



RSC FY 2022 Budget: Reclaiming our Fiscal Future

The RSC's Budget & Spending Task Force will again produce the only long-term federal budget proposed in Congress. – Task Force Chairman, Rep. Kevin Hern (R-OK)

Fiscal State of the Union: We've faced a year of unprecedented federal spending – since last March, we've spent over \$7.6 trillion dollars—almost \$62,000 per American household. Our national debt exceeds \$28.1 trillion and continues to climb rapidly under the Biden administration. Interest costs on the debt will nearly triple in ten years, making it the 3rd largest federal expenditure behind only Medicare and Social Security.

Path to Balance: RSC's budget Balances in FY 2026 (5 years). This is possible for three reasons:

- First, the RSC Budget would reduce spending by \$14.4 trillion over 10 years, putting over \$115,000 per household back into the hands of hard-working Americans. Cuts mandatory spending by over \$10 trillion and non-defense discretionary outlays by over \$3.4 trillion
- Second, the RSC Budget would build off of the pro-growth tax and regulatory policies advanced during the Trump administration, which are still producing increased revenues.
- Third, the RSC Budget takes advantage of the fact that current and projected interest rates are lower now than pre-pandemic.

While the present fiscal landscape is bleak, the RSC recognizes we must seize this moment to place our spending and debt trajectory on a sustainable path. Americans thrive when the federal government cuts both taxes and spending, and a path to balance is still possible.

Liberty through Deregulation: The RSC Budget would reinstate President Trump's successful deregulatory agenda and opposes President Biden's efforts to undo it. It includes over 30 specific deregulatory legislative proposals, underscoring the successful deregulation that the Trump administration championed during the COVID-19 pandemic.

Opportunity through Tax Reform: The RSC Budget would advance pro-growth tax reforms that would result in more jobs, greater national prosperity, and stronger savings. Specifically, it would:

- Cut taxes by over \$1.9 trillion, returning almost \$16,000 per American household.
- Make individual provisions of the TCJA permanent.
- Ensure full and immediate expensing for equipment, R+D, and educational services for workers.
- Implement accelerated 20-year depreciation for all structures and a neutral cost recovery system.
- Shield the middle class from capital gains taxes by indexing to inflation and adjusting the end of the 0% bracket to \$75k for single filers and \$150k for married filers.
- Eliminate death taxes and repeal market distorting tax carve outs

Opportunity through Empowerment and Self-sufficiency: The RSC Budget recognizes that as our nation emerges from the pandemic, resisting efforts to expand programs that increase dependency is paramount. To facilitate work and self-sufficiency, it would:

- Adopt many of the reforms advanced by the RSC's American Worker Task Force and the RSC's Conservative Framework for Recovery, Accountability, and Prosperity, which both offered a path for leading American through the COVID-19 pandemic and reopening our

economy.

- Eliminate welfare cliffs, marriage penalties, and other barriers so families can thrive.
- Instill and enhance work requirements to target welfare and promote long-term self-sufficiency.
- Reforms federal housing programs to be market oriented and to facilitate work engagement by helping people to move to where they have a job offer.
- Rein in the recent massive expansion of UI benefits
- Reforming our welfare system by consolidating SNAP into TANF to promote stable families, facilitate long-term self-sufficiency, and to break the cycle of dependency.

Providing for the Common Defense: The RSC Budget continues President Trump's efforts to rebuild and recast our military's resources to match today's defense and national security needs. It would:

- Institute many of the reforms advanced by the RSC's National Security and Foreign Affairs Task Force.
- Recognize that our nation's defense budget must reflect the challenges posed by renewed great power competition, particularly the malign threats of Communist China.
- Immediately increase the national security budget by instituting a 3% real growth boost.

Safeguard Conservative Values: The RSC Budget expresses the consensus conservative position that the Biden administration poses the greatest threat to conservative values in American history. To counter his ongoing onslaught, the RSC Budget would:

- Offer the most pro-life congressional budget ever proposed.
- Commit to protecting Americans' 2nd amendment right to bear arms.
- Defend religious freedom and oppose federal efforts to redefine gender.
- Commit to immigration policies that secure our borders, respect the rule of law, and put American citizens first.

Personalized and Affordable Health Care: The RSC Budget promotes reforms that are designed to protect those with from chronic illnesses, facilitate market innovative and cost reductions, and to stop Washington from coming between patients and their preferred doctors. It would accomplish this and other important health care reforms by:

- Instituting many of the reforms advanced by the RSC's Health Care Task Force.
- Increasing options by reducing Washington mandates on private health insurance.
- Creating parity between the tax treatment of individual and employer-provided health insurance.
- Providing for a flexible state-administered block grants to care for our nation's truly sick and needy.

Saving Medicare: The RSC Budget would preserve Medicare's commitment to seniors by making it financially sustainable while increasing benefits for the seniors that need the program the most. It would:

- Make Medicare more market oriented and efficient by combining traditional Medicare parts into a single federal option that would allow private plans to compete on an even playing field.
- This would lead to market oriented innovation, reducing costs, and providing seniors with expanded plans tailored to their needs.
- Restructure Medicare's subsidies to help the seniors that most need them while ensuring access to Medicare plans.

Social Security Solvency: The RSC Budget puts Social Security on a permanent path to solvency without adjusting benefits for any Americans in or near retirement. It would:

- Increase the minimum benefit up to 40% of average wages for those that worked 40 years or more.
- Reform the full retirement age to track life expectancy.
- Reduce initial benefits and auxiliary benefits for high-income earners.

Fixing the Broken Budget Process: The RSC Budget would reclaim Article I authority, reasserting Congress' role in protecting the hard work of Americans by opposing earmarks, strengthening budget enforcement mechanisms, and increasing transparency in the federal budgeting process.