

Table 1-1.**Projected Deficits and Surpluses in CBO's Baseline**

(Billions of dollars)

	Actual,												Total	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2016	2012-2021
Total Revenues	2,162	2,228	2,555	3,090	3,442	3,651	3,832	4,075	4,275	4,489	4,712	4,963	16,570	39,084
Total Outlays	3,456	3,708	3,655	3,794	3,975	4,202	4,491	4,691	4,885	5,185	5,451	5,726	20,117	46,055
Total Deficit	-1,294	-1,480	-1,100	-704	-533	-551	-659	-617	-610	-696	-739	-763	-3,547	-6,971
Net Interest	197	225	264	325	394	459	527	592	646	697	751	792	1,969	5,447
Primary Deficit (-) or Surplus (Excluding net interest)	-1,097	-1,255	-836	-379	-139	-92	-132	-25	36	1	12	29	-1,577	-1,524
Memorandum (As a Percentage of GDP):														
Total Deficit	-8.9	-9.8	-7.0	-4.3	-3.1	-3.0	-3.4	-3.1	-2.9	-3.2	-3.2	-3.2	-4.1	-3.6
Primary Deficit (-) or Surplus	-7.6	-8.3	-5.3	-2.3	-0.8	-0.5	-0.7	-0.1	0.2	*	0.1	0.1	-1.8	-0.8
Debt Held by the Public at the End of the Year	62.1	69.4	73.9	75.5	75.3	74.9	75.0	75.2	75.3	75.8	76.2	76.7	n.a.	n.a.

Source: Congressional Budget Office.

Note: GDP = gross domestic product; * = between zero and 0.05 percent of GDP; n.a. = not applicable.

Table 1-4.**CBO's Baseline Budget Projections**

	Actual, 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total		
												2012- 2016	2012- 2021	
In Billions of Dollars														
Revenues														
Individual income taxes	899	998	1,128	1,516	1,671	1,829	1,967	2,105	2,231	2,365	2,509	2,662	8,110	19,983
Corporate income taxes	191	201	279	343	428	398	370	413	417	420	420	437	1,817	3,923
Social insurance taxes	865	819	943	1,029	1,092	1,148	1,204	1,256	1,309	1,364	1,424	1,484	5,416	12,253
Other revenues	207	211	205	203	251	276	292	301	318	340	359	380	1,227	2,925
Total Revenues	2,162	2,228	2,555	3,090	3,442	3,651	3,832	4,075	4,275	4,489	4,712	4,963	16,570	39,084
On-budget	1,530	1,662	1,887	2,358	2,673	2,840	2,977	3,178	3,336	3,508	3,687	3,893	12,735	30,338
Off-budget	632	566	668	732	769	811	855	897	938	981	1,025	1,069	3,835	8,745
Outlays														
Mandatory spending	1,910	2,108	2,038	2,106	2,203	2,346	2,538	2,647	2,757	2,964	3,138	3,333	11,230	26,070
Discretionary spending	1,349	1,375	1,352	1,364	1,378	1,397	1,426	1,453	1,482	1,524	1,562	1,600	6,917	14,538
Net interest	197	225	264	325	394	459	527	592	646	697	751	792	1,969	5,447
Total Outlays	3,456	3,708	3,655	3,794	3,975	4,202	4,491	4,691	4,885	5,185	5,451	5,726	20,117	46,055
On-budget	2,901	3,210	3,073	3,150	3,294	3,481	3,730	3,884	4,029	4,276	4,485	4,702	16,727	38,103
Off-budget	555	498	581	644	682	721	761	807	856	909	966	1,024	3,390	7,952
Deficit (-) or Surplus	-1,294	-1,480	-1,100	-704	-533	-551	-659	-617	-610	-696	-739	-763	-3,547	-6,971
On-budget	-1,371	-1,548	-1,186	-792	-621	-641	-752	-706	-693	-768	-798	-808	-3,992	-7,765
Off-budget	77	68	86	88	87	90	94	90	82	73	59	45	445	794
Debt Held by the Public	9,018	10,430	11,598	12,386	12,996	13,625	14,358	15,064	15,767	16,557	17,392	18,253	n.a.	n.a.
Memorandum:														
Gross Domestic Product	14,513	15,034	15,693	16,400	17,258	18,195	19,141	20,033	20,935	21,856	22,817	23,810	86,686	196,138
As a Percentage of Gross Domestic Product														
Revenues														
Individual income taxes	6.2	6.6	7.2	9.2	9.7	10.1	10.3	10.5	10.7	10.8	11.0	11.2	9.4	10.2
Corporate income taxes	1.3	1.3	1.8	2.1	2.5	2.2	1.9	2.1	2.0	1.9	1.8	1.8	2.1	2.0
Social insurance taxes	6.0	5.4	6.0	6.3	6.3	6.3	6.3	6.3	6.3	6.2	6.2	6.2	6.2	6.2
Other revenues	1.4	1.4	1.3	1.2	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.4	1.5
Total Revenues	14.9	14.8	16.3	18.8	19.9	20.1	20.0	20.3	20.4	20.5	20.7	20.8	19.1	19.9
On-budget	10.5	11.1	12.0	14.4	15.5	15.6	15.6	15.9	15.9	16.0	16.2	16.4	14.7	15.5
Off-budget	4.4	3.8	4.3	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.5
Outlays														
Mandatory spending	13.2	14.0	13.0	12.8	12.8	12.9	13.3	13.2	13.2	13.6	13.8	14.0	13.0	13.3
Discretionary spending	9.3	9.1	8.6	8.3	8.0	7.7	7.4	7.3	7.1	7.0	6.8	6.7	8.0	7.4
Net interest	1.4	1.5	1.7	2.0	2.3	2.5	2.8	3.0	3.1	3.2	3.3	3.3	2.3	2.8
Total Outlays	23.8	24.7	23.3	23.1	23.0	23.1	23.5	23.4	23.3	23.7	23.9	24.0	23.2	23.5
On-budget	20.0	21.4	19.6	19.2	19.1	19.1	19.5	19.4	19.2	19.6	19.7	19.7	19.3	19.4
Off-budget	3.8	3.3	3.7	3.9	4.0	4.0	4.0	4.0	4.1	4.2	4.2	4.3	3.9	4.1
Deficit (-) or Surplus	-8.9	-9.8	-7.0	-4.3	-3.1	-3.0	-3.4	-3.1	-2.9	-3.2	-3.2	-3.2	-4.1	-3.6
On-budget	-9.4	-10.3	-7.6	-4.8	-3.6	-3.5	-3.9	-3.5	-3.3	-3.5	-3.5	-3.4	-4.6	-4.0
Off-budget	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.2	0.5	0.4
Debt Held by the Public	62.1	69.4	73.9	75.5	75.3	74.9	75.0	75.2	75.3	75.8	76.2	76.7	n.a.	n.a.

Source: Congressional Budget Office.

Note: n.a. = not applicable.

Table 1-6.**CBO's Baseline Projections of Federal Debt**

(Billions of dollars)

	Actual, 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Held by the Public at the Beginning of the Year	7,545	9,018	10,430	11,598	12,386	12,996	13,625	14,358	15,064	15,767	16,557	17,392
Changes to Debt Held by the Public												
Deficit	1,294	1,480	1,100	704	533	551	659	617	610	696	739	763
Other means of financing	179	-68	68	84	77	78	74	90	93	94	97	98
Total	1,473	1,412	1,168	788	610	629	733	706	703	790	835	862
Debt Held by the Public at the End of the Year	9,018	10,430	11,598	12,386	12,996	13,625	14,358	15,064	15,767	16,557	17,392	18,253
Memorandum:												
Debt Held by the Public at the End of the Year as a Percentage of GDP	62.1	69.4	73.9	75.5	75.3	74.9	75.0	75.2	75.3	75.8	76.2	76.7
Debt Held by the Public Excluding Financial Assets ^a												
In billions of dollars	8,003	9,531	10,619	11,303	11,819	12,360	13,017	13,639	14,243	14,924	15,649	16,397
As a percentage of GDP	55.1	63.4	67.7	68.9	68.5	67.9	68.0	68.1	68.0	68.3	68.6	68.9

Source: Congressional Budget Office.

Note: GDP = gross domestic product.

- a. Subtracts from debt held by the public the value of financial assets (such as preferred stock) purchased from institutions participating in the Troubled Asset Relief Program, holdings of preferred stock in Fannie Mae and Freddie Mac, the Treasury's purchases of mortgage-backed securities, cash balances, and other financial instruments.

Table 1-7.**Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline**

(Billions of dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	
												2012-	2012-
												2016	2021
Policy Alternatives That Affect Discretionary Outlays													
Reduce the Number of Troops Deployed for Certain Types of Overseas Military Operations to 45,000 by 2015 ^a													
Effect on the deficit ^b	0	21	54	87	113	129	137	142	147	150	153	404	1,134
Debt service	0	*	2	4	9	15	23	32	41	50	61	31	237
Increase Discretionary Appropriations at the Rate of Growth of Nominal GDP ^c													
Effect on the deficit ^b	0	-19	-45	-80	-121	-164	-202	-238	-274	-311	-351	-429	-1,804
Debt service	0	*	-1	-4	-8	-16	-26	-39	-54	-71	-91	-30	-311
Freeze Discretionary Appropriations at the Level Provided for 2011													
Effect on the deficit ^b	0	13	32	57	84	113	146	181	219	256	294	299	1,395
Debt service	0	*	1	3	6	11	18	28	39	53	70	21	229
Policy Alternative That Affects Mandatory Outlays													
Maintain Medicare's Payment Rates for Physicians at the 2011 Level													
Effect on the deficit ^b	0	-12	-19	-19	-21	-24	-25	-28	-31	-34	-36	-95	-249
Debt service	0	*	-1	-1	-2	-4	-5	-7	-9	-11	-13	-8	-53
Policy Alternatives That Affect the Tax Code^d													
Extend Certain Income Tax and Estate and Gift Tax Provisions Scheduled to Expire on December 31, 2012 ^e													
Effect on the deficit ^b	0	-2	-118	-245	-276	-287	-297	-306	-314	-323	-333	-929	-2,502
Debt service	0	*	-2	-9	-21	-36	-53	-71	-91	-112	-134	-68	-530
Index the AMT for Inflation ^f													
Effect on the deficit ^b	0	-9	-94	-46	-51	-56	-63	-70	-80	-90	-102	-257	-661
Debt service	0	*	-2	-4	-7	-10	-14	-18	-23	-29	-35	-24	-143
Extend Certain Income Tax and Estate and Gift Tax Provisions Scheduled to Expire on December 31, 2012, and Index the AMT for Inflation ^g													
Effect on the deficit ^b	0	-12	-223	-344	-386	-410	-435	-460	-487	-515	-546	-1,376	-3,820
Debt service	0	*	-5	-15	-32	-53	-78	-106	-135	-168	-203	-105	-795
Extend Other Expiring Tax Provisions ^h													
Effect on the deficit ^b	*	-12	-77	-113	-100	-87	-80	-75	-72	-71	-73	-389	-759
Debt service	*	*	-2	-5	-10	-16	-21	-26	-31	-37	-42	-33	-191

Continued

Table 1-7.

Continued

Budgetary Effects of Selected Policy Alternatives Not Included in CBO's Baseline

(Billions of dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total		
												2012-	2012-	
												2016	2021	
Memorandum:														
Total Outlays for Operations in Afghanistan, Iraq, and Other Overseas														
Contingency Operations in CBO's Baseline	170	170	168	167	167	170	173	176	180	184	188	842	1,743	
Total Deficit in CBO's Baseline	-1,480	-1,100	-704	-533	-551	-659	-617	-610	-696	-739	-763	-3,547	-6,971	

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

Notes: Negative numbers indicate an increase in the deficit; positive numbers indicate a decrease in the deficit.

GDP = gross domestic product; AMT = alternative minimum tax; * = between -\$500 million and \$500 million.

- a. This alternative does not extrapolate the \$159 billion in budget authority for military operations and associated costs in Afghanistan and Iraq provided for 2011. However, it incorporates the assumption that future funding for operations in Afghanistan, Iraq, or elsewhere would total \$118 billion in 2012, \$83 billion in 2013, \$54 billion in 2014, and about \$35 billion a year from 2015 on—for a total of \$496 billion over the 2012–2021 period. (See Box 3-2)
- b. Excluding debt service.
- c. Under this alternative, appropriations for 2011 for operations in Afghanistan and Iraq are extrapolated according to the rules that govern CBO's baseline.
- d. The estimates are from the staff of the Joint Committee on Taxation and CBO and are preliminary.
- e. This alternative incorporates the assumption that legislative action extends title I of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (which extended for 2011 and 2012 income tax provisions enacted in 2001, 2003, and 2009) and title III of that act (which modified estate and gift taxation for 2010 through 2012). It does not incorporate the assumption that the AMT is indexed for inflation. The effects of that alternative are shown separately.
- f. This alternative incorporates the assumption that the exemption amount for the AMT (which was increased through the end of 2011) is extended at its higher amount and, together with the AMT tax brackets, is indexed for inflation after 2011. In addition, the treatment of nonrefundable personal credits (which was also continued through the end of 2011) is assumed to be extended.
- g. The combination of extending certain income tax provisions scheduled to expire on December 31, 2012, and indexing the AMT for inflation reduces revenues by more than the sum of those alternatives considered alone. The total shown here includes an additional revenue loss of \$657 billion over the 2013–2021 period resulting from the interaction of the two policies.
- h. These estimates include the impact of extending about 80 expiring provisions. Many of those credits are set to expire at the end of 2011 and many have been extended previously, such as the research and experimentation tax credit and the tax credit for ethanol-blended motor fuels. The additional first-year depreciation deduction of 50 percent for business equipment is set to expire at the end of 2012.

Table 3-3.**CBO's Baseline Projections of Mandatory Outlays**

(Billions of dollars)

	Actual,												Total	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2016	2012-2021
Social Security	701	727	761	799	842	889	940	997	1,059	1,126	1,196	1,267	4,231	9,876
Health Programs														
Medicare ^a	520	572	566	610	645	679	738	771	806	885	949	1,021	3,238	7,670
Medicaid	273	274	264	278	329	371	416	447	474	508	544	587	1,659	4,219
Other														
Health insurance subsidies, exchanges, and related spending	*	*	*	1	15	33	58	72	79	85	88	94	107	524
MERHCF	8	9	9	10	11	11	12	13	14	15	16	17	53	127
Children's Health Insurance Program	8	8	9	9	10	10	10	8	6	6	6	6	47	78
Other	1	7	9	8	18	24	22	25	28	32	34	38	80	237
Subtotal	17	24	27	27	52	78	101	118	126	137	144	155	286	966
Income Security														
SNAP	70	77	80	80	71	69	68	67	65	64	64	63	368	691
Unemployment compensation	159	129	87	64	61	58	53	52	54	56	58	60	324	604
Supplemental Security Income	47	53	46	52	53	54	60	57	53	60	62	69	265	566
Earned income and child tax credits	77	77	77	77	46	46	45	45	46	46	46	46	290	520
Family support ^b	28	27	25	25	25	25	25	25	25	25	25	25	125	250
Child nutrition	17	18	19	20	21	22	23	24	26	27	28	29	107	241
Foster care	7	7	7	7	8	8	8	8	9	9	9	10	37	82
Making Work Pay and other tax credits ^c	32	21	2	2	*	*	*	*	*	*	*	*	5	5
Subtotal	438	409	343	327	285	282	284	279	278	287	292	302	1,521	2,958
Federal Civilian and Military Retirement														
Civilian ^d	82	84	86	88	91	94	97	100	104	107	111	114	456	991
Military	51	55	48	53	54	55	61	58	55	61	63	65	271	573
Other	7	8	7	8	9	9	10	10	11	11	12	13	43	101
Subtotal	139	146	141	149	154	158	168	168	169	180	185	192	770	1,665
Veterans ^e														
Income security	49	67	53	58	59	61	67	63	60	66	68	69	297	623
Other	9	10	11	12	13	13	14	14	15	16	17	18	63	143
Subtotal	58	78	64	70	72	74	81	78	75	82	84	87	360	765
Other Programs														
TARP	-110	-25	4	2	1	1	1	*	*	*	*	*	9	10
Fannie Mae and Freddie Mac ^f	40	11	8	6	4	4	4	4	4	5	5	5	25	48
Deposit insurance	-32	6	8	3	-12	-12	-14	-17	-19	-10	-11	-12	-26	-95
Higher education	-13	-3	-7	-10	-7	-3	2	5	6	6	6	6	-25	4
Agriculture	15	16	13	17	16	15	15	15	15	15	15	16	76	153
Other	47	61	55	50	51	50	51	47	47	46	46	45	257	489
Subtotal	-52	68	82	68	54	55	58	55	53	63	62	60	316	608

Continued

Table 3-3.

Continued

CBO's Baseline Projections of Mandatory Outlays

(Billions of dollars)

	Actual,											Total		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2016	2012-2021
Offsetting Receipts														
Medicare ^a	-74	-80	-89	-92	-96	-101	-106	-118	-128	-139	-151	-167	-483	-1,186
Federal share of federal employees' retirement	-61	-62	-64	-66	-68	-70	-73	-76	-80	-83	-87	-90	-340	-755
Other	-49	-48	-58	-64	-66	-69	-70	-74	-77	-80	-80	-81	-327	-718
Subtotal	-184	-191	-211	-222	-230	-240	-249	-267	-285	-302	-317	-338	-1,151	-2,659
Total Mandatory Spending	1,910	2,108	2,038	2,106	2,203	2,346	2,538	2,647	2,757	2,964	3,138	3,333	11,230	26,070
Memorandum:														
Mandatory Spending Excluding														
Offsetting Receipts	2,094	2,299	2,249	2,328	2,432	2,585	2,787	2,914	3,041	3,266	3,455	3,671	12,381	28,729
Medicare Spending Net of Offsetting Receipts	446	492	477	517	549	578	633	653	679	746	797	855	2,755	6,485

Source: Congressional Budget Office.

Notes: Spending for the benefit programs shown above generally excludes administrative costs, which are discretionary.

MERHCF = Department of Defense Medicare-Eligible Retiree Health Care Fund (including TRICARE for Life); SNAP = Supplemental Nutrition Assistance Program; TARP = Troubled Asset Relief Program.

* = between zero and \$500 million.

- a. Excludes offsetting receipts (funds collected by government agencies from other government accounts or from the public in businesslike or market-oriented transactions that are recorded as offsets to outlays).
- b. Includes Temporary Assistance for Needy Families and various programs that involve payments to states for child support enforcement and family support, child care entitlements, and research to benefit children.
- c. This category also includes outlays for the first-time homebuyer credit, the American Opportunity Credit, and other tax credits.
- d. Includes Civil Service, Foreign Service, Coast Guard, and other, smaller retirement programs as well as annuitants' health benefits.
- e. Income security includes veterans' compensation, pensions, and life insurance programs. Other benefits are primarily education subsidies.
- f. The amount recorded for 2010 reflects cash transfers from the Treasury to Fannie Mae and Freddie Mac. The amounts shown for 2011 through 2021 reflect CBO's estimate of the subsidy cost of new loans and guarantees made by those two entities in each year, adjusted for market risk.
- g. Includes Medicare premiums and amounts paid by states from savings on Medicaid prescription drug costs.