



NDN Analysis: The Fiscal Impact of the New Boehner Economic Plan

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House Minority Leader John Boehner spoke in Cleveland, Ohio yesterday, and outlined a five point plan economic plan.¹ This brief analysis examines the impact of his plan on the federal budget deficit and the national debt over the next ten years.

The Fiscal Impact of the Boehner Plan

1. Fully Extend the Bush Tax Cuts.

Increase deficits and debt by \$3.8 trillion over ten years.²

2. Have the president veto the Employee Free Choice Act, a carbon tax or cap and trade, and “any other tax increases on families and small businesses” if passed during a lame-duck session of Congress.

Unable to assess impact of hypotheticals, but the provision impairs ability to address deficits and debt, including the potential loss of \$624 billion in revenue over ten years from a carbon regime.³

3. Call on Congress to repeal the provision in healthcare reform mandating that small businesses file IRS 1099 forms on purchases of over \$600.

Increase the deficits and debt by \$17 billion over ten years per Congressional Budget Office estimate.⁴ The provision was included in the Patient Protection and Affordable Care Act to close the business tax gap.

4. Reduce non-defense discretionary spending to 2008 levels.

In 2008, non-defense discretionary spending was approximately \$494 billion.⁵ Under the President’s proposed 2011 budget, non-security discretionary spending is \$530 billion. In his State of the Union Address, the President announced a three year freeze on non-security discretionary spending, and

¹ <http://gopleader.gov/News/DocumentSingle.aspx?DocumentID=204035>

² <http://www.nytimes.com/2010/08/11/us/politics/11tax.html>

³ <http://www.gpoaccess.gov/usbudget/fy10/pdf/summary.pdf>

⁴ <http://thehill.com/blogs/healthwatch/health-reform-implementation/110897-johanns-touts-bill-repealing-expansion-of-1099-reporting->

⁵ <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/hist08z8.xls>

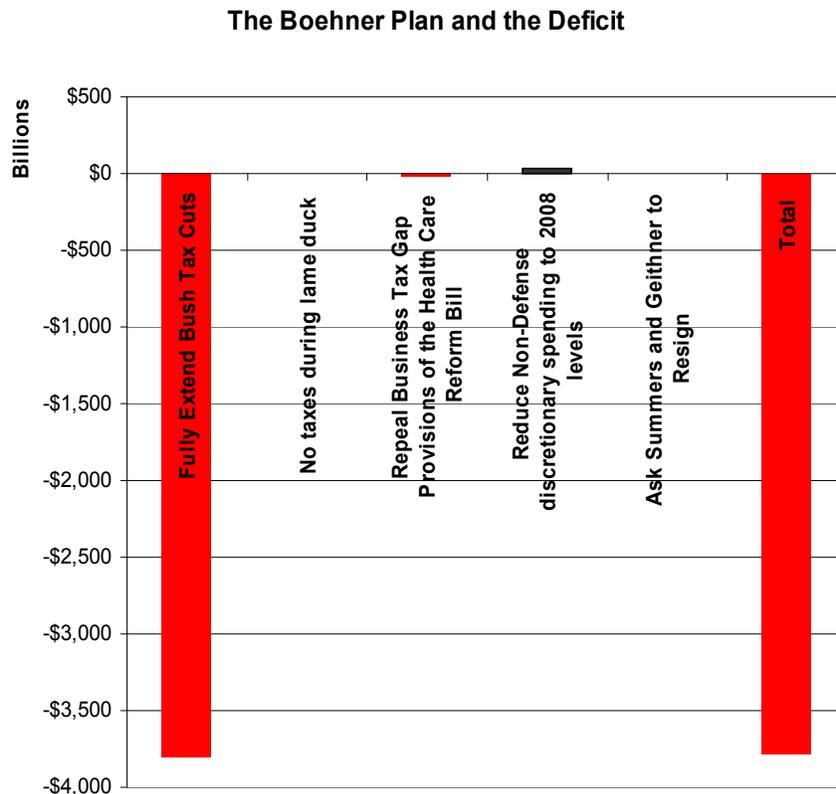
levels drop to \$490 billion in 2012 and \$480 billion in 2013.⁶ Boehner's remarks did not address a plan beyond that point. This proposal would therefore save \$36 billion next year and nothing thereafter.

5. Resignations of the President's economic team, starting with Secretary of the Treasury Geithner and National Economic Council Director Larry Summers.

The position of NEC Director is not Senate confirmed, so it is fair to estimate that it would take the Administration two weeks to fill that position. Estimating for the taxes paid on his \$172,000 annual salary⁷, two weeks without an NEC Director would save the Federal government between \$5000 and \$6000.

Treasury Secretary Timothy Geithner makes an annual salary of \$191,300.⁸ Because he is Senate confirmed, it is safe to estimate that it will take two months for his confirmation. Therefore, two months without a Treasury Secretary would likely save the Federal government between \$25,000 and 26,000. Therefore, these resignations amount to a fiscal impact of \$30,000 - \$32,000 of deficit reduction over the next two months.

Total Fiscal Impact of the Boehner Plan: Increase Deficits and Debt by roughly \$3.781 trillion over ten years.



⁶ <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/tables.pdf>

⁷ <http://www.newsweek.com/2010/07/14/the-highest-paid-white-house-staffers.html>

⁸ <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=azNJ3FDM3qwA&refer=bondheads>