

Table 1-1.

## Options for Reducing the Deficit

Option Number	Title	Savings, 2017–2026 <sup>a</sup> (Billions of dollars)
<b>Mandatory Spending (Other than that for health-related programs)</b>		
Option 1	Change the Terms and Conditions for Oil and Gas Leasing on Federal Lands	3
Option 2	Limit Enrollment in the Department of Agriculture's Conservation Programs	10
Option 3	Eliminate Title I Agriculture Programs	25
Option 4	Reduce Subsidies in the Crop Insurance Program	27
Option 5	Eliminate ARC and PLC Payments on Generic Base Acres	4
Option 6	Limit ARC and PLC Payment Acres to 50 Percent of Base Acres	11
Option 7	Raise Fannie Mae's and Freddie Mac's Guarantee Fees and Decrease Their Eligible Loan Limits	6
Option 8	Eliminate the Add-On to Pell Grants, Which Is Funded With Mandatory Spending	60
Option 9	Limit Forgiveness of Graduate Student Loans	19
Option 10	Reduce or Eliminate Subsidized Loans for Undergraduate Students	8 to 27
Option 11	Eliminate Concurrent Receipt of Retirement Pay and Disability Compensation for Disabled Veterans	139
Option 12	Reduce Pensions in the Federal Employees Retirement System	7
Option 13	Convert Multiple Assistance Programs for Lower-Income People Into Smaller Block Grants to States	367 <sup>b</sup>
Option 14	Eliminate Subsidies for Certain Meals in the National School Lunch, School Breakfast, and Child and Adult Care Food Programs	10
Option 15	Tighten Eligibility for the Supplemental Nutrition Assistance Program	88
Option 16	Reduce TANF's State Family Assistance Grant by 10 Percent	14
Option 17	Eliminate Supplemental Security Income Benefits for Disabled Children	104 <sup>b</sup>
Option 18	Link Initial Social Security Benefits to Average Prices Instead of Average Earnings	72 to 114
Option 19	Make Social Security's Benefit Structure More Progressive	8 to 36
Option 20	Raise the Full Retirement Age for Social Security	8
Option 21	Reduce Social Security Benefits for New Beneficiaries	105 to 190
Option 22	Require Social Security Disability Insurance Applicants to Have Worked More in Recent Years	45
Option 23	Eliminate Eligibility for Starting Social Security Disability Benefits at Age 62 or Later	17
Option 24	Narrow Eligibility for Veterans' Disability Compensation by Excluding Certain Disabilities Unrelated to Military Duties	26
Option 25	Restrict VA's Individual Unemployability Benefits to Disabled Veterans Who Are Younger Than the Full Retirement Age for Social Security	40
Option 26	Use an Alternative Measure of Inflation to Index Social Security and Other Mandatory Programs	182
<b>Discretionary Spending (Other than that for health-related programs)</b>		
Option 1	Reduce the Size of the Military to Satisfy Caps Under the Budget Control Act	251
Option 2	Reduce DoD's Operation and Maintenance Appropriation, Excluding Funding for the Defense Health Program	49 to 151
Option 3	Cap Increases in Basic Pay for Military Service Members	21
Option 4	Replace Some Military Personnel With Civilian Employees	13
Option 5	Cancel Plans to Purchase Additional F-35 Joint Strike Fighters and Instead Purchase F-16s and F/A-18s	23
Option 6	Stop Building Ford Class Aircraft Carriers	15
Option 7	Reduce Funding for Naval Ship Construction to Historical Levels	27
Option 8	Reduce the Size of the Nuclear Triad	9 to 13

Continued

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Option Number	Title	Savings, 2017–2026 <sup>a</sup> (Billions of dollars)
<b>Discretionary Spending (Other than that for health-related programs) (Continued)</b>		
Option 9	Build Only One Type of Nuclear Weapon for Bombers	6 to 8
Option 10	Defer Development of the B-21 Bomber	27
Option 11	Reduce Funding for International Affairs Programs	117
Option 12	Eliminate Human Space Exploration Programs	81
Option 13	Reduce Department of Energy Funding for Energy Technology Development	16
Option 14	Eliminate Certain Forest Service Programs	6
Option 15	Convert the Home Equity Conversion Mortgage Program From a Guarantee Program to a Direct Loan Program	23 <sup>b</sup>
Option 16	Eliminate the International Trade Administration's Trade Promotion Activities	3
Option 17	Eliminate Funding for Amtrak and the Essential Air Service Program	16 <sup>b</sup>
Option 18	Limit Highway Funding to Expected Highway Revenues	40
Option 19	Eliminate Federal Funding for National Community Service	8
Option 20	Eliminate Head Start	84
Option 21	Restrict Pell Grants to the Neediest Students	4 to 65 <sup>b</sup>
Option 22	Increase Payments by Tenants in Federally Assisted Housing	18
Option 23	Reduce the Number of Housing Choice Vouchers or Eliminate the Program	16 to 111
Option 24	Reduce the Annual Across-the-Board Adjustment for Federal Civilian Employees' Pay	55
Option 25	Reduce the Size of the Federal Workforce Through Attrition	50
Option 26	Impose Fees to Cover the Cost of Government Regulations and Charge for Services Provided to the Private Sector	24
Option 27	Repeal the Davis-Bacon Act	13 <sup>b</sup>
Option 28	Eliminate or Reduce Funding for Certain Grants to State and Local Governments	56
<b>Revenues (Other than those related to health)</b>		
Option 1	Increase Individual Income Tax Rates	93 to 734
Option 2	Implement a New Minimum Tax on Adjusted Gross Income	66
Option 3	Raise the Tax Rates on Long-Term Capital Gains and Qualified Dividends by 2 Percentage Points	57
Option 4	Use an Alternative Measure of Inflation to Index Some Parameters of the Tax Code	157
Option 5	Convert the Mortgage Interest Deduction to a 15 Percent Tax Credit	105
Option 6	Curtail the Deduction for Charitable Giving	229
Option 7	Limit the Deduction for State and Local Taxes	955
Option 8	Limit the Value of Itemized Deductions	119 to 2,232
Option 9	Change the Tax Treatment of Capital Gains From Sales of Inherited Assets	68
Option 10	Eliminate the Tax Exemption for New Qualified Private Activity Bonds	28
Option 11	Expand the Base of the Net Investment Income Tax to Include the Income of Active Participants in S Corporations and Limited Partnerships	160
Option 12	Tax Carried Interest as Ordinary Income	20
Option 13	Include Disability Payments From the Department of Veterans Affairs in Taxable Income	38 to 94
Option 14	Include Employer-Paid Premiums for Income Replacement Insurance in Employees' Taxable Income	336
Option 15	Further Limit Annual Contributions to Retirement Plans	92

## Options for Reducing the Deficit

Option Number	Title	Savings, 2017–2026 <sup>a</sup> (Billions of dollars)
<b>Revenues (Other than those related to health) (Continued)</b>		
Option 16	Tax Social Security and Railroad Retirement Benefits in the Same Way That Distributions From Defined Benefit Pensions Are Taxed	423
Option 17	Eliminate Certain Tax Preferences for Education Expenses	195
Option 18	Lower the Investment Income Limit for the Earned Income Tax Credit and Extend That Limit to the Refundable Portion of the Child Tax Credit	7
Option 19	Require Earned Income Tax Credit and Child Tax Credit Claimants to Have a Social Security Number That Is Valid for Employment	37
Option 20	Increase the Maximum Taxable Earnings for the Social Security Payroll Tax	633 to 1,008
Option 21	Expand Social Security Coverage to Include Newly Hired State and Local Government Employees	78
Option 22	Increase the Payroll Tax Rate for Medicare Hospital Insurance by 1 Percentage Point	823
Option 23	Tax All Pass-Through Business Owners Under SECA and Impose a Material Participation Standard	137
Option 24	Increase Taxes that Finance the Federal Share of the Unemployment Insurance System	13 to 15
Option 25	Increase Corporate Income Tax Rates by 1 Percentage Point	100
Option 26	Capitalize Research and Experimentation Costs and Amortize Them Over Five Years	185
Option 27	Extend the Period for Depreciating the Cost of Certain Investments	251
Option 28	Repeal Certain Tax Preferences for Energy and Natural Resource-Based Industries	24
Option 29	Repeal the Deduction for Domestic Production Activities	174
Option 30	Repeal the "LIFO" and "Lower of Cost or Market" Inventory Accounting Methods	102
Option 31	Subject All Publicly Traded Partnerships to the Corporate Income Tax	6
Option 32	Repeal the Low-Income Housing Tax Credit	34
Option 33	Determine Foreign Tax Credits on a Pooling Basis	82
Option 34	Require a Minimum Level of Taxation of Foreign Income as It Is Earned	301
Option 35	Further Limit the Deduction of Interest Expense for Multinational Corporations	68
Option 36	Increase Excise Taxes on Motor Fuels by 35 Cents and Index for Inflation	474
Option 37	Impose an Excise Tax on Overland Freight Transport	343
Option 38	Increase All Taxes on Alcoholic Beverages to \$16 per Proof Gallon	70
Option 39	Impose a 5 Percent Value-Added Tax	1,770 to 2,670
Option 40	Impose a Fee on Large Financial Institutions	98
Option 41	Impose a Tax on Financial Transactions	707
Option 42	Impose a Tax on Emissions of Greenhouse Gases	977
Option 43	Increase Federal Civilian Employees' Contributions to the Federal Employees Retirement System	48

Continued

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Option Number	Title	Savings, 2017–2026 <sup>a</sup> (Billions of dollars)
<b>Health</b>		
Option 1	Adopt a Voucher Plan and Slow the Growth of Federal Contributions for the Federal Employees Health Benefits Program	31 <sup>b</sup>
Option 2	Impose Caps on Federal Spending for Medicaid	370 to 680
Option 3	Limit States' Taxes on Health Care Providers	16 to 40
Option 4	Repeal All Insurance Coverage Provisions of the Affordable Care Act	1,236
Option 5	Repeal the Individual Health Insurance Mandate	416
Option 6	Introduce Minimum Out-of-Pocket Requirements Under TRICARE for Life	27
Option 7	Change the Cost-Sharing Rules for Medicare and Restrict Medigap Insurance	18 to 66
Option 8	Increase Premiums for Parts B and D of Medicare	22 to 331
Option 9	Raise the Age of Eligibility for Medicare to 67	18
Option 10	Reduce Medicare's Coverage of Bad Debt	15 to 31
Option 11	Require Manufacturers to Pay a Minimum Rebate on Drugs Covered Under Part D of Medicare for Low-Income Beneficiaries	145
Option 12	Consolidate and Reduce Federal Payments for Graduate Medical Education at Teaching Hospitals	32
Option 13	Limit Medical Malpractice Claims	62 <sup>b</sup>
Option 14	End Congressional Direction of Medical Research in the Department of Defense	9
Option 15	Modify TRICARE Enrollment Fees and Cost Sharing for Working-Age Military Retirees	18 <sup>b</sup>
Option 16	End Enrollment in VA Medical Care for Veterans in Priority Groups 7 and 8	54 <sup>b</sup>
Option 17	Increase the Excise Tax on Cigarettes by 50 Cents per Pack	35
Option 18	Reduce Tax Preferences for Employment-Based Health Insurance	174 to 429

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

ARC = Agriculture Risk Coverage; DoD = Department of Defense; LIFO = last in, first out; PLC = Price Loss Coverage; SECA = Self-Employment Contributions Act; TANF = Temporary Assistance for Needy Families; VA = Department of Veterans Affairs.

a. For options affecting primarily 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 affecting primarily 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 14, 15, and 16 are discretionary spending options.

b. Savings do not encompass all budgetary effects.