

Table 1  
CBO Baseline Budget Surplus Projections, 2001-2010  
(\$ Billions)

<u>Baseline:</u>	<u>On-Budget</u>	<u>Off-Budget</u>	<u>Total</u>
Capped	3,387	2,388	5,774
Freeze	3,349	2,395	5,744
Inflated	2,173	2,388	4,561

Source: Congressional Budget Office. July 2000. *The Budget and Economic Outlook: An Update*. Table S-1.

Table 2  
CBO Baseline Budget Projection:  
Discretionary Spending in Nominal Dollars and as a Percent of GDP

<u>Baseline</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total 2001-2010
<b>Capped</b>												
Discretionary Spending	608	579	571	587	602	617	633	648	665	681	698	6,281
Percent of GDP	6.2	5.6	5.3	5.2	5.1	5.0	4.9	4.8	4.7	4.6	4.5	4.9
<b>Freeze</b>												
Discretionary Spending	608	625	627	628	623	625	622	620	621	621	621	6,233
Percent of GDP	6.2	6.1	5.8	5.5	5.3	5.1	4.8	4.6	4.4	4.2	4.0	4.9
<b>Inflated</b>												
Discretionary Spending	608	638	656	676	693	713	728	744	765	785	804	7,202
Percent of GDP	6.2	6.2	6.1	6.0	5.9	5.8	5.6	5.5	5.4	5.3	5.2	5.6

Source: Congressional Budget Office. July 2000. *The Budget and Economic Outlook: An Update*. Tables 1-8, 2-3.  
Nominal spending is given in billions of dollars per fiscal year.

Table 3

On-Budget Surpluses, 2001-2010,  
Under Alternative Views of Current Policy  
(\$ Billions)

	No	Yes	No	Yes
Include Tax Adjustments	No	Yes	No	Yes
Remove Retirement Trust Funds From On-Budget Totals	No	No	Yes	Yes
<u>Discretionary Spending Path</u>	<hr/>			
Capped Baseline	3,387	3,233	2,585	2,431
Freeze Baseline	3,349	3,195	2,547	2,393
Inflated Baseline	2,173	2,019	1,371	1,217
Constant DS/GDP	1,309	1,155	507	353

Source: Authors' calculations.

Table 4

## Budget Effects of Tax Cuts

<u>Budget Effect</u>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total 2001-2010
JCT Estimated Revenue Loss	0	21.1	57.4	88.9	125.5	167.1	193.2	210	224.5	232.9	1,320.6
Added Interest Costs	0.0	0.6	2.7	6.5	12.1	19.8	29.2	39.8	51.2	63.2	225.0
Total Costs	0.0	21.7	60.1	95.4	137.6	186.9	222.4	249.8	275.7	296.1	1,545.6

Source: Joint Committee on Taxation and authors' calculations.

Table 5

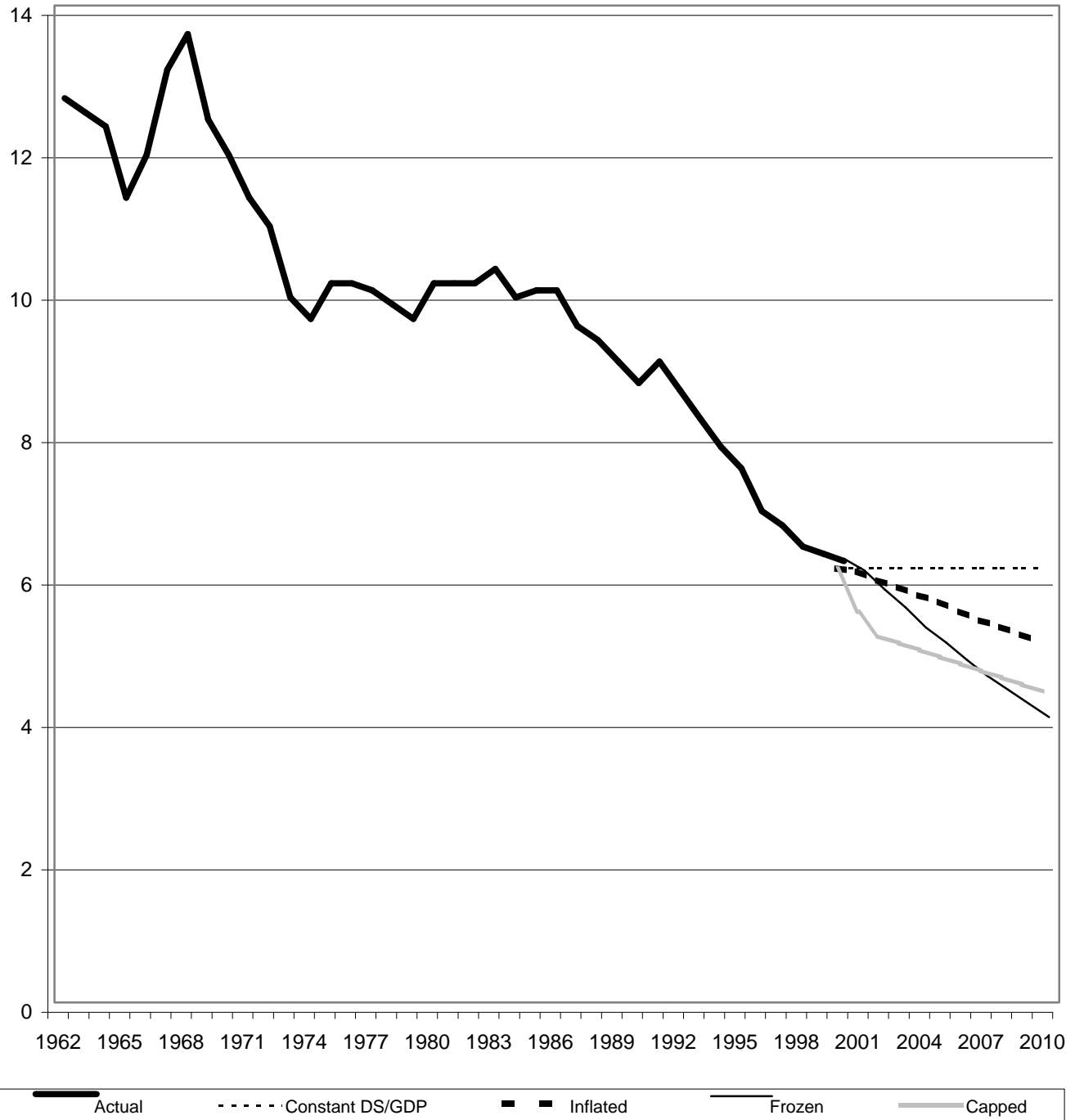
## Estimates of Long-Term Fiscal Imbalances as a Percent of GDP

<u>Spending and Tax Assumptions</u>	<u>Through 2070</u>	<u>Permanent</u>
CBO Capped Baseline (through 2002)	-1.41	-0.44
CBO Inflated Baseline	-0.67	0.31
Constant DS/GDP	0.28	1.36
Capped Baseline + Tax Cut	0.06	1.09
Inflated Baseline + Tax Cut	0.81	1.84
Constant DS/GDP + Tax Cut	1.75	2.89

Source: Authors' calculations.

**Figure 1**

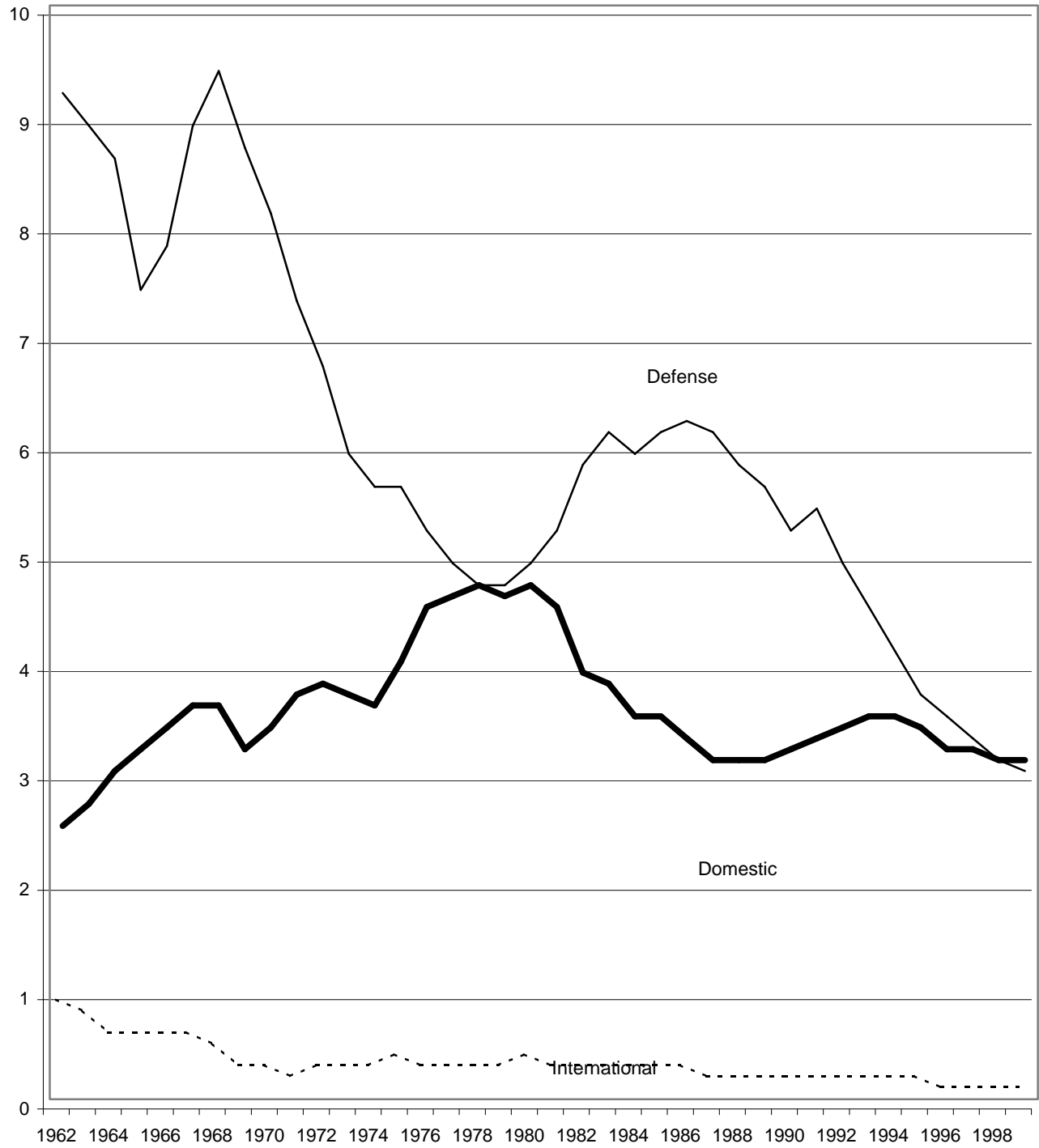
**Discretionary Spending as a Percentage of GDP, 1962-2010**



Source: Congressional Budget Office. 2000. *An Analysis of the President's Budgetary Proposals for Fiscal Year 2001.*; Congressional Budget Office. 2000. *The Budget and Economic Outlook, Fiscal Years 2001-2010*; and authors' calculations.

Figure 2

Components of Discretionary Spending as a Percent of GDP, 1962-1999



Source: Congressional Budget Office. 2000. *The Budget and Economic Outlook: Fiscal Years 2001-2010*, Tables E-10 and E-11.