



Summary Table of Options for Reducing the Deficit: 2014 to 2023

Option Number	Title	Savings, 2014-2023 ^a (Billions of dollars)
Mandatory Spending (Other than that for health-related programs)		
Option 1	Change the Terms and Conditions for Federal Oil and Gas Leasing	6
Option 2	Limit Enrollment in Department of Agriculture Conservation Programs	13
Option 3	Reduce Subsidies in the Crop Insurance Program	27
Option 4	Eliminate Direct Payments to Agricultural Producers	25
Option 5	Reduce Subsidies to Fannie Mae and Freddie Mac	19
Option 6	Reduce or Eliminate Subsidized Loans for Undergraduate Students	18 to 41
Option 7	Eliminate the Add-On to Pell Grants That Is Funded With Mandatory Spending	76
Option 8	Increase Federal Insurance Premiums for Private Pension Plans	5
Option 9	Eliminate Concurrent Receipt of Retirement Pay and Disability Compensation for Disabled Veterans	108
Option 10	Reduce the Amounts of Federal Pensions	6
Option 11	Tighten Eligibility and Determinations of Income for the Supplemental Nutrition Assistance Program	50
Option 12	Eliminate Subsidies for Certain Meals in the National School Lunch and School Breakfast Programs	10
Option 13	Convert Multiple Assistance Programs for Lower-Income People Into Smaller Block Grants to States	404 ^b
Option 14	Eliminate Supplemental Security Income Benefits for Children	103 ^b
Option 15	Link Initial Social Security Benefits to Average Prices Instead of Average Earnings	58 to 93
Option 16	Raise the Full Retirement Age for Social Security	58
Option 17	Lengthen by Three Years the Computation Period for Social Security Benefits	43
Option 18	Reduce Social Security Benefits for New Beneficiaries by 15 Percent	188
Option 19	Eliminate Eligibility for Starting Social Security Benefits at Age 62 or Later	11
Option 20	Require Social Security Disability Insurance Applicants to Have Worked More in Recent Years	35
Option 21	Narrow Eligibility for Veterans' Disability Compensation by Excluding Certain Disabilities Unrelated to Military Duties	20
Option 22	Restrict VA's Individual Unemployability Benefits to Disabled Veterans Who Are Younger Than the Full Retirement Age for Social Security	15
Option 23	Use an Alternative Measure of Inflation to Index Social Security and Other Mandatory Programs	162
Discretionary Spending (Other than that for health-related programs)		
Option 1	Reduce the Size of the Military to Satisfy Caps Under the Budget Control Act	495
Option 2	Cap Increases in Basic Pay for Military Service Members	25
Option 3	Replace Some Military Personnel With Civilian Employees	19
Option 4	Replace the Joint Strike Fighter Program With F-16s and F/A-18s	37
Option 5	Cancel the Army's Ground Combat Vehicle Program	11
Option 6	Stop Building Ford Class Aircraft Carriers	10
Option 7	Reduce the Number of Ballistic Missile Submarines	11
Option 8	Cancel the Littoral Combat Ship Program	12

Continued

Option Number	Title	Savings, 2014–2023 ^a (Billions of dollars)
Discretionary Spending (Other than that for health-related programs) (Continued)		
Option 9	Defer Development of a New Long-Range Bomber	24
Option 10	Reduce Funding for International Affairs Programs	114
Option 11	Eliminate Human Space Exploration Programs	73
Option 12	Reduce Department of Energy Funding for Energy Technology Development	9
Option 13	Eliminate Certain Forest Service Programs	5
Option 14	Eliminate the International Trade Administration's Trade Promotion Activities	3
Option 15	Limit Highway Funding to Expected Highway Revenues	65
Option 16	Eliminate Grants to Large and Medium-Sized Airports	8
Option 17	Increase Fees for Aviation Security	11
Option 18	Eliminate Subsidies for Amtrak	15
Option 19	Eliminate Capital Investment Grants for Transit Systems	14
Option 20	Restrict Pell Grants to the Neediest Students	1 to 68 ^b
Option 21	Eliminate Federal Funding for National Community Service and Senior Community Service Employment Programs	11
Option 22	Reduce Federal Funding for the Arts and Humanities	5
Option 23	Increase Payments by Tenants in Federally Assisted Housing	22
Option 24	Reduce the Annual Across-the-Board Adjustment for Federal Civilian Employees' Pay	53
Option 25	Reduce the Size of the Federal Workforce Through Attrition	43
Option 26	Impose Fees to Cover the Cost of Government Regulations and Charge for Services Provided to the Private Sector	21
Option 27	Repeal the Davis-Bacon Act	13
Option 28	Eliminate or Reduce Funding for Certain Grants to State and Local Governments	55
Revenues (Other than those related to health)		
Option 1	Increase Individual Income Tax Rates	98 to 694
Option 2	Implement a New Minimum Tax on Adjusted Gross Income	76
Option 3	Raise the Tax Rates on Long-Term Capital Gains and Dividends by 2 Percentage Points	53
Option 4	Use an Alternative Measure of Inflation to Index Some Parameters of the Tax Code	140
Option 5	Convert the Mortgage Interest Deduction to a 15 Percent Tax Credit	52
Option 6	Eliminate the Deduction for State and Local Taxes	954
Option 7	Curtail the Deduction for Charitable Giving	212
Option 8	Limit the Value of Itemized Deductions	71 to 146
Option 9	Include Employer-Paid Premiums for Income Replacement Insurance in Employees' Taxable Income	326
Option 10	Include Investment Income From Life Insurance and Annuities in Taxable Income	210
Option 11	Tax Carried Interest as Ordinary Income	17
Option 12	Include All Income That U.S. Citizens Earn Abroad in Taxable Income	89
Option 13	Tax Social Security and Railroad Retirement Benefits in the Same Way That Distributions From Defined Benefit Pensions Are Taxed	388
Option 14	Further Limit Annual Contributions to Retirement Plans	89
Option 15	Eliminate the Tax Exemption for New Qualified Private Activity Bonds	31
Option 16	Eliminate Certain Tax Preferences for Education Expenses	155
Option 17	Lower the Investment Income Limit for the Earned Income Tax Credit and Extend That Limit to the Refundable Portion of the Child Tax Credit	11
Option 18	Increase the Maximum Taxable Earnings for the Social Security Payroll Tax	460
Option 19	Expand Social Security Coverage to Include Newly Hired State and Local Government Employees	81
Option 20	Increase the Payroll Tax Rate for Medicare Hospital Insurance by 1 Percentage Point	859
Option 21	Tax All Pass-Through Business Owners Under SECA and Impose a Material Participation Standard	129

Continued

Option Number	Title	Savings, 2014–2023 ^a (Billions of dollars)
Revenues (Other than those related to health) (Continued)		
Option 22	Increase Taxes That Finance the Federal Share of the Unemployment Insurance System	14 to 15
Option 23	Increase Corporate Income Tax Rates by 1 Percentage Point	113
Option 24	Repeal the “LIFO” and “Lower of Cost or Market” Inventory Accounting Methods	112
Option 25	Repeal Certain Tax Preferences for Extractive Industries	34
Option 26	Extend the Period for Depreciating the Cost of Certain Investments	272
Option 27	Repeal the Deduction for Domestic Production Activities	192
Option 28	Repeal the Low-Income Housing Tax Credit	41
Option 29	Modify the Rules for the Sourcing of Income From Exports	6
Option 30	Determine Foreign Tax Credits on a Pooling Basis	44
Option 31	Increase Excise Taxes on Motor Fuels by 35 Cents and Index for Inflation	452
Option 32	Increase All Taxes on Alcoholic Beverages to \$16 per Proof Gallon	64
Option 33	Impose a Tax on Financial Transactions	180
Option 34	Impose a Fee on Large Financial Institutions	64
Option 35	Impose a Tax on Emissions of Greenhouse Gases	1,060
Option 36	Increase Federal Civilian Employees’ Contributions to Their Pensions	19
Health		
Option 1	Impose Caps on Federal Spending for Medicaid	105 to 606
Option 2	Add a “Public Plan” to the Health Insurance Exchanges	158
Option 3	Eliminate Exchange Subsidies for People With Income Over 300 Percent of the Federal Poverty Guidelines	109
Option 4	Limit Medical Malpractice Torts	64 ^b
Option 5	Introduce Minimum Out-of-Pocket Requirements Under TRICARE for Life	31
Option 6	Convert Medicare to a Premium Support System	22 to 275
Option 7	Change the Cost-Sharing Rules for Medicare and Restrict Medigap Insurance	114
Option 8	Raise the Age of Eligibility for Medicare to 67	19
Option 9	Increase Premiums for Parts B and D of Medicare	287
Option 10	Bundle Medicare’s Payments to Health Care Providers	17 to 47
Option 11	Require Manufacturers to Pay a Minimum Rebate on Drugs Covered Under Part D of Medicare for Low-Income Beneficiaries	123
Option 12	Modify TRICARE Enrollment Fees and Cost Sharing for Working-Age Military Retirees	20 to 71 ^b
Option 13	Reduce or Constrain Funding for the National Institutes of Health	13 to 28
Option 14	End Enrollment in VA Medical Care for Veterans in Priority Groups 7 and 8	48 ^b
Option 15	Reduce Tax Preferences for Employment-Based Health Insurance	240 to 537
Option 16	Increase the Excise Tax on Cigarettes by 50 Cents per Pack	37

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

- a. For options primarily affecting mandatory spending or revenues, savings sometimes would derive from changes in both. When that is the case, the savings shown include effects on both mandatory spending and revenues. For options primarily affecting discretionary spending, the savings shown are the decrease in discretionary outlays. That same approach applies for the savings shown for health options; most are mandatory spending options or revenue options, although 12, 13 and 14 are discretionary spending options.

For most discretionary spending options, the decrease in outlays is presented relative to CBO’s baseline projections for individual components of discretionary spending, which incorporate the assumption that current appropriations continue in later years with adjustments for projected inflation. In total, the funding projected in the inflation-adjusted amounts is greater than the caps on discretionary funding. Some of the discretionary options related to defense (1 and 4 through 9) are measured relative to the Department of Defense’s (DoD’s) estimates of the costs for its plans rather than CBO’s baseline projections. The costs of DoD’s plans are greater than the caps on defense funding. To reduce deficits through changes in discretionary spending, lawmakers would need to reduce the statutory funding caps below the levels already established under current law or enact appropriations below those caps; the options shown could be used to accomplish either of those objectives.

- b. Savings do not encompass all budgetary effects.

[This summary of budget options uses data from Congressional Budget Office, *Options for Reducing the Deficit: 2014 to 2023* (November 2013), www.cbo.gov/publication/44715. On December 5, 2013, CBO revised this table to present savings as defined above, whereas previously the savings shown were those in the primary budget category only.]