**3,733**	**3,959**	**4,196**	**4,406**	**4,669**	**4,909**	**5,152**		

*$500 million or less.

EXPENDITURES

Outlays for 2013 are now estimated to be $3,536 billion, $149 billion lower than the 2014 Budget estimate, reflecting slower-than-expected spending across a range of discretionary and mandatory programs, due in part to the implementation of across-the-board spending cuts required by the Budget Control Act (BCA) for 2013, as well as higher-than-expected dividend payments to Treasury from Fannie Mae and Freddie Mac. Relative to the Budget, projected total outlays have decreased by $4 billion in 2014, but increased by $148 billion over the 10-year budget horizon, 2014 to 2023, primarily in the last five years. These increases in outyear spending are primarily the cumulative upward effect of economic and technical reestimates in a number of mandatory programs, as well as in interest payments.

LEGISLATIVE CHANGES

The only legislation affecting spending estimates since the completion of the 2014 Budget was the Consolidated and Further Continuing Appropriations Act of 2013, enacted on March 26, 2013. This Act provided final appropriations for the Department of Defense, the Department of Homeland Security, and certain other agencies, and extended the continuing resolution providing funding for the remaining agencies to the end of 2013. Relative to the estimates in the 2014 Budget, the full-year appropriations increase outlays by $5 billion in 2013. The legislation lowers outlays by $8 billion in 2014, with negligible effects over the remainder of the next decade.

ESTIMATING CHANGES

Estimating changes are due to factors other than enacted legislation or changes in policy. These result from changes in economic assumptions, discussed earlier in this Review, and changes in technical factors. Relative to the Budget estimates, economic and technical changes decrease estimated outlays for 2013 by $154 billion, but increase outlays by $156 billion from 2014 through 2023.

Discretionary programs. Outlays for discretionary programs decrease by $43 billion in 2013 but rise by $21 billion over the next 10 years relative to the Budget as a result of technical revisions. These changes reflect lower outlays in 2013 compared to the Budget for both defense and non-defense discretionary programs, due to the implementation of across-the-board reductions required by the BCA beginning in March as well as additional factors producing slower-than-expected spending patterns. Just over half of the $43 billion reduction in 2013 is in defense programs. The remaining half is in non-defense programs, most notably in the Departments of Housing and Urban Development, Education, Energy, and Health and Human Services, as well as International Assistance Programs, outlays for each of which are at least $2 billion below the 2013 estimate in the Budget. Relative to the Budget, more of the proposed reversal of 2013 sequestration – as well as other obligations previously expected to outlay in 2013 – shifts into 2014 and later years. As a result, spending for non-defense programs rises by a total of $22 billion over 2014 through 2023. Spending for defense programs falls by $1 billion over this period.

Medicaid. Technical and economic revisions increase projected Federal outlays for Medicaid by $8 billion in 2013, and by $123 billion over the next 10 years from 2014 to 2023 relative to the Budget estimates. The increase stems primarily from higher projected benefit payments in 2013, resulting in higher benefit projections over the 10-year period, partially offset by projected decreases in medical inflation and in the anticipated costs of the Affordable Care Act Medicaid expansion.

Social Security. Estimating changes reduce outlays for Social Security by $3 billion in 2013 and by an additional $85 billion over the next 10 years. Reductions in 2013 in both the Old Age and Survivors' Insurance (OASI) and Disability Insurance (DI) programs are primarily due to lower-than-expected numbers of beneficiaries in recent data. Lower spending in both programs in 2014 and beyond is due primarily to lower inflation and therefore lower cost-of-living adjustments (COLAs) in 2014 and 2015 than were assumed in the Budget. Relative to the Budget,

the projected COLA decreases from 2.2 to 1.1 percent for 2014 and from 2.2 to 2.1 percent for 2015. Technical changes partially offset the lower spending due to economic factors, driven by upward revisions in the OASI program to account for improved mortality assumptions among the elderly.

Supplemental Nutrition Assistance Program (SNAP). Outlays for SNAP increase by $2 billion in 2013 and $65 billion over the next 10 years, primarily due to technical factors. The technical changes arise from higher actual participation in the program than was assumed in the Budget, revised modeling of current and future beneficiaries who are underemployed or out of the active labor force, and adjustments to better account for future disaster benefits.

Premium assistance tax credits. Changes in technical assumptions decrease estimated outlays for the refundable portion of the premium assistance tax credit by $43 billion from 2014 through 2023. The estimated decrease in expenditures is the net effect of several offsetting technical changes, including adjustments to premium estimates in the exchanges, revised assumptions for the Affordable Care Act Medicaid expansion, and other technical corrections to the model.

Proceeds from Government Sponsored Enterprises. Collections from dividend payments under Treasury's Preferred Stock Purchase Agreements with Fannie Mae and Freddie Mac have been revised upward in 2013, lowering net outlays by $71 billion, based on the companies' financial results through the end of March, including a $50.6 billion increase in the valuation of Fannie Mae's deferred tax asset. Collections for 2014 to 2023 have been revised downward to reflect the change in Fannie Mae's taxable status, increasing net outlays over 10 years by $34 billion.

Earned Income Tax Credit (EITC). Estimating changes increase outlays for the EITC by $2 billion in 2013 and an additional $32 billion from 2014 through 2023. Most of the upward revision can be attributed to changes to economic assumptions for GDP, personal income, wages, and inflation that cause more beneficiaries to stay within the income eligibility requirements for longer periods of time. Technical changes also contribute modestly to the increase, as a result of revisions to reflect actual participation in the current year and improved participation projections in the future.

Medicare. Economic and technical changes reduce outlays for Medicare by $2 billion in 2013, but increase spending by $31 billion over the next 10 years. Outlays for Medicare Parts A and D increase substantially over the next 10 years, while Part B decreases. The spending increase in Part A is primarily a result of upward revisions to Medicare Advantage enrollment, as well as other technical changes. The decrease in Medicare Part B spending is primarily due to increases in premium receipts and receipts from provider payment adjustments related to health information technology programs. The increase to spending for Medicare Part D is due mostly to higher drug spending and revised enrollment assumptions compared to the Budget.

Unemployment compensation. Changes in economic and technical assumptions decrease outlays for unemployment benefits by $6 billion in 2013. Over 2014 through 2023, outlays are down by an additional $19 billion relative to the Budget estimate. The reduction is driven in large part by lower-than-expected rates of insured unemployment relative to actual civilian unemployment rates as well as lower-than-expected actual spending than had been assumed in the Budget. In addition, the revised MSR economic forecast for lower near-term civilian unemployment rates and the smaller labor force than was assumed in the President's Budget contributes somewhat to the downward revision in spending throughout the Budget horizon.

Supplemental Security Income (SSI). Estimating changes decrease outlays for the SSI program by $15 billion over the next 10 years. Most of the downward revision can be attributed to lower COLA assumptions in 2014 and 2015 as well as lower unemployment rate assumptions relative to the Budget, leading to fewer projected applications and awards. Technical revisions to the projected recipient population and average projected payments also contributed to the decrease in SSI spending.

Civilian and military retirement. Economic changes comprise nearly the entire $14 billion decrease in spending relative to the Budget for civilian and military retirement over the next 10 years. The lower COLA assumptions in 2014 and 2015 explain most of the decreases for both programs.

Child Tax Credit (CTC). Estimating changes decrease outlays for the CTC by $1 billion in 2013 and an additional $11 billion from 2014 through 2023. Most of the downward revision can be attributed to lower actual outlays, due to fewer CTC claims during the recent tax filing season. Changes in the economic forecast for the MSR increased outlays relative to the Budget in 2015 and beyond by increasing the number of taxpayers assumed to fall within the eligible income range for the credit.

Troubled Asset Relief Program (TARP) housing programs. Technical changes lower outlays in 2013 for TARP housing programs by $7 billion relative to the Budget as a result of adjusting projections to account for lower spending to date. On May 30, 2013, the Treasury Department announced a two-year extension of the Home Affordable Modification Program that was not assumed in the Budget. As a result, outlays previously projected for 2013 are now projected to be spent in 2014 through 2020, with total spending over the budget window virtually unchanged.

Deposit Insurance Fund (DIF). Technical and economic changes lower deposit insurance spending in 2013 by $6 billion, but raise spending over 2014 through 2023 by $5 billion. The short-term reduction in spending is attributable to fewer bank failures experienced to date than were projected in the Budget. The outyear spending increase can be attributed to lower future premiums. Because of the reduction in current year deposit insurance spending, arising from the lower projection of future bank failures relative to the Budget, it is expected that there will be a reduced need to replenish the DIF and that premiums will be lower in the outyears, Revised forecasts of GDP, inflation, and interest rates also result in some minor outyear spending increases.

Net interest. Excluding the debt service associated with enacted legislation, outlays for net interest are projected to decrease by $7 billion in 2013, but increase by $41 billion over the next 10 years. The reduction in 2013 is largely due to the effects of recent lower-than-expected inflation in the Consumer Price Index on interest outlays for inflation-indexed securities. The increases in 2016 and subsequent years are virtually all due to technical revisions to interest accounts, as well as higher debt service due to estimating changes in receipts and outlays.

Table 5. CHANGE IN OUTLAYS

(In billions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
2014 Budget estimate	**3,685**	**3,778**	**3,908**	**4,090**	**4,247**	**4,449**	**4,724**	**4,967**	**5,209**	**5,470**	**5,660**		
Changes due to enacted legislation:													
Consolidated and Further Continuing Appropriations Act of 2013	5	–8	*	*	–*	–*	*	*	*	*	*	–8	–7
Debt service	*	*	–*	–*	–*	–*	–*	–*	–*	–*	–*	–*	–1
Subtotal, enacted legislation	5	–8	*	*	–*	–*	–*	*	*	*	–*	–8	–8
Changes due to reestimates:													
Discretionary appropriations:													
Defense	–22	–2	–1	2	*	1	–*	*	*	*	*	–1	–1
Non-defense	–21	3	4	4	2	2	2	2	2	1	*	15	22
Medicaid	8	8	11	11	11	12	13	13	14	14	15	54	123
Social Security	–3	–9	–12	–12	–11	–10	–8	–7	–6	–5	–4	–54	–85
Supplemental Nutrition Assistance Program	2	6	7	6	7	6	6	6	6	7	8	32	65
Premium assistance tax credits	.....	1	–5	–7	–3	–2	–3	–4	–5	–7	–8	–16	–43
Proceeds from GSE Preferred Stock	–71	3	5	6	4	3	3	3	3	3	3	20	34
Earned Income Tax Credit	2	3	3	2	2	2	4	4	4	4	4	12	32
Medicare	–2	*	1	1	–2	*	2	4	5	8	10	1	31
Unemployment compensation	–6	–5	–3	–3	–2	–2	–1	–1	–1	–1	–1	–15	–19
Supplemental Security Income program	–*	–1	–1	–1	–1	–1	–2	–2	–2	–2	–2	–6	–15
Civilian and military retirement	*	–*	–1	–2	–2	–2	–2	–2	–2	–2	–1	–7	–14
Child Tax Credit	–1	–3	–3	–3	–3	–3	1	1	1	1	1	–16	–11
Troubled Asset Relief Program	–7	1	1	1	1	1	1	1	.....	.....	.....	5	7
Deposit Insurance Fund	–6	*	1	*	–*	–*	1	2	*	1	1	1	5
Other programs[1]	–18	–1	–4	–4	–2	–2	–1	–*	–*	–1	–1	–13	–16
Net interest[2]	–7	–*	–*	2	1	1	1	4	7	11	15	3	41
Subtotal, reestimates	–154	3	2	4	2	6	17	23	26	33	41	17	156
Total change in outlays	–149	–4	3	4	2	6	17	23	26	33	41	9	148
Mid-Session estimate	**3,536**	**3,773**	**3,911**	**4,094**	**4,249**	**4,455**	**4,741**	**4,990**	**5,235**	**5,502**	**5,700**		

*$500 million or less.

[1] Includes change in allowance for future disaster costs.

[2] Includes debt service on all reestimates.

SUMMARY TABLES

Table S–1. BUDGET TOTALS

(In billions of dollars and as a percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014–2018	Totals 2014–2023
Budget Totals in Billions of Dollars:														
Receipts	2,450	2,777	3,023	3,285	3,516	3,733	3,959	4,196	4,406	4,669	4,909	5,152	17,516	40,847
Outlays	3,537	3,536	3,773	3,911	4,094	4,249	4,455	4,741	4,990	5,235	5,502	5,700	20,482	46,650
Deficit	1,087	759	750	626	578	516	496	545	584	566	593	549	2,966	5,803
Debt held by the public	11,281	12,213	13,087	13,874	14,610	15,271	15,905	16,582	17,294	17,984	18,696	19,362		
Debt net of financial assets	10,282	11,041	11,791	12,417	12,995	13,510	14,007	14,551	15,135	15,701	16,294	16,842		
Gross domestic product (GDP)	15,549	16,081	16,836	17,745	18,717	19,743	20,753	21,685	22,632	23,604	24,614	25,666		
Budget Totals as a Percent of GDP:														
Receipts	15.8%	17.3%	18.0%	18.5%	18.8%	18.9%	19.1%	19.3%	19.5%	19.8%	19.9%	20.1%	18.6%	19.2%
Outlays	22.7%	22.0%	22.4%	22.0%	21.9%	21.5%	21.5%	21.9%	22.0%	22.2%	22.4%	22.2%	21.9%	22.0%
Deficit	7.0%	4.7%	4.5%	3.5%	3.1%	2.6%	2.4%	2.5%	2.6%	2.4%	2.4%	2.1%	3.2%	2.8%
Debt held by the public	72.6%	75.9%	77.7%	78.2%	78.1%	77.3%	76.6%	76.5%	76.4%	76.2%	76.0%	75.4%		
Debt net of financial assets	66.1%	68.7%	70.0%	70.0%	69.4%	68.4%	67.5%	67.1%	66.9%	66.5%	66.2%	65.6%		

Table S–2. EFFECT OF BUDGET PROPOSALS ON PROJECTED DEFICITS

(Deficit increases (+) or decreases (–) in billions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Projected deficits in the adjusted baseline[1]	**735**	**654**	**581**	**594**	**582**	**593**	**686**	**763**	**790**	**965**	**1,028**	**3,004**	**7,235**
Percent of GDP	4.6%	3.9%	3.3%	3.2%	2.9%	2.9%	3.2%	3.4%	3.3%	3.9%	4.0%	3.2%	3.4%
Proposals in the 2014 MSR:[2]													
Proposals contained in the December Compromise Deficit Reduction Package:													
Discretionary program reductions	.....	.....	.....	.....	–5	–12	–19	–27	–35	–46	–58	–16	–202
Health savings	.....	–6	–16	–21	–29	–35	–40	–49	–57	–68	–81	–107	–401
Other mandatory savings	*	–1	–12	–16	–19	–21	–24	–25	–26	–27	–29	–69	–201
Revenue proposals	.....	–30	–41	–47	–54	–59	–63	–68	–73	–77	–82	–231	–594
Immediate investments in infrastructure	.....	6	18	12	6	4	2	2	1	*	*	45	50
Programmatic effects of moving to the chained CPI	.....	.....	–3	–8	–14	–19	–24	–31	–37	–44	–50	–44	–230
Discretionary effects of program integrity cap adjustments	.....	*	*	*	1	1	1	1	1	1	1	3	9
Debt service and accrual effects	*	1	1	–*	–3	–10	–18	–27	–37	–48	–61	–12	–204
Total, December Package proposals	*	–31	–52	–80	–118	–150	–186	–224	–262	–308	–360	–431	–1,772
Policy initiatives:													
Surface transportation initiatives	.....	*	2	5	10	14	20	24	20	11	7	31	112
Job creation initiatives	1	31	11	9	4	1	1	1	1	1	1	56	63
Reductions in overseas contingency operations reserved for surface transportation and job creation	.....	–6	–19	–31	–34	–43	–42	.....	.....	.....	.....	–134	–176
Early childhood investments	.....	*	1	3	6	8	10	11	12	12	12	19	77
Tobacco tax financing	.....	–8	–10	–9	–9	–8	–8	–7	–7	–6	–6	–44	–78
Other mandatory proposals	9	25	20	12	3	–1	–3	–10	–9	–16	–15	59	6
Reserve for revenue-neutral business tax reform	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Debt service	*	*	*	*	1	*	–*	–1	*	1	1	2	2
Total, policy initiatives	10	43	5	–10	–20	–29	–23	19	18	3	–1	–11	5
Additional changes to deficits:													
Remaining reductions in overseas contingency operations including amounts reserved for additional surface transportation transfers	.....	–6	–18	–25	–29	–24	–28	–73	–75	–100	–114	–102	–492
Revenue proposals available to pay for extension of baseline tax items	*	4	6	–6	–7	–9	–25	–27	–29	–31	–33	–11	–158

Table S–2. EFFECT OF BUDGET PROPOSALS ON PROJECTED DEFICITS—Continued

(Deficit increases (+) or decreases (–) in billions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Proposed BCA disaster relief cap adjustment	*	2	3	2	*	*	*	*	*	*	*	6	6
Outlay effects of discretionary policy	.....	1	–1	–3	–5	–5	–4	–2	–5	–4	–3	–15	–33
Debt service and indirect interest effects	*	*	1	*	–1	–3	–6	–9	–13	–19	–25	–4	–75
Total, additional deficit reduction	*	1	–10	–32	–43	–41	–63	–111	–122	–154	–175	–125	–751
Total proposals in the 2014 MSR	**10**	**12**	**–57**	**–122**	**–181**	**–220**	**–272**	**–316**	**–367**	**–460**	**–536**	**–568**	**–2,519**
Effect of replacing Joint Committee enforcement with 2014 MSR deficit reduction proposals:													
Programmatic effects	14	84	101	104	107	108	108	109	109	48	15	505	894
Debt service	*	*	*	2	7	15	22	29	35	39	42	25	193
Total effect of replacing Joint Committee enforcement	14	84	101	107	115	123	131	138	143	88	57	530	1,086
Resulting deficits in 2014 MSR	**759**	**750**	**626**	**578**	**516**	**496**	**545**	**584**	**566**	**593**	**549**	**2,966**	**5,803**
Percent of GDP	4.7%	4.5%	3.5%	3.1%	2.6%	2.4%	2.5%	2.6%	2.4%	2.4%	2.1%	3.2%	2.8%

* $500 million or less.

[1] See Tables S-4 and S-7 for information on the adjusted baseline.

[2] For total deficit reduction since January 2011, see Table S-3.

Table S–3. CUMULATIVE DEFICIT REDUCTION

(Deficit reduction (–) or increase (+) in billions of dollars)

	2014–2023
Deficit reduction achieved through March 2013:	
Discretionary savings[1]	–1,444
Upper-income tax revenues	–660
Debt service	–480
Total achieved deficit reduction	–2,585
December Compromise Deficit Reduction Package	
Discretionary program reductions	–202
Health savings	–401
Other mandatory savings	–201
Revenue proposals	–594
Immediate investments in infrastructure	50
Programmatic effects of moving to the chained CPI	–230
Discretionary effects of program integrity cap adjustments	9
Debt service and accrual effects	–204
Total, December Package	–1,772
Total deficit reduction	–4,357
Policy initiatives:	
Surface transportation and job creation initiatives	175
Savings in OCO reserved for initiatives	–176
Early childhood investments	77
Tobacco tax financing	–78
Other mandatory proposals	6
Reserve for revenue-neutral business tax reform	.....
Debt service	2
Total, policy initiatives	5
Overseas contingency operations (OCO) and additional changes to deficits:	
Enacted reduction in OCO funding	–669
Remaining reductions in overseas contingency operations	–492
Other proposals	–184
Debt service	–339
Total, overseas contingency operations (OCO) and additional changes to deficits	–1,684
Total, deficit reduction including policy initiatives, OCO, and additional changes to deficits	–6,036
Memorandum: revenue and outlay effects of enacted deficit reduction and the President's December Compromise Deficit Reduction Package:	
Enacted outlay reductions and 2014 MSR spending proposals	–3,003
Enacted receipt increases and 2014 MSR revenue proposals	–1,354

[1] Excludes savings from reductions in OCO.

Table S–4. ADJUSTED BASELINE BY CATEGORY[1]

(In billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Outlays:														
Appropriated ("discretionary") programs:														
Defense	671	627	614	654	665	677	687	699	716	733	750	768	3,297	6,963
Non-defense	614	588	617	610	611	616	622	631	644	656	670	685	3,076	6,363
Subtotal, appropriated programs	1,285	1,215	1,231	1,264	1,277	1,293	1,309	1,330	1,360	1,389	1,420	1,453	6,374	13,326
Mandatory programs:														
Social Security	768	809	851	899	953	1,011	1,071	1,135	1,203	1,271	1,344	1,422	4,786	11,162
Medicare	466	496	519	547	598	612	639	704	759	818	911	952	2,916	7,060
Medicaid	251	274	312	339	364	384	405	428	453	481	510	545	1,804	4,221
Other mandatory programs	548	502	554	593	626	643	655	702	725	759	807	811	3,072	6,876
Subtotal, mandatory programs	2,032	2,082	2,236	2,378	2,542	2,650	2,771	2,970	3,141	3,330	3,572	3,730	12,577	29,319
Net interest	220	215	222	252	300	372	461	547	621	686	753	821	1,607	5,036
Adjustments for disaster costs[2]	.....	*	3	7	8	9	9	10	10	10	10	10	35	85
Joint Committee enforcement[3]	.....	.....	–50	–86	–101	–105	–107	–108	–108	–109	–48	–15	–450	–837
Total outlays	3,537	3,512	3,642	3,815	4,025	4,218	4,443	4,750	5,024	5,306	5,707	5,999	20,143	46,929
Receipts:														
Individual income taxes	1,132	1,310	1,370	1,499	1,626	1,751	1,875	1,984	2,104	2,227	2,349	2,476	8,122	19,262
Corporation income taxes	242	279	335	384	404	435	454	474	485	499	517	537	2,013	4,524
Social insurance and retirement receipts:														
Social Security payroll taxes	570	674	740	775	825	868	917	963	1,006	1,060	1,111	1,157	4,125	9,423
Medicare payroll taxes	201	210	224	236	253	267	282	296	309	326	342	357	1,262	2,892
Unemployment insurance	67	59	59	58	56	53	52	53	50	56	54	56	278	547
Other retirement	8	9	9	9	9	10	10	11	11	12	12	13	48	107
Excise taxes	79	85	93	99	101	105	112	123	128	134	141	149	511	1,186
Estate and gift taxes	14	18	15	17	18	20	21	23	24	25	27	28	92	219
Customs duties	30	32	37	41	44	48	52	55	58	61	65	68	222	529
Deposits of earnings, Federal Reserve System	82	78	83	67	28	9	7	14	15	44	50	56	194	373
Other miscellaneous receipts	25	24	23	48	66	69	66	67	72	72	74	75	273	633
Total receipts	2,450	2,777	2,988	3,234	3,432	3,635	3,850	4,063	4,262	4,517	4,742	4,972	17,139	39,694
Deficit	**1,087**	**735**	**654**	**581**	**594**	**582**	**593**	**686**	**763**	**790**	**965**	**1,028**	**3,004**	**7,235**
Net interest	220	215	222	252	300	372	461	547	621	686	753	821	1,607	5,036
Primary deficit	867	521	433	329	294	210	132	139	141	103	212	206	1,398	2,199
On-budget deficit	1,149	772	683	596	607	584	586	668	723	742	898	933	3,056	7,020
Off-budget deficit / surplus (–)	–62	–37	–29	–15	–13	–1	7	18	40	48	67	95	–52	215

TABLE S–4. ADJUSTED BASELINE BY CATEGORY[1]—Continued

(In billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Memorandum, budget authority for appropriated programs:[4]														
Defense	670	601	641	657	670	685	699	714	730	746	764	783	3,352	7,089
Non-defense	527	539	516	530	541	552	564	577	590	602	617	633	2,703	5,722
Total, appropriated funding	1,196	1,140	1,157	1,187	1,210	1,236	1,263	1,292	1,320	1,348	1,381	1,416	6,055	12,811

* $500 million or less.

[1] See Table S-7 for information on adjustments to the Balanced Budget and Emergency Deficit Control Act (BBEDCA) baseline.

[2] These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

[3] Includes discretionary cap reductions for 2014 through 2021 and mandatory sequestration for 2015 through 2021.

[4] Excludes discretionary cap reductions for Joint Committee enforcement.

Table S–5. PROPOSED BUDGET BY CATEGORY

(In billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Outlays:														
Appropriated ("discretionary") programs:[1]														
Defense	671	633	617	602	582	581	584	589	601	612	622	631	2,966	6,020
Non-defense	614	592	621	634	641	640	643	649	659	664	649	647	3,180	6,449
Subtotal, appropriated programs	1,285	1,226	1,238	1,236	1,223	1,221	1,227	1,238	1,260	1,276	1,271	1,279	6,146	12,469
Mandatory programs:														
Social Security	768	810	851	899	953	1,010	1,070	1,134	1,201	1,269	1,342	1,420	4,783	11,149
Medicare	466	496	513	532	579	585	607	667	713	763	845	877	2,817	6,682
Medicaid	251	274	312	338	362	382	403	426	451	478	508	538	1,797	4,199
Allowance for moving to the chained CPI	.....	.....	.....	–2	–5	–8	–11	–14	–18	–21	–24	–27	–26	–130
Other mandatory programs	548	514	634	647	672	676	688	735	760	789	825	826	3,316	7,251
Subtotal, mandatory programs	2,032	2,094	2,310	2,415	2,561	2,645	2,757	2,948	3,107	3,279	3,496	3,634	12,686	29,151
Net interest	220	215	223	253	302	374	462	545	613	670	726	778	1,614	4,945
Adjustments for disaster costs[2]	.....	*	3	7	8	9	9	10	10	10	10	10	35	85
Total outlays	3,537	3,536	3,773	3,911	4,094	4,249	4,455	4,741	4,990	5,235	5,502	5,700	20,482	46,650
Receipts:														
Individual income taxes	1,132	1,310	1,396	1,536	1,680	1,819	1,953	2,072	2,201	2,333	2,466	2,601	8,384	20,058
Corporation income taxes	242	279	333	384	407	438	458	478	491	505	524	545	2,020	4,563
Social insurance and retirement receipts:														
Social Security payroll taxes	570	674	739	774	824	866	915	962	1,004	1,059	1,110	1,155	4,119	9,409
Medicare payroll taxes	201	210	224	237	254	268	284	298	311	328	344	358	1,266	2,905
Unemployment insurance	67	59	57	56	66	63	63	62	60	61	63	66	306	618
Other retirement	8	9	10	11	12	12	13	13	13	14	14	15	57	127
Excise taxes	79	85	105	114	115	119	125	136	140	146	152	159	580	1,314
Estate and gift taxes	14	18	15	17	19	20	22	38	41	44	47	51	94	315
Customs duties	30	32	36	40	44	48	52	55	58	61	65	68	221	528
Deposits of earnings, Federal Reserve System	82	78	83	67	28	9	7	14	15	44	50	56	194	373
Other miscellaneous receipts	25	24	24	49	67	70	66	68	73	73	74	76	276	639
Total receipts	2,450	2,777	3,023	3,285	3,516	3,733	3,959	4,196	4,406	4,669	4,909	5,152	17,516	40,847
Deficit	**1,087**	**759**	**750**	**626**	**578**	**516**	**496**	**545**	**584**	**566**	**593**	**549**	**2,966**	**5,803**
Net interest	220	215	223	253	302	374	462	545	613	670	726	778	1,614	4,945
Primary deficit / surplus (–)	867	544	528	373	276	141	34	*	–29	–104	–133	–229	1,352	858
On-budget deficit	1,149	797	784	641	584	517	490	528	545	521	528	456	3,016	5,593
Off-budget deficit / surplus (–)	–62	–38	–34	–15	–6	–1	7	17	39	46	65	93	–50	209

Table S–5. PROPOSED BUDGET BY CATEGORY—Continued

(In billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Memorandum, budget authority for appropriated programs:[1]														
Defense	670	640	631	566	577	586	595	604	614	624	634	644	2,955	6,075
Non-defense	527	563	514	557	567	575	583	592	600	608	578	587	2,796	5,760
Total, appropriated funding	1,196	1,203	1,146	1,123	1,144	1,161	1,178	1,196	1,214	1,232	1,212	1,231	5,752	11,835

* $500 million or less.

[1] The 2014 MSR proposes changes to the current law caps in the BBEDCA for the reclassification of certain transportation programs and further reductions as part of the Administration's policy to achieve additional deficit reduction.

[2] These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

Table S–6. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP

(As a percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages 2014-2018	Averages 2014-2023
Outlays:														
Appropriated ("discretionary") programs:[1]														
Defense	4.3	3.9	3.7	3.4	3.1	2.9	2.8	2.7	2.7	2.6	2.5	2.5	3.2	2.9
Non-defense	3.9	3.7	3.7	3.6	3.4	3.2	3.1	3.0	2.9	2.8	2.6	2.5	3.4	3.1
Subtotal, appropriated programs	8.3	7.6	7.4	7.0	6.5	6.2	5.9	5.7	5.6	5.4	5.2	5.0	6.6	6.0
Mandatory programs:														
Social Security	4.9	5.0	5.1	5.1	5.1	5.1	5.2	5.2	5.3	5.4	5.5	5.5	5.1	5.2
Medicare	3.0	3.1	3.0	3.0	3.1	3.0	2.9	3.1	3.1	3.2	3.4	3.4	3.0	3.1
Medicaid	1.6	1.7	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.1	2.1	1.9	2.0
Allowance for moving to the chained CPI	.....	.....	.....	–*	–*	–*	–0.1	–0.1	–0.1	–0.1	–0.1	–0.1	–*	–0.1
Other mandatory programs	3.5	3.2	3.8	3.6	3.6	3.4	3.3	3.4	3.4	3.3	3.4	3.2	3.5	3.4
Subtotal, mandatory programs	13.1	13.0	13.7	13.6	13.7	13.4	13.3	13.6	13.7	13.9	14.2	14.2	13.5	13.7
Net interest	1.4	1.3	1.3	1.4	1.6	1.9	2.2	2.5	2.7	2.8	2.9	3.0	1.7	2.3
Adjustments for disaster costs[2]	.....	*	*	*	*	*	*	*	*	*	*	*	*	*
Total outlays	22.7	22.0	22.4	22.0	21.9	21.5	21.5	21.9	22.0	22.2	22.4	22.2	21.9	22.0
Receipts:														
Individual income taxes	7.3	8.1	8.3	8.7	9.0	9.2	9.4	9.6	9.7	9.9	10.0	10.1	8.9	9.4
Corporation income taxes	1.6	1.7	2.0	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.2
Social insurance and retirement receipts:														
Social Security payroll taxes	3.7	4.2	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.5	4.4	4.4
Medicare payroll taxes	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.4
Unemployment insurance	0.4	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other retirement	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Excise taxes	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Estate and gift taxes	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Customs duties	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Deposits of earnings, Federal Reserve System	0.5	0.5	0.5	0.4	0.1	*	*	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Other miscellaneous receipts	0.2	0.1	0.1	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total receipts	15.8	17.3	18.0	18.5	18.8	18.9	19.1	19.3	19.5	19.8	19.9	20.1	18.6	19.2
Deficit	**7.0**	**4.7**	**4.5**	**3.5**	**3.1**	**2.6**	**2.4**	**2.5**	**2.6**	**2.4**	**2.4**	**2.1**	**3.2**	**2.8**
Net interest	1.4	1.3	1.3	1.4	1.6	1.9	2.2	2.5	2.7	2.8	2.9	3.0	1.7	2.3
Primary deficit / surplus (–)	5.6	3.4	3.1	2.1	1.5	0.7	0.2	*	–0.1	–0.4	–0.5	–0.9	1.5	0.6
On-budget deficit	7.4	5.0	4.7	3.6	3.1	2.6	2.4	2.4	2.4	2.2	2.1	1.8	3.3	2.7
Off-budget deficit / surplus (–)	–0.4	–0.2	–0.2	–0.1	–*	–*	*	0.1	0.2	0.2	0.3	0.4	–0.1	0.1

Table S–6. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP—Continued

(As a percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages	
													2014-2018	2014-2023
Memorandum, budget authority for appropriated programs:[1]														
Defense	4.3	4.0	3.8	3.2	3.1	3.0	2.9	2.8	2.7	2.6	2.6	2.5	3.2	2.9
Non-defense	3.4	3.5	3.1	3.1	3.0	2.9	2.8	2.7	2.7	2.6	2.3	2.3	3.0	2.8
Total, appropriated funding	7.7	7.5	6.8	6.3	6.1	5.9	5.7	5.5	5.4	5.2	4.9	4.8	6.2	5.7

*0.05 percent of GDP or less.

[1] The 2014 MSR proposes changes to the current law caps in the BBEDCA for the reclassification of certain transportation programs and further reductions as part of the Administration's policy to achieve additional deficit reduction.

[2] These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

Table S–7. BRIDGE FROM BALANCED BUDGET AND EMERGENCY CONTROL ACT (BBEDCA) BASELINE TO ADJUSTED BASELINE

(Deficit increases (+) or decreases (–) in billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
BBEDCA baseline deficit	**1,087**	**729**	**715**	**698**	**740**	**747**	**775**	**859**	**947**	**989**	**1,114**	**1,151**	**3,675**	**8,735**
Adjustments for current policy:														
Continue tax benefits provided under the American Taxpayer Relief Act[1]	.....	.....	.....	.....	.....	.....	2	28	31	32	33	33	2	158
Prevent reduction in Medicare physician payments	.....	.....	10	15	15	16	18	20	21	22	23	24	74	184
Reflect incremental cost of funding existing Pell maximum grant award	.....	.....	–1	–2	5	5	3	3	3	3	3	3	11	26
Reflect Postal Service default on 2013 retiree health benefit payment	.....	6	.....	.....	.....	–*	–*	–*	–*	–*	–*	–*	–1	–3
Subtotal	.....	6	9	13	20	20	22	50	55	57	59	60	86	365
Adjustments for provisions contained in the Budget Control Act:														
Set discretionary budget authority at cap levels	.....	.....	–14	–24	–32	–36	–40	–45	–49	–55	–58	–60	–146	–411
Reflect Joint Committee enforcement	.....	.....	–50	–86	–101	–105	–107	–108	–108	–109	–48	–15	–450	–837
Subtotal	.....	.....	–63	–110	–133	–141	–148	–152	–157	–163	–106	–74	–595	–1,249
Adjustments for disaster costs:														
Remove non-recurring emergency costs	.....	.....	–10	–27	–39	–45	–49	–53	–56	–58	–60	–62	–169	–458
Add placeholder for future emergency costs[2]	.....	*	3	7	8	9	9	10	10	10	10	10	35	85
Reclassify surface transportation outlays:														
Remove outlays from appropriated category	–1	–1	–1	–1	–1	–2	–2	–2	–2	–2	–2	–2	–7	–16
Add outlays to mandatory category	1	1	1	1	1	2	2	2	2	2	2	2	7	16
Subtotal	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total program adjustments	.....	6	–61	–116	–144	–157	–165	–145	–149	–155	–98	–66	–643	–1,256
Debt service on adjustments	.....	*	–*	–*	–2	–8	–18	–28	–36	–44	–51	–57	–28	–244
Total adjustments	.....	6	–61	–117	–146	–165	–182	–173	–185	–199	–149	–123	–671	–1,500
Adjusted baseline deficit	**1,087**	**735**	**654**	**581**	**594**	**582**	**593**	**686**	**763**	**790**	**965**	**1,028**	**3,004**	**7,235**

*$500 million or less.

[1] The baseline permanently continues the tax benefits provided to individuals and families that were extended only through taxable year 2017 under the American Taxpayer Relief Act.

[2] These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction.

Table S–8. MANDATORY AND RECEIPT PROPOSALS

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Savings Consistent with the December Compromise Deficit Reduction Package:													
Health Savings:													
Health and Human Services (HHS):													
Medicare providers:													
Bad debts:													
Reduce Medicare coverage of bad debts	.....	–200	–860	–1,930	–2,570	–2,800	–3,000	–3,190	–3,410	–3,640	–3,890	–8,360	–25,490
Graduate medical education:													
Better align graduate medical education payments with patient care costs	.....	–780	–930	–960	–990	–1,050	–1,100	–1,170	–1,250	–1,330	–1,420	–4,710	–10,980
Better align payments to rural providers with the cost of care:													
Reduce Critical Access Hospital (CAH) payments from 101% of reasonable costs to 100% of reasonable costs	.....	–90	–110	–120	–120	–130	–150	–160	–170	–190	–190	–570	–1,430
Prohibit CAH designation for facilities that are less than 10 miles from the nearest hospital	.....	–40	–50	–60	–60	–70	–70	–80	–80	–90	–90	–280	–690
Cut waste, fraud, and improper payments in Medicare:													
Reduce fraud, waste, and abuse in Medicare	.....	.....	–20	–20	–30	–50	–50	–50	–60	–60	–60	–120	–400
Require prior authorization for advanced imaging	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Drug rebates and additional Part D savings:													
Align Medicare drug payment policies with Medicaid policies for low-income beneficiaries	.....	–3,140	–7,720	–8,450	–9,720	–11,260	–12,510	–14,310	–16,400	–18,220	–21,440	–40,290	–123,170
Accelerate manufacturer drug rebates to provide relief to Medicare beneficiaries in the coverage gap	.....	.....	–140	–230	–450	–760	–1,210	–1,780	–2,010	–2,320	–2,310	–1,580	–11,210
Encourage efficient post-acute care:													
Adjust payment updates for certain post-acute care providers	.....	–830	–1,930	–3,220	–4,540	–6,020	–7,870	–9,880	–12,140	–14,980	–17,630	–16,540	–79,040
Equalize payments for certain conditions commonly treated in inpatient rehabilitation facilities and Skilled Nursing Facilities (SNFs)	.....	–140	–160	–180	–180	–190	–200	–210	–220	–230	–240	–850	–1,950

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Encourage appropriate use of inpatient rehabilitation hospitals	.....	–190	–230	–240	–240	–240	–250	–260	–280	–290	–300	–1,140	–2,520
Adjust SNF payments to reduce hospital readmissions	.....	.....	.....	.....	–230	–270	–290	–310	–340	–370	–400	–500	–2,210
Implement bundled post-acute care payment	.....	.....	.....	.....	.....	–290	–820	–1,520	–1,720	–1,850	–1,960	–290	–8,160
Additional provider efficiencies:													
Exclude certain services from the in-office ancillary services exception	.....	.....	–350	–550	–600	–640	–680	–730	–780	–830	–890	–2,140	–6,050
Reduce overpayment of Part B drugs	.....	–220	–380	–390	–410	–440	–460	–490	–530	–560	–600	–1,840	–4,480
Modernize payments for clinical laboratory services	.....	.....	.....	–120	–350	–610	–900	–1,240	–1,620	–2,060	–2,560	–1,080	–9,460
Expand sharing Medicare data with qualified entities	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Clarify the Medicare Fraction in the Medicare Disproportionate Share Hospital (DSH) statute	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Improve payment accuracy for Medicare Advantage (MA):													
Increase the minimum MA coding intensity adjustment	.....	.....	–320	–750	–1,180	–1,660	–1,890	–2,070	–2,270	–2,490	–2,710	–3,910	–15,340
Align employer group waiver plan payments with average MA plan bids	.....	.....	–280	–360	–360	–380	–420	–480	–540	–590	–640	–1,380	–4,050
Total, Medicare providers	.....	–5,630	–13,480	–17,580	–22,030	–26,860	–31,870	–37,930	–43,820	–50,100	–57,330	–85,580	–306,630
Medicare structural reforms:													
Increase income-related premium under Medicare Parts B and D	.....	.....	.....	.....	–3,000	–3,000	–4,000	–7,000	–9,000	–11,000	–13,000	–6,000	–50,000
Modify Part B deductible for new enrollees	.....	.....	.....	.....	–50	–60	–250	–350	–760	–890	–960	–110	–3,320
Introduce home health co-payments for new beneficiaries	.....	.....	.....	.....	–20	–40	–70	–100	–130	–170	–200	–60	–730
Introduce a Part B premium surcharge for new beneficiaries who purchase near first-dollar Medigap coverage	.....	.....	.....	.....	–70	–180	–290	–410	–540	–670	–750	–250	–2,910
Encourage the use of generic drugs by low-income beneficiaries	.....	–350	–500	–540	–580	–630	–690	–750	–820	–900	–970	–2,600	–6,730
Strengthen the Independent Payment Advisory Board (IPAB) to reduce long-term drivers of Medicare cost growth	.....	.....	.....	.....	.....	.....	.....	.....	–250	–370	–3,480	.....	–4,100
Total, Medicare structural reforms	.....	–350	–500	–540	–3,720	–3,910	–5,300	–8,610	–11,500	–14,000	–19,360	–9,020	–67,790
Interactions	.....	.....	.....	20	30	50	1,770	2,500	2,950	1,860	5,290	100	14,470

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Medicaid and other:													
Medicaid:													
Limit Medicaid reimbursement of durable medical equipment based on Medicare rates	.....	–250	–290	–374	–402	–434	–469	–503	–543	–586	–632	–1,750	–4,483
Rebase future Medicaid Disproportionate Share Hospital (DSH) allotments	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	–3,630	.....	–3,630
Begin Affordable Care Act Medicaid Disproportionate Share Hospital (DSH) reductions in FY 2015	.....	360	.....	–216	–144	.....	.....	.....	.....	.....	.....	.....	.....
Reduce fraud, waste and abuse in Medicaid	.....	–156	–252	–338	–358	–374	–394	–420	–441	–466	–492	–1,478	–3,691
Improve Medicaid drug rebate and payment policies	.....	–411	–761	–811	–851	–882	–922	–972	–1,017	–1,057	–1,117	–3,716	–8,801
Expand State flexibility to provide benchmark benefit packages	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Extend the Qualified Individuals (QI) program through CY 2014	.....	405	185	.....	.....	.....	.....	.....	.....	.....	.....	590	590
Extend the Transitional Medical Assistance (TMA) program through CY 2014	.....	480	560	15	.....	.....	.....	.....	.....	.....	.....	1,055	1,055
Total, Medicaid	.....	428	–558	–1,724	–1,755	–1,690	–1,785	–1,895	–2,001	–2,109	–5,871	–5,299	–18,960
Pharmaceutical savings:													
Prohibit brand and generic drug companies from delaying the availability of new generic drugs and biologics	.....	–750	–820	–900	–960	–1,020	–1,110	–1,210	–1,310	–1,410	–1,510	–4,450	–11,000
Modify length of exclusivity to facilitate faster development of generic biologics	.....	10	–50	–100	–190	–310	–420	–480	–530	–580	–630	–640	–3,280
Total, pharmaceutical savings	.....	–740	–870	–1,000	–1,150	–1,330	–1,530	–1,690	–1,840	–1,990	–2,140	–5,090	–14,280
Medicare-Medicaid enrollees:													
Ensure retroactive Part D coverage of newly-eligible low-income beneficiaries	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Integrate appeals process for Medicare-Medicaid enrollees	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Medicare-Medicaid Enrollees	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Accelerate the issuance of State innovation waivers	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enact survey and certification revisit fees	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Extend Centers for Medicare and Medicaid Services (CMS) quality measurement	.....	10	30	30	30	.....	.....	.....	.....	.....	.....	100	100
Total, Medicaid and other	.....	–302	–1,398	–2,694	–2,875	–3,020	–3,315	–3,585	–3,841	–4,099	–8,011	–10,289	–33,140
Provide administrative resources for implementation	.....	100	250	50	.....	.....	.....	.....	.....	.....	.....	400	400
Total, HHS health proposals	.....	–6,182	–15,128	–20,744	–28,595	–33,740	–38,715	–47,625	–56,211	–66,339	–79,411	–104,389	–392,690
Office of Personnel Management:													
Modernize the Federal Employees Health Benefits Program (FEHBP):													
Streamline FEHBP pharmacy benefit contracting	.....	.....	–74	–140	–157	–167	–180	–195	–211	–227	–247	–538	–1,598
Offer an FEHBP Self+One option and domestic partner benefits	.....	.....	–345	–504	–519	–548	–581	–617	–653	–684	–721	–1,916	–5,172
Expand FEHBP plan types	.....	.....	–4	–11	–15	–18	–24	–31	–41	–51	–69	–48	–264
Adjust FEHBP premiums for wellness	.....	.....	3	–11	–34	–60	–101	–154	–230	–316	–430	–102	–1,333
Total, modernize FEHBP	.....	.....	–420	–666	–725	–793	–886	–997	–1,135	–1,278	–1,467	–2,604	–8,367
Total, health savings	.....	–6,182	–15,548	–21,410	–29,320	–34,533	–39,601	–48,622	–57,346	–67,617	–80,878	–106,993	–401,057
Other Mandatory Savings:													
Agriculture:													
Streamline conservation programs	.....	–37	127	–10	–50	–193	–238	–273	–298	–358	–383	–163	–1,713
Reduce subsidies for crop insurance companies and farmer premiums	.....	–513	–1,005	–1,238	–1,244	–1,256	–1,274	–1,280	–1,294	–1,302	–1,310	–5,256	–11,716
Eliminate direct payments	.....	.....	–3,300	–3,300	–3,300	–3,300	–3,300	–3,300	–3,300	–3,300	–3,300	–13,200	–29,700
Provide assistance for dairy and livestock producers	.....	400	400	400	400	400	400	400	400	400	400	2,000	4,000
Provide assistance for specialty crops, bioenergy and beginning farmers	.....	235	235	235	235	235	20	20	20	20	20	1,175	1,275
Total, Agriculture	.....	85	–3,543	–3,913	–3,959	–4,114	–4,392	–4,433	–4,472	–4,540	–4,573	–15,444	–37,854
Health and Human Services:													
Provide dedicated, mandatory funding for Health Care Fraud and Abuse Control Program (HCFAC) program integrity:													
Administrative costs	303	329	672	706	725	745	765	786	807	829	852	3,177	7,216
Benefit savings	–450	–496	–546	–599	–628	–659	–690	–722	–755	–789	–824	–2,928	–6,708
Subtotal, provide dedicated, mandatory funding for HCFAC program integrity	–147	–167	126	107	97	86	75	64	52	40	28	249	508

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Annual reduction to discretionary spending limits (non-add)	.....	.....	*–311*	*–311*	*–311*	*–311*	*–311*	*–311*	*–311*	*–311*	*–311*	*–1,244*	*–2,799*
Homeland Security:													
Reform the aviation passenger security user fee to more accurately reflect the costs of aviation security	.....	–200	–1,139	–1,410	–1,675	–1,950	–2,235	–2,279	–2,324	–2,370	–2,418	–6,374	–18,000
Interior:													
Enact Federal oil and gas management reforms	.....	–50	–120	–125	–150	–170	–185	–200	–215	–225	–240	–615	–1,680
Authorize U.S.-Mexico Transboundary Agreement on Gulf of Mexico Leasing	.....	–50	.....	.....	.....	.....	.....	.....	.....	.....	.....	–50	–50
Terminate Abandoned Mine Lands (AML) payments to certified States	.....	–32	–33	–27	–31	–40	–47	–39	–36	–32	–10	–163	–327
Make permanent net receipts sharing for energy minerals	.....	.....	–44	–44	–43	–44	–45	–47	–49	–52	–53	–175	–421
Total, Interior	.....	–132	–197	–196	–224	–254	–277	–286	–300	–309	–303	–1,003	–2,478
Labor:													
Improve Pension Benefit Guaranty Corporation (PBGC) solvency	.....	.....	–2,778	–2,778	–2,778	–2,778	–2,778	–2,778	–2,778	–2,778	–2,778	–11,112	–25,002
Improve unemployment insurance (UI) program integrity[1,2]	.....	–10	–37	–41	–40	–30	–25	–21	449	474	–1,227	–158	–508
Implement cap adjustments for UI program integrity[1,2]	.....	–33	–76	–93	–109	–240	–630	–38	118	36	–18	–551	–1,083
Outlays from discretionary cap adjustment (non-add)	.....	*20*	*25*	*30*	*35*	*36*	*37*	*38*	*39*	*40*	*41*	*146*	*341*
Total, Labor	.....	–43	–2,891	–2,912	–2,927	–3,048	–3,433	–2,837	–2,211	–2,268	–4,023	–11,821	–26,593
Treasury:													
Implement tax enforcement program integrity cap adjustment[1,3]	.....	–458	–1,252	–2,503	–3,766	–5,052	–5,955	–6,525	–6,816	–7,017	–7,158	–13,031	–46,502
Outlays from discretionary cap adjustment (non-add)	.....	*387*	*718*	*1,012*	*1,322*	*1,643*	*1,640*	*1,649*	*1,708*	*1,769*	*1,832*	*5,082*	*13,680*
Other Defense—Civil Programs:													
Increase TRICARE pharmacy copayments	.....	–4	–81	–141	–220	–405	–525	–637	–781	–917	–1,051	–851	–4,762
Increase annual premiums for TRICARE-For-Life (TFL) enrollment	.....	.....	–4	–21	–53	–80	–109	–138	–169	–201	–234	–158	–1,009
Total, Other Defense - Civil Programs	.....	–4	–85	–162	–273	–485	–634	–775	–950	–1,118	–1,285	–1,009	–5,771
Office of Personnel Management:													
Increase Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) contributions[1]	.....	–800	–1,569	–2,325	–2,300	–2,273	–2,237	–2,197	–2,153	–2,104	–2,050	–9,267	–20,008

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Social Security Administration (SSA):													
Prevent improper use of the Death Master File[1]	.....	–65	–131	–133	–136	–139	–140	–142	–145	–148	–151	–604	–1,330
Provide dedicated, mandatory funding for program integrity:													
Administrative costs	266	1,227	1,750	1,800	1,710	1,625	1,543	1,543	1,543	1,543	1,620	8,112	15,904
Benefit savings	–76	–559	–2,437	–3,809	–4,417	–4,824	–5,760	–6,466	–7,040	–7,890	–8,124	–16,046	–51,326
Subtotal, provide dedicated, mandatory funding for program integrity	190	668	–687	–2,009	–2,707	–3,199	–4,217	–4,923	–5,497	–6,347	–6,504	–7,934	–35,422
Annual reduction to discretionary spending limits (non-add)	.....	.....	*–273*	*–273*	*–273*	*–273*	*–273*	*–273*	*–273*	*–273*	*–273*	*–1,092*	*–2,457*
Offset DI benefits for period of concurrent UI receipt	.....	–100	–100	–100	–100	–100	–100	–100	–100	–100	–100	–500	–1,000
Improve collection of pension information from States and localities	.....	18	28	24	–232	–500	–650	–685	–619	–577	–524	–662	–3,717
Total, SSA	190	521	–890	–2,218	–3,175	–3,938	–5,107	–5,850	–6,361	–7,172	–7,279	–9,700	–41,469
Other Independent Agencies:													
Civilian Property Realignment Board:													
Dispose of unneeded real property	.....	–87	–203	–376	–990	–130	–100	–120	–120	–120	–120	–1,786	–2,366
Total, Other Mandatory Savings	43	–1,285	–11,643	–15,908	–19,192	–21,158	–24,295	–25,238	–25,655	–26,978	–29,181	–69,186	–200,533
Chained CPI:													
Adjust indexing and protect vulnerable populations[1]	.....	.....	–3,000	–8,000	–14,000	–19,000	–24,000	–31,000	–37,000	–44,000	–50,000	–44,000	–230,000
Revenues:													
Reduce the value of certain tax expenditures	.....	–25,086	–40,490	–44,325	–48,537	–52,883	–57,436	–62,160	–67,089	–71,617	–76,345	–205,282	–545,968
Implement the Buffett Rule[4]	.....	–5,404	–53	–2,666	–5,223	–5,880	–5,647	–5,516	–5,563	–5,748	–5,930	–22,258	–47,630
Total, revenues	.....	–30,490	–40,543	–46,991	–53,760	–58,763	–63,083	–67,676	–72,652	–77,365	–82,275	–205,282	–593,598
Upfront Investments:													
Invest in immediate surface transportation priorities	.....	5,600	17,850	12,170	5,770	3,870	1,530	1,560	870	480	240	45,260	49,940
Total, savings consistent with the December Compromise Deficit Reduction Package	**43**	**–32,357**	**–52,884**	**–80,139**	**–110,502**	**–129,584**	**–149,449**	**–170,976**	**–191,783**	**–215,480**	**–242,094**	**–405,466**	**–1,375,248**
Accrual effects:													
Increase TRICARE pharmacy copayments	.....	528	850	900	951	1,006	1,063	1,125	1,190	1,258	1,330	4,235	10,201
Increase annual premiums for TFL enrollment	.....	66	93	98	103	109	115	123	130	137	144	469	1,118
Total, accrual effects	.....	594	943	998	1,054	1,115	1,178	1,248	1,320	1,395	1,474	4,704	11,319

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Additional Mandatory and Receipt Proposals:													
Early Childhood Investments:													
Support preschool for all	.....	130	1,235	3,110	5,456	7,360	8,773	9,787	10,560	10,275	9,356	17,291	66,042
Extend and expand home visiting	.....	.....	150	250	625	900	1,150	1,450	1,900	2,075	2,225	1,925	10,725
Total, early childhood investments	.....	130	1,385	3,360	6,081	8,260	9,923	11,237	12,460	12,350	11,581	19,216	76,767
Increase tobacco taxes and index for inflation[2]	.....	–7,725	–9,844	–9,264	–8,718	–8,205	–7,723	–7,268	–6,842	–6,440	–6,062	–43,756	–78,091
Infrastructure and Jobs Investments:													
Invest in rail transportation through reauthorization	.....	345	1,432	1,772	2,692	3,422	4,643	4,619	4,238	3,510	2,526	9,663	29,199
Reserve additional resources for surface transportation reauthorization	.....	.....	399	2,879	6,855	10,865	15,045	19,343	15,795	7,679	4,112	20,998	82,972
Create infrastructure bank	.....	22	116	350	630	919	1,218	1,403	1,465	1,441	1,271	2,037	8,835
Provide funding for Project Rebuild	.....	50	4,650	7,100	3,200	.....	.....	.....	.....	.....	.....	15,000	15,000
Create a Pathways Back to Work fund	625	10,750	1,125	.....	.....	.....	.....	.....	.....	.....	.....	11,875	11,875
Recognize Educational Success, Professional Excellence, and Collaborative Teaching (RESPECT)	100	2,650	1,750	500	.....	.....	.....	.....	.....	.....	.....	4,900	4,900
Provide for teacher stabilization	375	12,125	.....	.....	.....	.....	.....	.....	.....	.....	.....	12,125	12,125
Establish Veterans Job Corps	.....	50	237	237	238	238	.....	.....	.....	.....	.....	1,000	1,000
Enact Reemployment NOW	200	3,000	800	.....	.....	.....	.....	.....	.....	.....	.....	3,800	3,800
Support first responders	.....	2,450	2,200	350	.....	.....	.....	.....	.....	.....	.....	5,000	5,000
Total, infrastructure and jobs investments	1,300	31,442	12,709	13,188	13,615	15,444	20,906	25,365	21,498	12,630	7,909	86,398	174,706
Savings in OCO reserved for infrastructure and jobs investments (non-add)	.....	*–12,309*	*–37,122*	*–55,326*	*–63,725*	*–67,480*	*–42,823*	.....	.....	.....	.....	*–235,962*	*–278,285*
Other Mandatory Initiatives and Savings:													
Agriculture:													
Enact biobased labeling fee	.....	–1	.....	.....	.....	.....	.....	.....	.....	.....	.....	–1	–1
Reauthorize Secure Rural Schools	.....	214	242	154	94	58	12	.....	.....	.....	.....	762	774
Enact Animal Plant and Health Inspection Service (APHIS) fee	.....	–20	–27	–27	–28	–29	–30	–31	–32	–33	–34	–131	–291
Enact Natural Resources Conservation Service (NRCS) fee	.....	–22	–22	–22	–22	–22	–22	–22	–22	–22	–22	–110	–220
Enact Grain Inspection, Packers, and Stockyards Administration (GIPSA) fee	.....	–27	–27	–28	–28	–28	–29	–29	–29	–30	–30	–138	–285
Enact Food Safety and Inspection Service (FSIS) fee	.....	–4	–4	–4	–5	–5	–5	–5	–5	–5	–5	–22	–47

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Restore temporary Supplemental Nutrition Assistance Program (SNAP) benefit increase	.....	2,223	41	.....	.....	.....	.....	.....	.....	.....	.....	2,264	2,264
Reauthorize stewardship contracting permanently	.....	–12	.....	1	1	1	1	2	2	2	1	–9	–1
Outyear mandatory effects of discretionary changes to the Conservation Stewardship Program	.....	.....	–10	–13	–13	–13	–13	–13	–13	–13	–13	–49	–114
Total, Agriculture	.....	2,351	193	61	–1	–38	–86	–98	–99	–101	–103	2,566	2,079
Commerce:													
Develop a national network of manufacturing innovation institutes	.....	38	112	180	186	156	122	102	74	30	.....	672	1,000
Education:													
Reform student loan interest rates	8,489	11,954	8,772	4,686	1,394	–1,387	–4,118	–6,678	–8,683	–9,912	–10,915	25,419	–14,887
Expand Pay-As-You-Earn to all borrowers	463	3,460	400	381	332	350	239	221	238	163	191	4,923	5,975
Reform and expand Perkins loan program	.....	–673	–2,012	–1,863	–1,693	–1,540	–1,453	–1,402	–1,324	–1,195	–1,124	–7,781	–14,279
Adjust guaranty agency loan rehabilitation compensation	.....	–3,657	.....	.....	.....	.....	.....	.....	.....	.....	.....	–3,657	–3,657
Provide mandatory appropriation to sustain recent Pell Grant increases	.....	.....	866	3,589	4,035	2,948	2,494	869	905	1,113	1,116	11,438	17,935
Overhaul TEACH Grants and replace with Presidential Teaching Fellows	.....	5	126	176	181	176	164	28	–28	–43	–46	664	739
Establish the Community College to Career Fund	.....	.....	134	533	933	1,134	800	400	67	.....	.....	2,733	4,000
Total, Education	8,952	11,089	8,286	7,502	5,182	1,680	–1,874	–6,562	–8,825	–9,874	–10,778	33,739	–4,174
Energy:													
Repeal ultra-deepwater oil and gas research and development program	.....	–20	–20	–10	.....	.....	.....	.....	.....	.....	.....	–50	–50
Reauthorize special assessment from domestic nuclear utilities[1]	.....	–200	–204	–209	–213	–218	–223	–228	–233	–238	–243	–1,044	–2,209
Establish Energy Security Trust Fund	.....	60	140	180	200	200	200	200	200	200	200	780	1,780
Enact nuclear waste management program	.....	.....	.....	.....	90	170	390	520	720	–1,334	740	260	1,296
Provide HomeStar rebates for energy efficient home retrofits	.....	300	1,800	2,100	1,020	600	180	.....	.....	.....	.....	5,820	6,000
Total, Energy	.....	140	1,716	2,061	1,097	752	547	492	687	–1,372	697	5,766	6,817
Health and Human Services:													
Reauthorize Family Connection Grants	.....	.....	11	14	14	4	1	1	.....	.....	.....	43	45

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Expand child care access	.....	406	683	735	745	749	750	750	750	750	750	3,318	7,068
Make TANF supplemental grant funding permanent and reduce the annual amount available in the TANF contingency fund	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Modernize child support	.....	8	53	158	177	247	280	320	312	302	159	643	2,016
Supplemental Security Income (SSI) effects	.....	.....	.....	–3	–3	–6	–7	–9	–9	–8	–8	–12	–53
SNAP effects	.....	.....	.....	–33	–34	–58	–74	–90	–87	–85	–82	–125	–543
Total, Health and Human Services	.....	414	747	871	899	936	950	972	966	959	819	3,867	8,533
Housing and Urban Development:													
Provide funding for the Affordable Housing Trust Fund	.....	10	140	290	230	190	100	20	20	.....	.....	860	1,000
Interior:													
Extend funding for Payments in Lieu of Taxes (PILT)	.....	410	.....	.....	.....	.....	.....	.....	.....	.....	.....	410	410
Increase coal AML fee to pre–2006 levels[1]	.....	–53	–37	–28	–16	–8	.....	–2	–2	54	39	–142	–53
Reauthorize and reform DOI's helium program	.....	–152	–110	–94	–64	–33	–21	–6	.....	.....	.....	–453	–480
Permanently reauthorize the Federal Lands Recreation Enhancement Act (FLREA)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Reallocate State share of NPR-A revenues to fund priority Alaska programs	.....	–2	.....	.....	.....	–15	–3	1	1	1	16	–17	–1
Establish an AML hardrock reclamation fund[1]	.....	.....	–200	–150	–100	–50	.....	.....	.....	.....	.....	–500	–500
Reform hardrock mining on public lands	.....	.....	–2	–4	–5	–5	–6	–6	–11	–17	–24	–16	–80
Repeal geothermal payments to counties	.....	–4	–4	–5	–5	–5	–5	–5	–5	–5	–5	–23	–48
Extend the Palau Compact of Free Association	.....	66	28	22	15	13	12	11	10	9	6	144	192
Reauthorize the Federal Land Transaction Facilitation Act of 2000 (FLTFA)	.....	–3	–5	–8	–9	–3	.....	.....	.....	.....	.....	–28	–28
Increase duck stamp fees[1]	.....	–4	.....	.....	.....	.....	.....	.....	.....	.....	.....	–4	–4
Establish dedicated funding for Land and Water Conservation Fund (LWCF) programs	.....	70	421	755	927	908	900	900	900	900	900	3,081	7,581
Total, Interior	.....	328	91	488	743	802	877	893	893	942	932	2,452	6,989
Labor:													
Reform the Federal Employees' Compensation Act (FECA)	.....	–9	–10	–19	–29	–39	–49	–60	–71	–82	–94	–106	–462

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Reform the Defense Base Act by establishing a government-wide self-insurance program	.....	.....	–214	.....	.....	.....	.....	.....	.....	.....	.....	–214	–214
Strengthen unemployment insurance system solvency[1,2]	637	3,130	2,527	–6,569	–6,861	–7,067	–4,974	–5,875	–2,971	–6,529	–5,714	–14,840	–40,903
Establish a Universal Displaced Worker program[5]	.....	4,014	3,547	3,116	2,763	2,559	2,389	2,257	2,111	1,963	1,814	15,999	26,533
Establish the Community College to Career Fund	.....	.....	134	533	933	1,134	800	400	67	.....	.....	2,733	4,000
Total, Labor	637	7,135	5,984	–2,939	–3,194	–3,414	–1,834	–3,278	–864	–4,648	–3,994	3,572	–11,046
Transportation:													
Establish a mandatory surcharge for air traffic services[1]	.....	–696	–727	–759	–794	–826	–851	–878	–903	–929	–957	–3,802	–8,320
Establish a co-insurance program for aviation war risk insurance	.....	–163	–186	–159	–76	28	153	150	110	71	40	–556	–32
Reduction in interagency ocean freight differential reimbursement as a result of food aid reform	.....	–50	–50	–50	–50	–50	–50	–50	–50	–50	–50	–250	–500
Total, Transportation	.....	–909	–963	–968	–920	–848	–748	–778	–843	–908	–967	–4,608	–8,852
Treasury:													
Increase levy authority for payments to Medicare providers with delinquent tax debt[1]	.....	–48	–70	–71	–74	–76	–76	–78	–80	–80	–81	–339	–734
Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery	.....	–3	–3	–3	–3	–3	–3	–3	–3	–3	–3	–15	–30
Allow offset of Federal income tax refunds to collect delinquent State income taxes for out-of-state residents	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish a Pay for Success Incentive Fund	.....	1	1	10	24	40	56	49	42	24	15	76	262
Provide authority to contact delinquent debtors via their cell phones	.....	–12	–12	–12	–12	–12	–12	–12	–12	–12	–12	–60	–120
Total, Treasury	.....	–62	–84	–76	–65	–51	–35	–44	–53	–71	–81	–338	–622
Veterans Affairs:													
Extend round-down of cost of living adjustments (compensation)	.....	–42	–91	–148	–193	–239	–264	–286	–311	–336	–347	–713	–2,257
Extend round-down of cost of living adjustments (education)	.....	–1	–1	–2	–2	–3	–2	–2	–3	–3	–3	–9	–22
Exclude Temporary Residence Adaptation grants from Specially Adapted Housing (SAH) grant limit[2]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Restore eligibility for housing grant adaptation	.....	5	5	5	6	6	6	6	7	7	7	27	60
Replace housing grant limits with limits to grant type[7]	.....	.....	.....	.....	.....	.....	1	1	1	1	1	.....	5
Provide SAH grants to veterans living with family	.....	6	7	7	7	7	8	8	9	9	9	34	77
Extend supplemental service disabled veterans insurance coverage[8]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expand eligibility for veterans medallion for headstones[9]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Allow for Government furnished headstones[10]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase cap on vocational rehabilitation contract counseling	.....	1	1	1	1	1	1	1	1	1	1	5	10
Make permanent the pilot for certain work-study activities	.....	1	1	1	1	1	1	1	1	1	1	5	10
Provide refunds for the Montgomery GI Bill Buy-Up program[11]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase annual limitation on new Independent Living cases[12]	.....	.....	.....	.....	.....	.....	4	4	4	4	4	.....	20
Expand authority to provide headstones and markers at tribal veterans cemeteries[13]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cover burial expenses for remains of unclaimed veterans[14]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Provide burial receptacles for certain new casketed gravesites	.....	3	4	3	1	6	.....	.....	3	3	4	17	27
Total, Veterans Affairs	.....	–27	–74	–133	–179	–221	–245	–267	–288	–313	–323	–634	–2,070
Corps of Engineers:													
Reform inland waterways funding[1]	.....	–82	–113	–113	–113	–113	–113	–113	–113	–113	–114	–534	–1,100
Other Defense -- Civil Programs:													
Provide additional accrual payments to the Medicare-Eligible Retiree Health Care Fund	.....	–164	.....	.....	.....	.....	.....	.....	.....	.....	.....	–164	–164
International Assistance Programs:													
Implement 2010 IMF agreement:													
PAYGO effects	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Non-scorable effects	–1,994	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, implement 2010 IMF agreement	–1,994	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Office of Personnel Management:													
Eliminate the FERS Supplement for new employees (accrual effects)	.....	17	31	46	61	78	96	114	133	153	174	233	903
Social Security Administration (SSA):													
Terminate step-child benefits in the same month as step-parent[15]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Lower electronic wage reporting threshold to 50 employees [16]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Move from annual to quarterly wage reporting	.....	20	30	90	.....	.....	.....	.....	.....	.....	.....	140	140
Establish Workers Compensation Information Reporting	.....	5	5	.....	.....	.....	.....	.....	.....	.....	.....	10	10
Extend SSI time limits for qualified refugees	.....	46	53	.....	.....	.....	.....	.....	.....	.....	.....	99	99
Medicaid effects	.....	11	13	.....	.....	.....	.....	.....	.....	.....	.....	24	24
SNAP effects	.....	–8	–9	.....	.....	.....	.....	.....	.....	.....	.....	–17	–17
Conform treatment of State and local government earned income tax credit (EITC) and child tax credit (CTC) for SSI [17]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Social Security Administration (SSA)	.....	74	92	90	.....	.....	.....	.....	.....	.....	.....	256	256
Other Independent Agencies:													
Postal Service:													
Enact Postal Service financial relief and reform:													
PAYGO effects	582	2,894	–903	–3,057	–3,185	–3,185	–3,185	–3,185	–3,185	–3,185	–3,185	–7,436	–23,361
Non-scoreable effects	472	1,822	5,117	8,675	2,835	2,835	2,835	2,835	2,835	2,835	2,835	21,284	35,459
Railroad Retirement Board (RRB):													
Allow the electronic certification of certain RRB benefits	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, other independent agencies	1,054	4,716	4,214	5,618	–350	–350	–350	–350	–350	–350	–350	13,848	12,098
Multi-Agency:													
Provide the Secretary of the Treasury authority to access and disclose prisoner data to prevent and identify improper payments:													
Labor effects	.....	–5	–10	–10	–10	–10	–10	–10	–11	–11	–12	–45	–99
Treasury effects [1]	.....	–24	–35	–36	–37	–38	–39	–40	–41	–42	–43	–170	–375
SSA effects	.....	15	.....	.....	.....	.....	.....	.....	.....	.....	.....	15	15
Subtotal, Provide the Secretary of the Treasury authority to access and disclose prisoner data to prevent and identify improper payments	.....	–14	–45	–46	–47	–48	–49	–50	–52	–53	–55	–200	–459

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Increase TRICARE Prime enrollment fee, impose Standard/Extra annual enrollment fee, and deductible/catastrophic cap adjustments (mandatory effects in Coast Guard, Public Health Service and National Oceanic and Atmospheric Administration)	.....	–5	–13	–19	–25	–30	–32	–35	–37	–40	–43	–92	–279
Enact Spectrum License User Fee and allow the FCC to auction predominantly domestic satellite services	–50	–225	–325	–425	–550	–550	–550	–550	–550	–550	–550	–2,075	–4,825
Auction or assign via fee 1675–1680 megahertz[18]	.....	.....	.....	.....	–80	–150	.....	.....	.....	.....	.....	–230	–230
Establish hold harmless for Federal poverty guidelines	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, multi-agency	–50	–244	–383	–490	–702	–778	–631	–635	–639	–643	–648	–2,597	–5,793
Total, other mandatory initiatives and savings	**8,599**	**24,824**	**19,988**	**12,488**	**2,874**	**–1,218**	**–3,224**	**–9,532**	**–9,301**	**–16,309**	**–14,736**	**58,956**	**5,854**
Other Revenue Proposals:													
Tax relief to create jobs and jumpstart growth:													
Provide small businesses a temporary 10-percent tax credit for new jobs and wage increases[19]	.....	7,623	11,507	3,024	1,806	1,058	508	218	54	.....	.....	25,018	25,798
Provide additional tax credits for investment in qualified property used in a qualified advanced energy manufacturing project	.....	85	390	640	614	261	–6	–64	–54	–29	–10	1,990	1,827
Designate Promise Zones[19]	.....	.....	127	372	606	801	867	836	807	780	766	1,906	5,962
Total, tax relief to create jobs and jumpstart growth	.....	7,708	12,024	4,036	3,026	2,120	1,369	990	807	751	756	28,914	33,587
Incentives for investment in infrastructure:													
Provide America Fast Forward Bonds[19]	.....	–1	–1	.....	1	.....	.....	.....	.....	.....	.....	–1	–1
Allow eligible uses of America Fast Forward Bonds to include financing all qualified private activity bond categories[19]	.....	2	4	8	15	20	25	30	37	44	49	49	234
Increase the Federal subsidy rate for America Fast Forward Bonds for school construction[19]	.....	251	794	1,117	1,147	1,147	1,147	1,147	1,147	1,147	1,147	4,456	10,191
Allow current refundings of State and local governmental bonds[20]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Repeal the $150 million nonhospital bond limitation on all qualified 501(c)(3) bonds	.....	1	3	5	7	9	11	13	16	17	18	25	100

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Increase national limitation amount for qualified highway or surface freight transfer facility bonds	.....	.....	.....	3	16	34	52	72	92	113	133	53	515
Eliminate the volume cap for private activity bonds for water infrastructure	.....	3	5	9	14	20	27	33	41	49	57	51	258
Increase the 25-percent limit on land acquisition restriction on private activity bonds	.....	2	4	8	11	15	19	23	27	32	35	40	176
Allow more flexible research arrangements for purposes of private business use limits	.....	.....	.....	1	1	1	1	3	3	3	3	3	16
Repeal the government ownership requirement for certain types of exempt facility bonds	16	71	152	238	330	410	459	488	518	549	549	1,201	3,764
Exempt certain foreign pension funds from the application of FIRPTA	.....	109	187	196	206	216	227	238	250	263	276	914	2,168
Total, incentives for investment in infrastructure	16	438	1,148	1,585	1,748	1,872	1,968	2,047	2,131	2,217	2,267	6,791	17,421
Tax cuts for families and individuals:													
Provide for automatic enrollment in IRAs, including a small employer tax credit, and double the tax credit for small employer plan start-up costs [19]	.....	.....	717	1,171	1,228	1,287	1,423	1,630	1,830	2,100	2,452	4,403	13,838
Expand child and dependent care tax credit [19]	.....	249	947	959	962	962	959	952	945	937	927	4,079	8,799
Extend exclusion from income for cancellation of certain home mortgage debt	.....	1,081	1,279	306	.....	.....	.....	.....	.....	.....	.....	2,666	2,666
Provide exclusion from income for student loan forgiveness for students in certain income-based or income-contingent repayment programs who have completed payment obligations	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2	.....	2
Provide exclusion from income for student loan forgiveness and for certain scholarship amounts for participants in the IHS Health Professions Programs	.....	5	13	14	14	15	16	18	19	20	21	61	155
Total, tax cuts for families and individuals	.....	1,335	2,956	2,450	2,204	2,264	2,398	2,600	2,794	3,057	3,402	11,209	25,460

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Modify estate and gift tax provisions:													
Restore the estate, gift and GST tax parameters in effect in 2009	.....	.....	.....	.....	.....	.....	–15,587	–16,912	–18,386	–19,892	–21,667	.....	–92,444
Require consistency in value for transfer and income tax purposes	.....	.....	–158	–171	–183	–197	–210	–223	–237	–251	–266	–709	–1,896
Require a minimum term for GRATs	.....	.....	–131	–194	–261	–335	–412	–494	–581	–683	–803	–921	–3,894
Limit duration of GST tax exemption	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Coordinate certain income and transfer tax rules applicable to grantor trusts	.....	.....	–36	–47	–62	–79	–102	–129	–164	–207	–261	–224	–1,087
Extend the lien on estate tax deferrals provided under section 6166	.....	.....	–12	–15	–16	–17	–18	–19	–20	–21	–22	–60	–160
Clarify GST tax treatment of HEETs	.....	.....	30	29	27	26	24	23	21	20	18	112	218
Total, modify estate and gift tax provisions	.....	.....	–307	–398	–495	–602	–16,305	–17,754	–19,367	–21,034	–23,001	–1,802	–99,263
Reform treatment of financial and insurance industry institutions and products:													
Impose a financial crisis responsibility fee	.....	.....	–2,991	–6,066	–6,321	–6,581	–6,839	–7,159	–7,470	–7,794	–8,128	–21,959	–59,349
Require current inclusion in income of accrued market discount and limit the accrual amount for distressed debt	.....	–6	–21	–42	–67	–95	–126	–160	–197	–236	–276	–231	–1,226
Require that the cost basis of stock that is a covered security must be determined using an average cost basis method	.....	–15	–61	–126	–200	–248	–266	–284	–301	–319	–339	–650	–2,159
Total, reform treatment of financial and insurance industy institutions and products	.....	–21	–3,073	–6,234	–6,588	–6,924	–7,231	–7,603	–7,968	–8,349	–8,743	–22,840	–62,734
Other revenue changes and loophole closers:													
Increase Oil Spill Liability Trust Fund financing rate by one cent and update the law to include other sources of crudes[2]	.....	–63	–89	–91	–101	–105	–109	–115	–120	–125	–131	–449	–1,049
Reinstate Superfund taxes[2]	.....	–1,369	–1,818	–1,899	–1,970	–2,053	–2,123	–2,152	–2,206	–2,257	–2,358	–9,109	–20,205
Make UI surtax permanent[2]	.....	–1,037	–1,449	–1,480	–1,513	–1,542	–1,568	–1,590	–1,610	–1,629	–1,649	–7,021	–15,067
Tax carried (profits) interests as ordinary income	.....	–2,369	–2,029	–1,607	–1,155	–829	–778	–799	–657	–458	–299	–7,989	–10,980
Eliminate the deduction for contributions of conservation easements on golf courses	.....	–37	–53	–55	–59	–61	–64	–68	–71	–74	–77	–265	–619

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Restrict deductions and harmonize the rules for contributions of conservation easements for historic preservation	.....	–8	–11	–16	–22	–26	–27	–28	–31	–32	–33	–83	–234
Require non-spouse beneficiaries of IRA owners and retirement plan participants to take inherited distributions over no more than five years	.....	–86	–224	–369	–517	–668	–699	–660	–612	–563	–513	–1,864	–4,911
Limit the total accrual of tax-favored retirement benefits	.....	–589	–808	–817	–842	–917	–962	–1,011	–924	–1,004	–962	–3,973	–8,836
Total, other revenue changes and loophole closers	.....	–5,558	–6,481	–6,334	–6,179	–6,201	–6,330	–6,423	–6,231	–6,142	–6,022	–30,753	–61,901
Reduce the tax gap and make reforms:													
Expand information reporting:													
Require information reporting for private separate accounts of life insurance companies	.....	.....	.....	.....	–1	–1	–1	–1	–1	–1	–1	–2	–7
Require a certified TIN from contractors and allow certain withholding	.....	–25	–58	–99	–135	–141	–147	–154	–161	–168	–176	–458	–1,264
Modify reporting of tuition expenses and scholarships on Form 1098-T[19]	.....	–6	–76	–80	–82	–85	–90	–93	–96	–99	–102	–329	–809
Provide for reciprocal reporting of information in connection with the implementation of FATCA	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, expand information reporting	.....	–31	–134	–179	–218	–227	–238	–248	–258	–268	–279	–789	–2,080
Improve compliance by businesses:													
Require greater electronic filing of returns	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Make e-filing mandatory for exempt organizations	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Authorize the Department of the Treasury to require additional information to be included in electronically filed Form 5500 Annual Reports and electronic filing of certain other employee benefit plan reports	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Implement standards clarifying when employee leasing companies can be held liable for their clients' Federal employment taxes	.....	–5	–6	–6	–6	–7	–7	–8	–8	–8	–8	–30	–69
Increase certainty with respect to worker classification	–4	–72	–353	–698	–846	–932	–1,020	–1,113	–1,211	–1,312	–1,420	–2,901	–8,977

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Repeal special estimated tax payment provision for certain insurance companies	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, improve compliance by businesses	–4	–77	–359	–704	–852	–939	–1,027	–1,121	–1,219	–1,320	–1,428	–2,931	–9,046
Strengthen tax administration:													
Impose liability on shareholders participating in "Intermediary Transaction Tax Shelters" to collect unpaid corporate income taxes	.....	–304	–421	–444	–469	–493	–517	–540	–562	–586	–611	–2,131	–4,947
Streamline audit and adjustment procedures for large partnerships	.....	–78	–114	–138	–174	–208	–227	–232	–233	–234	–235	–712	–1,873
Revise offer-in-compromise application rules	.....	–1	–1	–1	–1	–1	–1	–1	–1	–1	–1	–5	–10
Expand IRS access to information in the National Directory of New Hires for tax administration purposes	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Make repeated willful failure to file a tax return a felony	.....	.....	.....	.....	–1	–1	–1	–1	–2	–2	–2	–2	–10
Facilitate tax compliance with local jurisdictions	.....	–1	–1	–1	–1	–1	–2	–2	–2	–2	–2	–5	–15
Extend statute of limitations where State adjustment affects Federal tax liability	.....	.....	.....	–1	–4	–4	–4	–4	–4	–4	–4	–9	–29
Improve investigative disclosure statute	.....	.....	.....	.....	–1	–1	–1	–1	–2	–2	–2	–2	–10
Require taxpayers who prepare their returns electronically but file their returns on paper to print their returns with a 2-D bar code	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Allow the IRS to absorb credit and debit card processing fees for certain tax payments	.....	–1	–2	–2	–2	–2	–2	–2	–2	–2	–2	–9	–19
Extend IRS math error authority in certain circumstances[19]	.....	–16	–17	–16	–17	–18	–19	–19	–21	–21	–21	–84	–185
Impose a penalty on failure to comply with electronic filing requirements	.....	.....	.....	.....	–1	–1	–1	–1	–2	–2	–2	–2	–10
Provide whistleblowers with protection from retaliation	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Provide stronger protection from improper disclosure of taxpayer information in whistleblower actions	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Index all penalties to inflation	.....	–69	–92	–117	–142	–168	–193	–220	–247	–275	–302	–588	–1,825

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Extend paid preparer EITC due diligence requirements to the CTC	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Extend IRS authority to require truncated SSNs on Form W–2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Add tax crimes to the Aggravated Identity Theft Statute	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Impose a civil penalty on tax identity theft crimes	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, strengthen tax administration	.....	–470	–648	–720	–813	–898	–968	–1,023	–1,078	–1,131	–1,184	–3,549	–8,933
Total, reduce the tax gap and make reforms	–4	–578	–1,141	–1,603	–1,883	–2,064	–2,233	–2,392	–2,555	–2,719	–2,891	–7,269	–20,059
Simplify the tax system:													
Simplify the rules for claiming the EITC for workers without qualifying children[19]	.....	42	562	576	589	599	580	592	606	619	634	2,368	5,399
Modify adoption credit to allow tribal determination of special needs	.....	.....	.....	.....	.....	.....	1	1	1	1	1	.....	5
Eliminate MRD requirements for IRA/plan balances of $75,000 or less	.....	4	7	9	14	18	24	28	34	40	46	52	224
Allow all inherited plan and IRA accounts to be rolled over within 60 days	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Repeal non-qualified preferred stock designation	.....	–29	–49	–48	–45	–42	–37	–33	–29	–26	–23	–213	–361
Repeal preferential dividend rule for publicly offered REITs	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Reform excise tax based on investment income of private foundations	.....	4	4	5	5	5	5	6	6	7	7	23	54
Remove bonding requirements for certain taxpayers subject to Federal excise taxes on distilled spirits, wine, and beer	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Simplify arbitrage investment restrictions	2	9	18	26	37	46	57	66	76	86	97	136	518
Simplify single-family housing mortgage bond targeting requirements	.....	.....	.....	.....	1	1	1	3	3	3	3	2	15
Streamline private business limits on governmental bonds	1	3	5	7	9	11	13	15	17	19	20	35	119
Exclude self-constructed assets of small taxpayers from the UNICAP rules	.....	46	48	51	69	80	92	97	101	105	110	294	799
Repeal technical terminations of partnerships	.....	–7	–14	–17	–18	–19	–20	–21	–22	–22	–23	–75	–183

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Repeal anti-churning rules of section 197	.....	23	95	187	250	281	295	298	298	298	298	836	2,323
Total, simplify the tax system	3	95	676	796	911	980	1,011	1,052	1,091	1,130	1,170	3,458	8,912
Trade initiative:													
Extend GSP[2]	.....	382	578	.....	.....	.....	.....	.....	.....	.....	.....	960	960
Other initiatives:													
Authorize the limited sharing of business tax return information to improve the accuracy of important measures of the economy	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eliminate certain reviews conducted by the U.S. TIGTA	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Modify indexing to prevent deflationary adjustments	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, other initiatives	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, other revenue proposals[21]	**15**	**3,801**	**6,380**	**–5,702**	**–7,256**	**–8,555**	**–25,353**	**–27,483**	**–29,298**	**–31,089**	**–33,062**	**–11,332**	**–157,617**
Total, December offer and additional mandatory and receipt proposals	**9,957**	**20,709**	**–21,323**	**–65,071**	**–102,852**	**–122,743**	**–153,742**	**–177,409**	**–201,946**	**–242,943**	**–274,990**	**–288,273**	**–1,342,310**
Addendum, Business Tax Policies Reserved for Revenue-Neutral Reform:													
Incentives for manufacturing, research, clean energy, and insourcing and creating jobs:													
Provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas	.....	5	10	10	10	12	12	12	13	14	14	47	112
Provide new Manufacturing Communities tax credit	.....	19	103	240	392	516	618	701	729	641	452	1,270	4,411
Enhance and make permanent the R&E tax credit	.....	3,903	7,300	8,138	8,989	9,830	10,645	11,401	12,181	13,002	13,835	38,160	99,224
Extend certain employment tax credits, including incentives for hiring veterans	.....	379	863	1,063	1,123	1,113	1,072	1,030	1,005	1,000	1,000	4,541	9,648
Provide a tax credit for the production of advanced technology vehicles	.....	50	283	461	784	1,079	1,175	933	144	–352	–345	2,657	4,212
Provide a tax credit for medium- and heavy-duty alternative-fuel commercial vehicles	.....	71	362	411	488	471	247	217	–108	–66	–37	1,803	2,056
Modify and permanently extend renewable electricity production tax credit[19]	.....	43	177	664	1,160	1,543	1,915	2,320	2,778	3,192	3,651	3,587	17,443
Modify and permanently extend the deduction for energy-efficient commercial building property	.....	83	217	350	489	575	624	701	736	729	718	1,714	5,222

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Total, incentives for manufacturing, research, clean energy, and insourcing and creating jobs	.....	4,553	9,315	11,337	13,435	15,139	16,308	17,315	17,478	18,160	19,288	53,779	142,328
Tax relief for small business:													
Extend increased expensing for small business	.....	6,914	9,644	7,660	6,884	6,388	6,084	5,836	5,659	5,664	5,722	37,490	66,455
Eliminate capital gains taxation on investments in small business stock	.....	.....	.....	.....	.....	.....	262	730	1,163	1,615	2,040	.....	5,810
Double the amount of expensed start-up expenditures	223	251	311	310	308	304	300	297	296	294	292	1,484	2,963
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance[19]	17	248	301	302	279	154	102	75	48	46	43	1,284	1,598
Total, tax relief for small business	240	7,413	10,256	8,272	7,471	6,846	6,748	6,938	7,166	7,619	8,097	40,258	76,826
Incentives to promote regional growth:													
Extend and modify the NMTC	20	47	109	231	393	588	809	1,023	1,240	1,416	1,507	1,368	7,363
Restructure assistance to New York City, provide tax incentives for transportation infrastructure	.....	200	200	200	200	200	200	200	200	200	200	1,000	2,000
Modify tax-exempt bonds for Indian tribal governments	4	12	12	12	12	12	12	12	12	12	12	60	120
Reform and expand the LIHTC	.....	12	38	67	96	127	157	188	208	238	256	340	1,387
Total, incentives to promote regional growth	24	271	359	510	701	927	1,178	1,423	1,660	1,866	1,975	2,768	10,870
Reform U.S. international tax system:													
Defer deduction of interest expense related to deferred income of foreign subsidiaries	.....	–2,763	–4,729	–4,919	–5,115	–5,316	–5,506	–5,688	–2,826	–889	–925	–22,842	–38,676
Determine the foreign tax credit on a pooling basis	.....	–3,680	–6,299	–6,552	–6,813	–7,081	–7,334	–7,576	–7,832	–8,110	–8,435	–30,425	–69,712
Tax currently excess returns associated with transfers of intangibles offshore	.....	–1,552	–2,612	–2,659	–2,667	–2,605	–2,512	–2,433	–2,358	–2,315	–2,292	–12,095	–24,005
Limit shifting of income through intangible property transfers	.....	–47	–96	–126	–157	–189	–222	–257	–295	–336	–383	–615	–2,108
Disallow the deduction for non-taxed reinsurance premiums paid to foreign affiliates	.....	–309	–526	–550	–584	–622	–641	–671	–706	–741	–776	–2,591	–6,126
Limit earnings stripping by expatriated entities	.....	–234	–401	–421	–442	–464	–488	–512	–538	–565	–593	–1,962	–4,658
Modify tax rules for dual capacity taxpayers	.....	–552	–946	–998	–1,054	–1,109	–1,162	–1,214	–1,268	–1,302	–1,359	–4,659	–10,964
Tax gain from the sale of a partnership interest on look-through basis	.....	–133	–229	–240	–252	–265	–278	–292	–307	–322	–338	–1,119	–2,656

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Prevent use of leveraged distributions from related foreign corporations to avoid dividend treatment	.....	–182	–311	–323	–336	–349	–362	–374	–386	–400	–416	–1,501	–3,439
Extend section 338(h)(16) to certain asset acquisitions	.....	–60	–100	–100	–100	–100	–100	–100	–100	–100	–100	–460	–960
Remove foreign taxes from a section 902 corporation's foreign tax pool when earnings are eliminated	.....	–10	–20	–27	–36	–46	–50	–50	–50	–50	–50	–139	–389
Total, reform U.S. international tax system	.....	–9,522	–16,269	–16,915	–17,556	–18,146	–18,655	–19,167	–16,666	–15,130	–15,667	–78,408	–163,693
Reform treatment of financial and insurance industry institutions and products:													
Require that derivative contracts be marked to market with resulting gain or loss treated as ordinary	.....	–2,419	–4,576	–4,148	–2,614	–1,682	–1,148	–705	–510	–532	–555	–15,439	–18,889
Modify rules that apply to sales of life insurance contracts	.....	–17	–53	–57	–61	–65	–69	–72	–76	–79	–83	–253	–632
Modify proration rules for life insurance company general and separate accounts	.....	–304	–529	–541	–556	–570	–554	–528	–498	–465	–433	–2,500	–4,978
Extend pro rata interest expense disallowance for corporate-owned life insurance	.....	–20	–52	–126	–275	–471	–642	–806	–973	–1,143	–1,316	–944	–5,824
Total, reform treatment of financial and insurance industy institutions and products	.....	–2,760	–5,210	–4,872	–3,506	–2,788	–2,413	–2,111	–2,057	–2,219	–2,387	–19,136	–30,323
Eliminate fossil fuel preferences:													
Eliminate oil and gas preferences:													
Repeal enhanced oil recovery credit[20]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Repeal credit for oil and gas produced from marginal wells[20]	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Repeal expensing of intangible drilling costs	.....	–1,663	–2,460	–2,125	–1,639	–1,099	–748	–514	–366	–289	–90	–8,986	–10,993
Repeal deduction for tertiary injectants	.....	–8	–12	–12	–11	–11	–11	–11	–11	–10	–10	–54	–107
Repeal exception to passive loss limitations for working interests in oil and natural gas properties	.....	–7	–10	–9	–8	–8	–7	–7	–6	–6	–6	–42	–74
Repeal percentage depletion for oil and natural gas wells	.....	–1,039	–1,044	–1,042	–1,041	–1,045	–1,052	–1,067	–1,091	–1,121	–1,181	–5,211	–10,723
Repeal domestic manufacturing deduction for oil and natural gas production	.....	–947	–1,630	–1,648	–1,641	–1,570	–1,473	–1,431	–1,426	–1,428	–1,437	–7,436	–14,631
Increase geological and geophysical amortization period for independent producers to seven years	.....	–60	–220	–333	–304	–221	–141	–64	–11	–2	–7	–1,138	–1,363

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014-2018	Totals 2014-2023
Subtotal, eliminate oil and gas preferences	.....	–3,724	–5,376	–5,169	–4,644	–3,954	–3,432	–3,094	–2,911	–2,856	–2,731	–22,867	–37,891
Eliminate coal preferences:													
Repeal expensing of exploration and development costs	.....	–25	–43	–45	–47	–49	–48	–47	–44	–44	–40	–209	–432
Repeal percentage depletion for hard mineral fossil fuels	.....	–113	–193	–196	–198	–201	–206	–209	–216	–222	–228	–901	–1,982
Repeal capital gains treatment for royalties	.....	–14	–31	–37	–42	–45	–48	–50	–53	–55	–57	–169	–432
Repeal domestic manufacturing deduction for the production of coal and other hard mineral fossil fuels	.....	–54	–56	–60	–63	–66	–69	–72	–75	–78	–82	–299	–675
Subtotal, eliminate coal preferences	.....	–206	–323	–338	–350	–361	–371	–378	–388	–399	–407	–1,578	–3,521
Total, eliminate fossil fuel tax preferences	.....	–3,930	–5,699	–5,507	–4,994	–4,315	–3,803	–3,472	–3,299	–3,255	–3,138	–24,445	–41,412
Other revenue changes and loophole closers:													
Repeal the excise tax credit for distilled spirits with flavor and wine additives[2]	.....	–85	–112	–112	–112	–112	–112	–112	–112	–112	–112	–533	–1,093
Repeal LIFO method of accounting for inventories	.....	–3,490	–7,590	–8,533	–8,281	–8,284	–8,726	–8,734	–8,397	–9,039	–9,695	–36,178	–80,769
Repeal lower-of-cost-or-market inventory accounting method	.....	–617	–1,344	–1,460	–1,470	–864	–259	–270	–283	–296	–309	–5,755	–7,172
Modify depreciation rules for purchases of general aviation passenger aircraft	.....	–64	–198	–293	–324	–390	–417	–320	–209	–175	–171	–1,269	–2,561
Repeal gain limitation for dividends received in reorganization exchanges	.....	–146	–252	–259	–267	–275	–283	–292	–300	–309	–319	–1,199	–2,702
Expand the definition of built-in loss for purposes of partnership loss transfers	.....	–5	–6	–7	–7	–7	–7	–8	–8	–8	–10	–32	–73
Extend partnership basis limitation rules to nondeductible expenditures	.....	–56	–77	–85	–91	–95	–98	–102	–107	–114	–123	–404	–948
Limit the importation of losses under related party loss limitation rules	.....	–53	–71	–79	–84	–88	–92	–95	–99	–105	–113	–375	–879
Deny deduction for punitive damages	.....	–25	–35	–36	–36	–38	–39	–39	–41	–41	–42	–170	–372
Eliminate section 404(k) ESOP dividend deduction for large C corporations	.....	–407	–614	–665	–674	–682	–691	–699	–707	–716	–722	–3,042	–6,577
Total, other revenue changes and loophole closers	.....	–4,948	–10,299	–11,529	–11,346	–10,835	–10,724	–10,671	–10,263	–10,915	–11,616	–48,957	–103,146
Reserve for revenue-neutral business tax reform	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

Note: For receipt effects, positive figures indicate lower receipts. For outlay effects, positive figures indicate higher outlays. For net costs, positive figures indicate higher deficits.

[1] The estimates for this proposal include effects on receipts. The receipt effects included in the totals above are as follows:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014–2018	Totals 2014–2023
Implement unemployment insurance integrity	.....	.....	.....	1	4	9	12	14	484	507	–1,195	14	–164
Implement cap adjustments for UI program integrity	.....	.....	.....	4	10	–109	–493	105	266	190	142	–95	115
Implement tax enforcement program integrity cap adjustment	.....	–458	–1,252	–2,503	–3,766	–5,052	–5,955	–6,525	–6,816	–7,017	–7,158	–13,031	–46,502
Increase Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) contributions	.....	–800	–1,569	–2,325	–2,300	–2,273	–2,237	–2,197	–2,153	–2,104	–2,050	–9,267	–20,008
Prevent improper use of the Death Master File	.....	–65	–87	–89	–91	–93	–93	–95	–97	–99	–101	–425	–910
Adjust indexing and protect vulnerable populations	.....	.....	–1,000	–3,000	–6,000	–8,000	–10,000	–13,000	–16,000	–20,000	–23,000	–18,000	–100,000
Reauthorize special assessment from domestic nuclear utilities	.....	–200	–204	–209	–213	–218	–223	–228	–233	–238	–243	–1,044	–2,209
Increase coal AML fee to pre–2006 levels	.....	–53	–52	–53	–53	–53	–53	–55	–55	.....	.....	–264	–427
Establish an AML hardrock reclamation fund	.....	.....	–200	–200	–200	–200	–200	–200	–200	–200	–200	–800	–1,800
Increase duck stamp fees	.....	–14	–14	–14	–14	–14	–14	–14	–14	–14	–14	–70	–140
Strengthen unemployment insurance system solvency	.....	2,655	2,527	–6,569	–6,861	–7,067	–4,974	–5,875	–2,971	–6,529	–5,714	–15,315	–41,378
Establish a mandatory surcharge for air traffic services	.....	–696	–727	–759	–794	–826	–851	–878	–903	–929	–957	–3,802	–8,320
Increase levy authority for payments to Medicare providers with delinquent tax debt	.....	–48	–70	–71	–74	–76	–76	–78	–80	–80	–81	–339	–734
Reform inland waterways funding	.....	–82	–113	–113	–113	–113	–113	–113	–113	–113	–114	–534	–1,100
Disclose prisoner data for improper payments	.....	–24	–35	–36	–37	–38	–39	–40	–41	–42	–43	–170	–375
Total receipt effects of mandatory proposals	.....	215	–2,796	–15,936	–20,502	–24,123	–25,309	–29,179	–28,926	–36,668	–40,728	–63,142	–223,952

[2] Net of income offsets.

[3] Savings in 2022 and 2023 include sustainment of enforcement initiatives beyond the sunset of the discretionary spending caps contained in the Budget Control Act of 2011.

[4] Increased revenues associated with implementing the Buffett Rule prior to estimating the effects of the proposal to reduce the value of certain tax expenditures .... –7,483 –3,234 –6,765 –9,837 –10,589 –10,460 –10,451 –10,661 –11,038 –11,375 –37,908 –91,893

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

[5] This proposal would also result in discretionary savings of $7.2 billion over 10 years.
[6] This proposal has outlays of less than $500,000 per year. The total cost is $1 million from 2014–2018 and $2 million from 2014–2023.
[7] This proposal has outlays of less than $500,000 per year in 2014–2018. The total cost is $2 million from 2014–2018.
[8] This proposal has outlays of less than $500,000 per year. The total cost is $1 million from 2014–2018 and $3 million from 2014–2023.
[9] This proposal has outlays of less than $500,000 per year. The total cost over 2014–2023 is $1 million.
[10] This proposal has outlays of less than $500,000 per year. The total cost over 2014–2023 is $1 million.
[11] This proposal has outlays of less than $500,000 per year. The total cost over 2014–2023 is also less than $500,000.
[12] This proposal has outlays of less than $500,000 per year in years 2014–2018. The total cost is $1 million from 2014–2018.
[13] This proposal has outlays of less than $500,000 per year. The total cost over 2014–2023 is also less than $500,000.
[14] This proposal has outlays of less than $500,000 per year. The total cost over 2014–2023 is also less than $500,000.
[15] This proposal has outlays of less than $500,000 per year. The total savings are $1 million over 2014–2018 and $4 million over 2014–2023.
[16] This proposal has no estimated costs.
[17] This proposal has outlays of less than $500,000 per year. The total cost over 2014–2023 is also less than $500,000.
[18] Overall, the proposal generates $300 million in additional proceeds. Total savings are net of Federal agency relocation costs.
[19] The estimates for this proposal include effects on outlays. The outlay effects included in the totals above are as follows:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014–2018	Totals 2014–2023
Provide small businesses a temporary 10-percent tax credit for new jobs and wage increases	.....	133	417	.....	.....	.....	.....	.....	.....	.....	.....	550	550
Designate Promise Zones	.....	.....	12	27	29	29	31	33	36	37	39	97	273
Provide America Fast Forward Bonds	.....	230	1,022	2,117	3,202	4,372	5,656	7,029	8,476	9,977	11,511	10,943	53,592
Allow eligible uses of America Fast Forward Bonds to include financing all qualified private activity bond categories	.....	47	213	460	723	999	1,288	1,589	1,902	2,224	2,552	2,442	11,997
Increase the Federal subsidy rate for America Fast Forward Bonds for school construction	.....	409	1,522	2,512	2,799	2,799	2,799	2,799	2,799	2,799	2,799	10,041	24,036
Provide for automatic enrollment in IRAs, including a small employer tax credit, and double the tax credit for small employer plan start-up costs	.....	.....	131	206	212	213	217	223	226	230	235	762	1,893
Expand child and dependent care tax credit	.....	.....	325	340	354	367	379	389	400	409	415	1,386	3,378
Modify reporting of tuition expenses and scholarships on Form 1098-T	.....	.....	–21	–24	–25	–26	–27	–28	–29	–30	–31	–96	–241
Extend IRS math error authority in certain circumstances	.....	–7	–7	–7	–7	–8	–8	–8	–9	–9	–9	–36	–79
Simplify the rules for claiming the EITC for workers without qualifying children	.....	25	494	506	518	528	510	521	533	544	558	2,071	4,737
Total, outlay effects of receipt proposals	.....	837	4,108	6,137	7,805	9,273	10,845	12,547	14,334	16,181	18,069	28,160	100,136

Table S–8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (–) in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Totals 2014–2018	Totals 2014–2023
Addendum, business tax policies reserved for revenue-neutral reform:													
Modify and permanently extend renewable electricity production tax credit	.....	21	88	332	580	771	957	1,159	1,388	1,595	1,825	1,792	8,716
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance	10	51	51	50	43	23	13	9	6	6	5	218	257

[20] The provision is estimated to have zero receipt effect under the Administration's current economic projections.

[21] These additional revenue savings could be used to pay for continuing tax benefits provided under the American Taxpayer Relief Act, if Congress decided those costs should be offset.

Table S–9. FUNDING LEVELS FOR APPROPRIATED ("DISCRETIONARY") PROGRAMS BY CATEGORY

(Budget authority in billions of dollars)

	Actuals			Enacted	Request	Outyears									Totals	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
Discretionary Current Law Caps by Category:[1]																
Security Category	684	688	684	684	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nonsecurity Category	407	374	377	369	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Defense Category	n/a	n/a	n/a	n/a	552	566	577	590	603	616	630	644	660	677	2,888	6,115
Non-Defense Category	n/a	n/a	n/a	n/a	506	520	530	541	553	566	578	590	605	620	2,650	5,609
Total, Base Discretionary Funding	**1,092**	**1,062**	**1,060**	**1,053**	**1,058**	**1,086**	**1,107**	**1,131**	**1,156**	**1,182**	**1,208**	**1,234**	**1,265**	**1,297**	**5,538**	**11,724**
Proposed Changes to Base Discretionary Caps:[2]																
Reclassify Transportation Rail Programs	–2	–1	–1	–1	–1	–1	–1	–2	–2	–2	–2	–2	–2	–2	–7	–16
Proposed cap reductions:																
Defense cap reductions	.....	.....	.....	.....	.....	.....	.....	–4	–8	–12	–16	–20	–26	–33	–12	–119
Non-Defense cap reductions	.....	.....	.....	.....	.....	.....	.....	–4	–8	–12	–16	–20	–27	–33	–12	–120
Non-Defense reductions of base program integrity funding for shift to mandatory	.....	.....	.....	.....	.....	–1	–1	–1	–1	–1	–1	–1	–1	–1	–2	–5
Total, Proposed Changes to Base Caps	**–2**	**–1**	**–1**	**–1**	**–1**	**–2**	**–2**	**–10**	**–18**	**–26**	**–34**	**–42**	**–55**	**–68**	**–34**	**–260**
Total, Base Discretionary with changes	**1,090**	**1,061**	**1,059**	**1,052**	**1,056**	**1,084**	**1,105**	**1,121**	**1,138**	**1,156**	**1,174**	**1,192**	**1,210**	**1,229**	**5,504**	**11,464**
Discretionary Cap Adjustments and other funding excluded from base totals:[3]																
Overseas Contingency Operations[4,5]	163	159	127	99	83	38	38	38	38	38	38	38	.....	.....	236	351
Disaster Relief	.....	.....	10	12	6	.....	.....	.....	.....	.....	.....	.....	.....	.....	6	6
Program Integrity	*	*	*	*	*	1	1	1	2	2	2	2	2	2	5	14
Other Emergency/Supplemental Funding[6]	10	–1	*	41	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Cap Adjustments and other	**173**	**159**	**137**	**152**	**89**	**39**	**39**	**40**	**40**	**40**	**40**	**40**	**2**	**2**	**248**	**371**
Discretionary Joint Committee Enforcement, excluded from all totals above:[7]																
2013 Joint Committee enforcement	.....	.....	.....	–64	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Effects of reversing 2013 Joint Committee enforcement	.....	.....	.....	+64	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grand Total, Discretionary Budget Authority	**1,263**	**1,219**	**1,196**	**1,203**	**1,146**	**1,123**	**1,144**	**1,161**	**1,178**	**1,196**	**1,214**	**1,232**	**1,212**	**1,231**	**5,752**	**11,835**

Table S–9. FUNDING LEVELS FOR APPROPRIATED ("DISCRETIONARY") PROGRAMS BY CATEGORY—Continued

(Budget authority in billions of dollars)

* Less than $500 million.

[1] The Budget Control Act of 2011 (BCA) amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) by establishing statutory discretionary caps for 2012 through 2021 with separate categories in 2012 and 2013 for "Security" and "Nonsecurity". These categories were revised on January 15, 2012 to equal all accounts in budget function 050 for the "Defense" category with all other amounts in the "Non-Defense" category for the years 2013 through 2021. The American Taxpayer Relief Act of 2012 reinstated the Security and Nonsecurity caps for 2013.

[2] The 2014 Budget proposes changes to the current law caps in the BBEDCA, as amended, for the reclassification of certain Transportation programs and further reductions as part of the Administration's policy to achieve additional deficit reduction.

[3] Where applicable, amounts in 2012 through 2023 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of the BBEDCA, as amended. Amounts in 2010 and 2011 are not so designated but are shown for comparability purposes.

[4] The Department of Defense's 2014 OCO funding level has been updated to reflect the amounts requested in the budget amendment that was transmitted to the Congress on May 17, 2013.

[5] The Budget includes placeholder amounts of $38.3 billion per year for Government-wide OCO funding from 2015 to 2021. These amounts reflect the Administration's proposal to cap total OCO budget authority from 2013 to 2021 at $450 billion but do not reflect any specific decisions or assumptions about OCO funding in any particular year.

[6] Amounts in 2010-2012 are not designated as Emergency funding pursuant to Section 251(b)(2)(A) of the BBEDCA, as amended, as they include congressionally-designated emergencies, rescissions of funding provided in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), and other supplemental funding.

[7] The amount reflects the net effect of discretionary sequestration for 2013 that took place on March 1, 2013 as a result of the Presidential Order that was issued in compliance with section 251A of the BBEDCA, including adjustments for savings achieved pursuant to section 253(f) of the BBEDCA and other adjustments for technical corrections and account restructuring. The Administration proposes to reverse the 2013 reductions and fully replace the Joint Committee enforcement procedures with balanced deficit reduction.

Table S–10. FUNDING LEVELS FOR APPROPRIATED ("DISCRETIONARY") PROGRAMS BY AGENCY

(Budget authority in billions of dollars)

	Actuals			Enacted	Request	Outyears									Totals	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
Base Discretionary Funding by Agency:[1,2]																
Agriculture	27.0	23.2	23.7	23.8	21.5	23.2	23.6	24.1	24.6	25.2	25.8	26.3	27.0	27.7	117.0	248.9
Commerce	13.9	5.6	7.7	7.9	8.6	9.1	9.4	9.9	10.9	12.0	18.2	10.4	10.2	10.4	47.9	109.1
Census Bureau	*7.2*	*–0.7*	*0.9*	*0.9*	*1.0*	*1.3*	*1.5*	*1.7*	*2.5*	*3.5*	*9.5*	*1.5*	*1.1*	*1.1*	*8.0*	*24.6*
Defense[3]	530.1	528.3	530.4	527.5	526.6	540.8	551.4	560.0	568.6	577.1	586.7	596.3	605.9	615.5	2,747.4	5,728.9
Education	64.3	68.3	67.4	68.0	71.2	71.9	72.8	73.9	75.1	76.3	77.4	78.6	80.0	81.5	365.0	758.7
Energy	26.5	25.7	26.4	27.0	28.4	28.3	28.9	29.5	30.1	30.8	31.5	32.2	33.0	33.8	145.2	306.4
National Nuclear Security Administration[3]	*9.9*	*10.5*	*11.0*	*11.5*	*11.7*	*11.0*	*11.2*	*11.4*	*11.7*	*11.9*	*12.2*	*12.4*	*12.8*	*13.1*	*56.9*	*119.3*
Health & Human Services (HHS)[4]	84.4	78.5	78.3	78.6	78.3	83.9	85.5	87.4	89.3	91.3	93.3	95.3	97.7	100.2	424.3	902.2
Homeland Security	39.8	41.9	39.9	39.8	39.0	39.7	40.4	41.2	42.0	42.8	43.8	44.7	45.8	47.0	202.3	426.4
Housing and Urban Development	42.8	37.1	36.3	24.3	33.1	33.9	34.4	35.0	35.8	36.5	37.2	37.9	38.7	39.6	172.1	362.0
Interior	12.1	11.7	11.3	11.5	11.7	12.1	12.4	12.6	12.9	13.2	13.5	13.8	14.2	14.5	61.8	131.0
Justice	27.6	26.9	26.9	26.8	16.4	28.8	29.3	29.9	30.6	31.3	32.0	32.7	33.5	34.4	135.0	298.8
Labor	13.5	12.5	13.2	12.5	12.1	12.3	11.6	11.9	12.1	12.3	12.6	12.8	13.1	13.4	60.0	124.3
State and Other International Programs	49.0	48.5	41.6	41.8	48.0	49.4	50.3	51.4	52.6	53.7	54.9	56.0	57.5	58.9	251.8	532.8
Transportation	20.2	15.4	16.4	16.5	16.3	17.2	17.5	17.9	18.3	18.7	19.1	19.5	20.0	20.5	87.2	185.1
Treasury	13.4	13.4	13.1	13.1	12.8	14.1	14.6	15.2	15.7	16.3	16.9	17.4	18.0	18.6	72.4	159.6
Veterans Affairs	53.1	56.4	58.7	61.0	63.5	64.9	66.1	67.5	69.0	70.5	72.1	73.6	75.5	77.4	330.9	700.0
Corps of Engineers	5.5	4.9	5.1	8.4	4.7	5.0	5.0	5.2	5.3	5.4	5.5	5.6	5.8	5.9	25.2	53.4
Environmental Protection Agency	10.3	8.7	8.5	8.3	8.2	8.2	8.2	8.2	7.7	7.9	8.0	8.2	8.4	8.5	40.4	81.4
General Services Administration	0.4	–1.0	–0.8	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.3	2.8
National Aeronautics & Space Administration	18.7	18.4	17.8	17.5	17.7	18.2	18.5	18.9	19.4	19.8	20.2	20.7	21.2	21.7	92.7	196.3
National Science Foundation	6.9	6.8	7.0	7.2	7.6	7.8	8.0	8.2	8.3	8.5	8.7	8.9	9.1	9.4	39.9	84.5
Small Business Administration	0.8	0.7	0.9	1.0	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	1.0	1.0	4.2	9.0
Social Security Administration (SSA)[4]	8.9	8.6	9.0	8.8	9.1	9.0	9.2	9.4	9.6	9.8	10.0	10.3	10.5	10.8	46.4	97.8
Corporation for National & Community Service	1.2	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	5.6	11.8
Other Agencies	19.5	18.8	18.8	18.8	19.4	19.5	19.9	20.3	20.8	21.2	21.7	22.1	22.7	23.2	99.9	210.9
Allowances[5]	.....	.....	.....	.....	.....	–15.4	–14.5	–18.9	–23.0	–27.3	–37.7	–34.0	–40.5	–46.7	–71.9	–258.1
Subtotal, Base Discretionary Funding	**1,090.0**	**1,060.6**	**1,058.8**	**1,051.5**	**1,056.4**	**1,083.9**	**1,104.9**	**1,120.9**	**1,137.9**	**1,155.8**	**1,173.8**	**1,191.8**	**1,209.7**	**1,228.7**	**5,504.0**	**11,463.9**
Discretionary Cap Adjustments and Other Funding (not included above):[6]																
Overseas Contingency Operations	**162.6**	**159.4**	**126.5**	**98.7**	**83.3**	**38.3**	**38.3**	**38.3**	**38.3**	**38.3**	**38.3**	**38.3**	.....	.....	**236.4**	**351.3**
Defense[7]	162.3	158.8	115.1	87.2	79.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	79.4	79.4
Homeland Security	0.2	0.3	0.3	0.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Table S–10. FUNDING LEVELS FOR APPROPRIATED ("DISCRETIONARY") PROGRAMS BY AGENCY—Continued

(Budget authority in billions of dollars)

	Actuals			Enacted	Request	Outyears									Totals	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
Justice	0.1	0.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Other International Programs	.....	0.3	11.2	11.2	3.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	3.8	3.8
Overseas Contingency Operations Outyears[8]	.....	.....	.....	.....	.....	38.3	38.3	38.3	38.3	38.3	38.3	38.3	.....	.....	153.2	268.1
Disaster Relief	.....	.....	**10.5**	**11.8**	**5.8**	.....	.....	.....	.....	.....	.....	.....	.....	.....	**5.8**	**5.8**
Homeland Security	.....	.....	6.4	11.8	5.6	.....	.....	.....	.....	.....	.....	.....	.....	.....	5.6	5.6
Transportation	.....	.....	1.7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Corps of Engineers	.....	.....	1.7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Small Business Administration	.....	.....	.....	.....	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.2	0.2
Other Agencies	.....	.....	0.7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Program Integrity	**0.5**	**0.5**	**0.5**	**0.5**	**0.4**	**0.8**	**1.1**	**1.4**	**1.7**	**1.7**	**1.7**	**1.8**	**1.8**	**1.9**	**5.3**	**14.1**
Treasury	.....	.....	.....	.....	0.4	0.7	1.0	1.3	1.7	1.6	1.7	1.7	1.8	1.8	5.2	13.8
HHS, Labor, and SSA	0.5	0.5	0.5	0.5	*	*	*	*	*	*	*	*	*	*	.....	.....
Other Emergency/Supplemental Funding[9]	**9.6**	**–1.3**	*	**40.7**	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Agriculture	0.6	.....	.....	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Commerce	–0.5	.....	.....	0.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Defense	–1.9	.....	.....	*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Energy	–1.5	.....	.....	–0.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Health and Human Services	0.2	–1.3	.....	0.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Homeland Security	5.5	.....	*	6.7	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Housing and Urban Development	0.1	.....	.....	16.0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interior	*	.....	.....	0.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Other International Programs	6.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Transportation	*	.....	.....	13.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Corps of Engineers	0.2	.....	.....	1.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Environmental Protection Agency	*	.....	.....	0.6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Small Business Administration	1.0	.....	.....	0.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Other Agencies	–0.1	.....	.....	0.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Discretionary Joint Committee Enforcement, excluded from all totals above:[10]																
2013 Joint Committee enforcement	.....	.....	.....	–63.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Effects of reversing 2013 Joint Committee enforcement	.....	.....	.....	63.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grand Total, Discretionary Funding	**1,262.7**	**1,219.2**	**1,196.2**	**1,203.2**	**1,145.9**	**1,123.0**	**1,144.3**	**1,160.6**	**1,177.9**	**1,195.8**	**1,213.8**	**1,231.8**	**1,211.6**	**1,230.6**	**5,751.6**	**11,835.1**

Table S–10. FUNDING LEVELS FOR APPROPRIATED ("DISCRETIONARY") PROGRAMS BY AGENCY—Continued

(Budget authority in billions of dollars)

	Actuals			Enacted	Request	Outyears									Totals	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2014-2018	2014-2023
Memorandum:																
2014 Base Defense Category																
Request by agency:																
Defense					*526.6*											
Energy (including NNSA)					*17.8*											
Justice (FBI)					*4.9*											
Homeland Security					*1.6*											
Other					*1.0*											
Total, Base Defense Category					***552.0***											

* $50 million or less.

[1] Amounts in 2010 through 2013 exclude changes in mandatory programs enacted in appropriations bills since those amounts have been rebased as mandatory, whereas amounts in 2014 are net of these proposals.

[2] The Budget Control Act of 2011 (BCA) amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) by establishing statutory discretionary caps for 2012 through 2021 with separate categories in 2012 and 2013 for Security and Nonsecurity. These categories were revised on January 15, 2012 to equal all accounts in budget function 050 for the "Defense" category with all other amounts in the "Non-Defense" category. The American Taxpayer Relief Act of 2012 reinstated the Security and Nonsecurity caps for 2013.

[3] The Department of Defense (DOD) levels in 2015–2023 include funding that will be allocated, in annual increments, to the National Nuclear Security Administration (NNSA). Current estimates by which DOD's budget authority will decrease and NNSA's will increase are, in millions of dollars: 2015: $1,196; 2016: $1,444; 2017: $1,602; 2018: $1,665; 2019: $1,702; 2014–2023: $14,816. DOD and NNSA are reviewing NNSA's outyear requirements and these will be included in future reports to the Congress.

[4] Funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for administrative expenses incurred by the Social Security Administration that support the Medicare program are included in the Health and Human Services total and not in the Social Security Administration total.

[5] The 2014 Budget includes allowances, similar to the Function 920 allowances used in Budget Resolutions, to represent amounts to be allocated among the respective agencies to reach the proposed defense and non-defense caps for 2015 and beyond. These levels are determined for illustrative purposes but do not reflect specific policy decisions.

[6] Where applicable, amounts in 2012 through 2023 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of the BBEDCA, as amended. Amounts in 2010 and 2011 are not so designated but are shown for comparability purposes.

[7] The Department of Defense's 2014 OCO funding level has been updated to reflect the amounts requested in the budget amendment that was transmitted to the Congress on May 17, 2013.

[8] The Budget includes placeholder amounts of $38.3 billion per year for Government-wide OCO funding from 2015 to 2021. These amounts reflect the Administration's proposal to cap total OCO budget authority from 2013 to 2021 at $450 billion but do not reflect any specific decisions or assumptions about OCO funding in any particular year.

[9] Amounts in 2010-2012 are not designated as Emergency funding pursuant to Section 251(b)(2)(A) of the BBEDCA, as amended, as they include congressionally-designated emergencies, rescissions of funding provided in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), and other supplemental funding.

[10] The amount reflects the net effect of discretionary sequestration for 2013 that took place on March 1, 2013 as a result of the Presidential Order that was issued in compliance with section 251A of the BBEDCA, including adjustments for savings achieved pursuant to section 253(f) of the BBEDCA and other adjustments for technical corrections and account restructuring. The Administration proposes to reverse the 2013 reductions and fully replace the Joint Committee enforcement procedures with balanced deficit reduction.

Table S–11. FEDERAL GOVERNMENT FINANCING AND DEBT

(Dollar amounts in billions)

	Actual 2012	Estimate										
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Financing:												
Unified budget deficit:												
Primary deficit (+)/surplus (–)	867	544	528	373	276	141	34	*	–29	–104	–133	–229
Net interest	220	215	223	253	302	374	462	545	613	670	726	778
Unified budget deficit	1,087	759	750	626	578	516	496	545	584	566	593	549
As a percent of GDP	7.0%	4.7%	4.5%	3.5%	3.1%	2.6%	2.4%	2.5%	2.6%	2.4%	2.4%	2.1%
Other transactions affecting borrowing from the public:												
Changes in financial assets and liabilities:[1]												
Change in Treasury operating cash balance	27	25	–20	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net disbursements of credit financing accounts:												
Direct loan accounts	87	136	133	155	147	136	126	120	120	120	119	120
Guaranteed loan accounts	12	15	17	12	12	11	13	13	9	5	*	–2
Troubled Asset Relief Program (TARP) equity purchase accounts	–61	–3	–6	–4	–1	–*	–*	–*	–*	–*	–*	–*
Net purchases of non-Federal securities by the National Railroad Retirement Investment Trust (NRRIT)	1	*	–1	–1	–1	–1	–1	–1	–1	–1	–1	–*
Net change in other financial assets and liabilities[2]	–1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, changes in financial assets and liabilities	66	173	123	162	158	146	138	132	128	124	119	118
Seigniorage on coins	.....	–*	–*	–*	–*	–*	–*	–*	–*	–*	–*	–*
Total, other transactions affecting borrowing from the public	66	172	123	162	158	146	138	132	128	124	119	118
Total, requirement to borrow from the public (equals change in debt held by the public)	1,153	932	874	787	736	661	634	677	712	690	712	666
Changes in Debt Subject to Statutory Limitation:												
Change in debt held by the public	1,153	932	874	787	736	661	634	677	712	690	712	666
Change in debt held by Government accounts	134	95	132	183	213	232	220	144	131	123	89	85
Change in other factors	–6	1	*	*	1	*	–*	–*	–1	–1	–1	*
Total, change in debt subject to statutory limitation	1,280	1,028	1,006	971	950	894	854	821	842	812	799	751
Debt Subject to Statutory Limitation, End of Year:												
Debt issued by Treasury	16,024	17,050	18,054	19,024	19,972	20,866	21,719	22,539	23,381	24,192	24,992	25,743
Adjustment for discount, premium, and coverage[3]	3	5	7	8	9	10	10	11	11	11	11	11
Total, debt subject to statutory limitation[4]	16,027	17,055	18,061	19,032	19,981	20,875	21,729	22,550	23,391	24,203	25,003	25,754

Table S–11. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued

(Dollar amounts in billions)

	Actual 2012	Estimate										
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Outstanding, End of Year:												
Gross Federal debt:[5]												
Debt issued by Treasury	16,024	17,050	18,054	19,024	19,972	20,866	21,719	22,539	23,381	24,192	24,992	25,743
Debt issued by other agencies	27	28	29	30	30	31	31	33	34	35	36	35
Total, gross Federal debt	16,051	17,077	18,083	19,054	20,003	20,896	21,750	22,571	23,415	24,227	25,027	25,779
Held by:												
Debt held by Government accounts	4,770	4,865	4,996	5,180	5,393	5,626	5,845	5,989	6,120	6,243	6,332	6,417
Debt held by the public[6]	11,281	12,213	13,087	13,874	14,610	15,271	15,905	16,582	17,294	17,984	18,696	19,362
As a percent of GDP	72.6%	75.9%	77.7%	78.2%	78.1%	77.3%	76.6%	76.5%	76.4%	76.2%	76.0%	75.4%
Debt Held by the Public Net of Financial Assets:												
Debt held by the public	11,281	12,213	13,087	13,874	14,610	15,271	15,905	16,582	17,294	17,984	18,696	19,362
Less financial assets net of liabilities:												
Treasury operating cash balance	85	110	90	90	90	90	90	90	90	90	90	90
Credit financing account balances:												
Direct loan accounts	805	940	1,074	1,228	1,376	1,511	1,638	1,758	1,878	1,998	2,117	2,237
Guaranteed loan accounts	–10	5	22	34	46	57	70	83	92	97	97	96
TARP equity purchase accounts	14	10	5	1	1	*	*	*	*	*	*	*
Government-sponsored enterprise preferred stock	109	109	109	109	109	109	109	109	109	109	109	109
Non-Federal securities held by NRRIT	23	23	22	21	20	19	18	17	16	15	14	14
Other assets net of liabilities	–27	–27	–27	–27	–27	–27	–27	–27	–27	–27	–27	–27
Total, financial assets net of liabilities	999	1,172	1,295	1,457	1,615	1,760	1,898	2,030	2,159	2,283	2,402	2,520
Debt held by the public net of financial assets	10,282	11,041	11,791	12,417	12,995	13,510	14,007	14,551	15,135	15,701	16,294	16,842
As a percent of GDP	66.1%	68.7%	70.0%	70.0%	69.4%	68.4%	67.5%	67.1%	66.9%	66.5%	66.2%	65.6%

* $500 million or less.

[1] A decrease in the Treasury operating cash balance (which is an asset) is a means of financing a deficit and therefore has a negative sign; that is, the reduction in cash balances reduces the amount that would otherwise be borrowed from the public. An increase in checks outstanding (which is a liability) is also a means of financing a deficit and therefore also has a negative sign.

[2] Includes checks outstanding, accrued interest payable on Treasury debt, uninvested deposit fund balances, allocations of special drawing rights, and other liability accounts; and, as an offset, cash and monetary assets (other than the Treasury operating cash balance), other asset accounts, and profit on sale of gold.

[3] Consists mainly of debt issued by the Federal Financing Bank (which is not subject to limit), debt held by the Federal Financing Bank, the unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds), and the unrealized discount on Government account series securities.

[4] Legislation enacted February 4, 2013, (P.L. 113-3) temporarily suspended the debt limit through May 18, 2013. In accordance with that legislation, the debt limit was set at $16,699 billion as of May 19, 2013.

[5] Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are otherwise measured at face value less unrealized discount (if any).

[6] At the end of 2012, the Federal Reserve Banks held $1,645.3 billion of Federal securities and the rest of the public held $9,635.8 billion. Debt held by the Federal Reserve Banks is not estimated for future years.

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