



CONGRESSIONAL BUDGET OFFICE  
U.S. Congress  
Washington, DC 20515

*Keith Hall, Director*

November 13, 2017

Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Senator:

This letter responds to your request for information about the estimated deficits and debt under the Chairman's Mark of the Tax Cuts and Jobs Act. The staff of the Joint Committee on Taxation determined that provisions in the Chairman's Mark would increase deficits over the 2018-2027 period by \$1.5 trillion (not including any macroeconomic effects). By CBO's estimate, additional debt service would boost the 10-year increase in deficits to \$1.7 trillion. As a result of those higher deficits, debt held by the public would increase from the 91.2 percent of gross domestic product in CBO's June 2017 baseline to 97.3 percent.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Hall'.

Keith Hall

Enclosure

cc: Honorable Orrin G. Hatch  
Chairman

**Estimated Deficits and Debt Under the Chairman's Mark of  
The "Tax Cuts and Jobs" Act**

11/13/2017

By Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-2027
<b>In Billions of Dollars</b>											
<b>Deficit</b>											
CBO's June 2017 Baseline	-563	-689	-775	-879	-1,027	-1,057	-1,083	-1,225	-1,352	-1,463	-10,112
Estimated effects on the deficit from the Tax Cuts and Jobs Act <sup>a</sup>	-11	-167	-195	-184	-171	-141	-117	-127	-167	-217	-1,496
Estimated debt service <sup>b</sup>	<u>0</u>	<u>-2</u>	<u>-7</u>	<u>-14</u>	<u>-20</u>	<u>-26</u>	<u>-31</u>	<u>-37</u>	<u>-43</u>	<u>-50</u>	<u>-230</u>
Total	-11	-168	-203	-197	-191	-167	-148	-164	-210	-267	-1,726
Deficit including the Tax Cuts and Jobs Act	-574	-857	-977	-1,077	-1,218	-1,224	-1,231	-1,388	-1,562	-1,730	-11,838
<b>Debt Held by the Public (End of Year)</b>											
CBO's June 2017 Baseline	15,537	16,282	17,108	18,037	19,109	20,212	21,342	22,613	24,014	25,524	n.a.
Cumulative Adjustment	<u>11</u>	<u>180</u>	<u>382</u>	<u>579</u>	<u>770</u>	<u>937</u>	<u>1,085</u>	<u>1,249</u>	<u>1,459</u>	<u>1,726</u>	n.a.
Debt Held by the Public including the Tax Cuts and Jobs Act	15,548	16,462	17,491	18,616	19,880	21,149	22,427	23,862	25,472	27,250	n.a.
<b>Memorandum:</b>											
Gross Domestic Product in CBO's June 2017 baseline	19,924	20,671	21,380	22,165	23,037	23,951	24,905	25,896	26,927	27,999	236,856
<b>As a Percentage of Gross Domestic Product</b>											
<b>Deficit</b>											
CBO's June 2017 Baseline	-2.8	-3.3	-3.6	-4.0	-4.5	-4.4	-4.3	-4.7	-5.0	-5.2	-4.3
Estimated effects on the deficit from the Tax Cuts and Jobs Act <sup>a</sup>	-0.1	-0.8	-0.9	-0.8	-0.7	-0.6	-0.5	-0.5	-0.6	-0.8	-0.6
Estimated debt service <sup>b</sup>	<u>*</u>	<u>*</u>	<u>*</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.2</u>	<u>-0.2</u>	<u>-0.1</u>
Total	-0.1	-0.8	-0.9	-0.9	-0.8	-0.7	-0.6	-0.6	-0.8	-1.0	-0.7
Deficit including the Tax Cuts and Jobs Act	-2.9	-4.1	-4.6	-4.9	-5.3	-5.1	-4.9	-5.4	-5.8	-6.2	-5.0
<b>Debt Held by the Public (End of Year)</b>											
CBO's June 2017 Baseline	78.0	78.8	80.0	81.4	82.9	84.4	85.7	87.3	89.2	91.2	n.a.
Cumulative Adjustment	<u>0.1</u>	<u>0.9</u>	<u>1.8</u>	<u>2.6</u>	<u>3.3</u>	<u>3.9</u>	<u>4.4</u>	<u>4.8</u>	<u>5.4</u>	<u>6.2</u>	n.a.
Debt Held by the Public including the Tax Cuts and Jobs Act	78.0	79.6	81.8	84.0	86.3	88.3	90.0	92.1	94.6	97.3	n.a.

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

**NOTES**

Numbers may not sum to totals because of rounding.

Does not incorporate any macroeconomic effects of enacting the legislation.

n.a. = not applicable; \* = between -0.05 percent and zero.

a. Estimate provided by the staff of the Joint Committee on Taxation November 9, 2017, JCX-52-17, <https://www.jct.gov/publications.html?func=startdown&id=5033>.

b. Debt service refers to a change in interest payments resulting from a change in the estimate of the deficit.