



## **Resolution Budget and Tax Policy**

*Adopted September 6, 2006*

**Whereas** in January 2001 the Congressional Budget Office projected a budget surplus of \$5.6 trillion from 2002 to 2011; in 2006 the baseline for the same period is projected as a deficit of \$2.7 trillion; and

**Whereas** CBO projects that the national budget deficit for fiscal year 2006 will be \$260 billion; and

**Whereas** the Congressional Joint Committee on Taxation estimates that the tax cuts enacted since January 2001 are costing a total of \$258 billion in 2006; consequently, without the tax cuts, particularly in 2001 and 2003, the budget in 2006 would be nearly balanced; and

**Whereas** despite President Bush's claim that the tax cuts pay for themselves in economic growth, the U.S. Treasury Department's own estimates show that the economic impact of the tax cuts would offset less than 10 percent of the cost of making the tax cuts permanent; and

**Whereas** President Bush and Congressional leaders use the deficits resulting from the tax cuts as justification for cutting domestic programs; and

**Whereas** tax cuts that disproportionately help the wealthy will be financed by steep cuts in basic health, retirement, and other benefits for low- and moderate-income Americans; and

**Whereas** Congress has ignored prior budget rules by applying spending caps and pay-as-you-go procedures to discretionary and entitlement programs only while exempting tax cuts from the same restrictions; and

**Whereas** Congressional proposals would make far-reaching changes in the budget rules by setting deficit reduction targets that would be accomplished first by cuts to discretionary programs and then by triggering automatic across-the-board cuts in all entitlement programs except Social Security if the targets are not reached; and

**Whereas** economists agree that sustained budget deficits have adverse macroeconomic consequences; and

**Whereas** the impact of the long term tax cuts and budget deficits will diminish or destroy programs vital to most Americans such as: Medicare, Medicaid, Social Security, and

other domestic programs that benefit children, those with disabilities, and millions of average Americans; and

**Whereas** these programs are essential for quality of life and the economic and health security of America's seniors and the vast majority of low- and moderate-income Americans for generations to come.

**Therefore, be it resolved** that the Alliance for Retired Americans supports tax and budget policies to restore fiscal discipline and balance that:

- Reduce deficits in the long run;
- Generate jobs and growth in the near term and take effect immediately;
- Are fair and benefit most Americans, not just the wealthy;
- Maintain progressivity in the tax code; and
- Re-instate pay-as-you-go budget rules governing both spending and taxes.

**Be it further resolved** that the Alliance for Retired Americans opposes:

- Extending or making the 2001 and 2003 tax cuts permanent; and
- Any other tax cuts that are regressive, benefiting the wealthy at the expense of low- and moderate-income Americans.

**Be it finally resolved** that the Alliance for Retired Americans work to inform its members and the public at large of the enormous dangers inherent in current tax and budget policies and actively campaign to alter the present course of recurring fiscal imbalance.

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The Alliance for Retired Americans is a nationwide organization of three million union retirees and other older and retired Americans working together to make their voices heard in the laws, policies, politics and institutions that shape our lives.

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