Congressional Budget Office

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Budgetary Outcomes Under Alternative Assumptions About Fiscal Policy

The Congressional Budget Office regularly publishes baseline budget projections that show how federal spending, revenues, and deficits would look if current laws governing spending and taxes generally remained unchanged. Those projections are not intended to be a forecast of budgetary outcomes; rather, they are meant to provide a benchmark that policymakers can use to assess the potential effects of policy decisions.

To provide additional information about possible budgetary outcomes, CBO has estimated how its most recent budget projections would change under alternative assumptions about future fiscal policies, as follows:[1]

- **Discretionary Spending.** In CBO's baseline projections, discretionary outlays average 6.3 percent of gross domestic product (GDP) from 2019 through 2021, before falling to 5.6 percent of GDP by 2029, which would be the lowest percentage recorded since the inception of the modern Congressional budget process. As one alternative policy, CBO projected what discretionary spending would be if it remained at about 6.3 percent of GDP through 2029. As a second alternative path for discretionary spending, CBO also estimated the budgetary effects of freezing all discretionary appropriations at the 2019 amounts through 2029.

- **Tax and Trade Promotion Policies.** CBO's projections of revenues reflect the assumption that individual income tax rates will rise in calendar year 2026, as scheduled under current law. CBO and the staff of the Joint Committee on Taxation (JCT) have estimated the budgetary effects of instead making the rates currently in effect permanent and extending other expiring revenue provisions, including expiring trade promotion programs.

- **Tariffs.** CBO's projections also reflect the assumption that certain U.S. tariffs in effect on July 25, 2019, will continue permanently. CBO estimated the effects on revenues of implementing some changes that have been announced since that date—but have not yet taken effect—as well as an alternative policy of returning tariffs to their historical levels.

Using some of those assumptions, CBO developed an alternative fiscal scenario that illustrates the effects of maintaining certain major policies that are currently in place. That scenario examines the budgetary outcomes if discretionary outlays remained at about 6.3 percent of GDP from 2022 through 2029 and if revenue provisions that are currently scheduled to expire did not. There are no changes to tariffs in the alternative scenario; tariffs remain as they are in the baseline (that is, at the levels

1. For CBO's most recent baseline projections, see Congressional Budget Office, *An Update to the Budget and Economic Outlook: 2019 to 2029* (August 2019), www.cbo.gov/publication/55551.

Notes: Numbers in the text and tables may not add up to totals because of rounding. In this report, measures related to the budget (including revenues, outlays, deficits, and debt) are reported on a fiscal year basis. (Federal fiscal years run from October 1 to September 30 and are designated by the calendar year in which they end.) Years indicating the timing of policy changes are calendar years.

in place on July 25). If that alternative fiscal scenario became law, federal debt held by the public would reach 104 percent of GDP by 2029, versus the 95 percent projected in CBO's baseline. The estimates for each policy alternative and the estimates for the alternative fiscal scenario do not incorporate any economic effects of changes in discretionary spending, tax policies, or trade policies relative to current law.

Discretionary Spending

For the baseline, CBO projects discretionary spending according to procedures specified in law.[2] However, lawmakers can, and do, set such spending at amounts that differ from what is projected in the baseline. To illustrate two ways in which discretionary spending could differ from CBO's baseline projections, the agency estimated budgetary outcomes if discretionary outlays remained the same as a share of the economy and if lawmakers instead froze discretionary funding at the nominal amounts provided in 2019.

Although discretionary outlays as a share of the economy have steadily declined over the past five decades, they have leveled off in recent years. Since 2015, discretionary outlays have averaged about 6.3 percent of GDP. CBO estimates that such outlays will amount to 6.3 percent of GDP in 2019. In addition, the funding levels permitted by the Bipartisan Budget Act of 2019 (Public Law 116-37) will—according to CBO's baseline projections—maintain discretionary outlays at 6.3 percent of GDP, on average, through 2021. In the baseline, however, such outlays fall below that amount after 2021 and steadily drop relative to GDP through 2029 as a result of the procedures for projecting discretionary spending specified in law.[3] If, instead, appropriations were set so that discretionary outlays remained at 6.3 percent of GDP after 2021, outlays would be $827 billion more over the 2022–2029 period than they are in CBO's baseline, excluding added debt-service costs (see Table 1).[4] Those debt-service costs would add $65 billion to the deficit over the same period.

Projecting spending by assuming a freeze in discretionary funding at the 2019 amounts provides another possible benchmark for assessing future fiscal policy. If lawmakers froze appropriations—as well as transportation-related obligation limitations—at the nominal 2019 amount from 2020 through 2029, outlays would be $1.4 trillion less over that period than is projected in the baseline, excluding associated debt-service savings (which would amount to $129 billion).[5] In 2029, discretionary outlays under such a freeze would total 4.6 percent of GDP, compared with the 5.6 percent projected in CBO's baseline.

Revenues

CBO's baseline projections reflect the assumptions that temporary revenue provisions will expire as scheduled under current law and that certain tariffs will remain at the levels in effect on July 25 when CBO completed its baseline economic forecast. However, revenues would differ if certain temporary revenue policies were continued or if tariffs were changed.

Alternatives That Affect the Tax Code and Trade Promotion Programs

Under current law, a number of revenue provisions are temporary and are scheduled to expire over the next decade. For instance, most of the individual income tax provisions of Public Law 115-97 (referred to as the 2017 tax act in this report) are slated to expire at the end of 2025. The expiring provisions affect major elements of the individual income tax, including tax rates and brackets, the amount of deductions that are allowed, the size and refundability of the child tax credit, and the exemption amounts of the alternative minimum tax.[6] Another

2. The construction of CBO's baseline is governed by section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 and by the Budget Control Act of 2011 (as amended).

3. CBO projects discretionary funding using specified measures of inflation (as required by law), subject to the caps set by the Budget Control Act of 2011 (as amended). Because the rate of inflation is less than the rate of nominal GDP growth, discretionary spending is projected to decline as a percentage of GDP. For a complete explanation of how CBO projects discretionary funding, see Congressional Budget Office, *The Budget and Economic Outlook: 2019 to 2029* (January 2019), www.cbo.gov/publication/54918.

4. Debt service refers to the change in interest payments resulting from a change in the deficit (or surplus).

5. Although funding for most ground and air transportation programs is mandatory, the outlays from such funding are considered to be discretionary because that funding is limited in annual appropriation acts. Those limitations (and the associated outlays) grow with inflation in CBO's baseline.

6. The alternative minimum tax is similar to the regular income tax, but its calculation includes fewer exemptions, deductions, and rates. People who file individual income tax returns must calculate the tax owed under each system and pay the larger of the two amounts.

provision of the 2017 tax act, the act's expansion of the exemption amount for estate and gift taxes, also expires at the end of 2025. According to estimates by JCT, if those and certain other expiring elements of the 2017 tax act were extended, deficits would be larger than those in CBO's baseline, on net, by $974 billion over the 2020–2029 period (excluding added debt-service costs). Most of those effects would occur after 2026.

The 2017 tax act also temporarily expanded a provision known as bonus depreciation, which allows businesses to immediately deduct a portion of the cost of certain investments. Bonus depreciation was increased to 100 percent of the cost of such investments through 2022; it is then scheduled to phase down between 2023 and 2026. Extending that expansion of bonus depreciation, and thus averting the phasedown, would increase deficits by $179 billion (excluding added debt-service costs) over the 2020–2029 period, JCT estimates.

In addition to the provisions described above, 20 revenue provisions are set to expire before the end of the 10-year projection period. Those provisions include tax credits for energy investment and for businesses that hire individuals from certain designated groups; reduced tax rates on certain alcoholic beverages; an increase in the rate of a tax to fund benefits for coal miners; and several trade promotion programs that promote trade with certain developing countries. If those temporary tax provisions and trade promotion programs were permanently extended, CBO and JCT estimate, the deficit would be larger than projected in the baseline by a total of $159 billion (excluding added debt-service costs) over the 2020–2029 period.

Deficits also would be larger if delays in implementing certain taxes established by the Affordable Care Act were extended or made permanent. The Extension of Continuing Appropriations Act, 2018 (P.L. 115-120), temporarily suspended or delayed the medical device excise tax, the excise tax on high-cost employment-based health insurance plans, and the annual tax on health insurance providers. Those taxes were enacted in 2010, but they either have not taken effect or have been temporarily suspended. Permanently repealing those taxes would increase the deficit by a total of $387 billion (excluding added debt-service costs) over the 2020–2029 period, JCT estimates.

Altogether, if all of the above revenue provisions were permanently extended, CBO and JCT estimate, deficits would be larger by a total of $1.7 trillion over the 2020–2029 period. Increased debt-service costs would add another $125 billion to those deficits.

Alternatives That Affect Tariffs

CBO's baseline reflects the assumption that tariffs imposed by the Administration since 2018 and in effect on July 25, 2019, would continue permanently. (The baseline does not reflect planned or unplanned changes in tariffs.) Those include tariffs on the following: imports of solar panels and certain appliances, which took effect on February 7, 2018; steel and aluminum imports from most countries, which took effect on March 23, 2018; and a range of products imported from China, the first of which took effect on July 6, 2018. In CBO's baseline, those policies increase revenues from tariffs by about 0.2 percent of GDP in 2019.

Projected revenues would differ if some planned changes went into effect or if tariffs returned to their historical levels. The Administration announced on August 1, 2019, that an additional tariff of 10 percent on approximately $300 billion of Chinese imports would be imposed beginning on September 1, 2019.[7] In addition, under previously announced plans, the tariffs on certain imported appliances and solar panels will expire in 2021 and 2022, respectively. If those changes occurred and there were no further changes to tariffs over the next decade, revenues would increase by $138 billion over the 2020–2029 period relative to CBO's baseline projections, and debt-service savings would decrease outlays by $20 billion. If, instead, the new policies put in place in 2018 and 2019 were reversed beginning on October 1, 2019, and tariffs remained at their historical levels for the next decade, revenues from tariffs would be reduced by $315 billion over the 2020–2029 period relative to the baseline, boosting debt-service costs by $45 billion over that same period.[8]

7. The estimates in this report do not reflect tariff changes announced after August 1, 2019.

8. The estimated increase in the deficit of $315 billion is the net effect of a reduction of $410 billion in revenues from customs duties and a resulting increase of $95 billion in other sources of revenues.

Table 1.

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

Billions of Dollars

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total 2020–2024	Total 2020–2029
Policy Alternatives That Affect Discretionary Outlays													
Keep Discretionary Outlays at 6.3 Percent of GDP Starting in 2022[a,†]													
Increase (-) in the deficit[b]	0	0	0	-18	-38	-61	-86	-112	-140	-171	-201	-117	-827
Increase in the deficit from added debt-service costs	0	0	0	*	-1	-2	-5	-7	-11	-16	-22	-4	-65
Freeze Discretionary Appropriations at the 2019 Amount[c]													
Decrease (+) in the deficit[b]	0	13	26	52	83	117	153	191	230	271	312	291	1,448
Decrease in the deficit from debt-service savings	0	*	1	2	3	6	10	15	22	30	39	12	129
Policy Alternatives That Affect the Tax Code and Trade Promotion Programs[d]													
Continue Certain Revenue Policies[†]													
Extend certain provisions of the 2017 tax act[e]	0	-3	-4	-4	-4	-5	-11	-103	-263	-282	-293	-20	-974
Extend partial expensing of equipment property at a rate of 100 percent[f]	0	0	0	0	-7	-18	-26	-32	-37	-34	-25	-25	-179
Extend other expiring revenue provisions[g]	0	-2	-4	-5	-7	-13	-18	-22	-26	-29	-32	-31	-159
Repeal certain postponed health care taxes[h]	0	-15	-16	-23	-32	-37	-42	-46	-52	-58	-67	-123	-387
Increase (-) in the deficit[b]	0	-19	-23	-33	-51	-72	-98	-204	-379	-403	-417	-199	-1,699
Increase in the deficit from added debt-service costs	0	*	-1	-1	-3	-4	-7	-12	-20	-32	-45	-9	-125
Policy Alternatives That Affect Tariffs													
Allow Planned Tariff Changes to Take Effect[i]													
Decrease (+) in the deficit[b]	*	13	14	14	14	14	14	14	14	14	14	68	138
Decrease in the deficit from debt-service savings	*	*	*	1	1	2	2	3	3	4	4	4	20
Revert Tariffs to 2017 Levels[j]													
Increase (-) in the deficit[b]	0	-29	-31	-31	-31	-32	-32	-32	-32	-32	-32	-154	-315
Increase in the deficit from added debt-service costs	0	*	-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-45

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

* = between -$500 million and $500 million.

† = The shaded policy alternatives are included in the estimates of the revenue and outlay effects under the alternative fiscal scenario.

a. This option reflects the assumption that discretionary outlays will be 6.3 percent of gross domestic product from 2022 through 2029 instead of the amounts projected in CBO's baseline. The increases in the deficit shown are relative to CBO's baseline, adjusted for shifts in the timing of certain payments.

b. Estimates do not incorporate the budgetary effects of any macroeconomic changes resulting from the alternative or any debt-service effects.

c. This option reflects the assumption that appropriations will generally be frozen at the 2019 amounts through 2029. The decreases in the deficit shown are relative to CBO's baseline, adjusted for shifts in the timing of certain payments.

Continued

Table 1. Continued

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

d. These estimates are mainly from the staff of the Joint Committee on Taxation and are preliminary. They are relative to current law and incorporate economic projections that underlie CBO's January 2019 baseline. The estimates include some effects on outlays for refundable tax credits. The option includes the effects of extending several expiring trade promotion programs that affect customs duties.

e. This alternative incorporates the assumption that lawmakers will permanently extend many provisions of Public Law 115-97 (called the 2017 tax act in this report). Most significantly, this alternative includes the extension of provisions that lower individual income tax rates, expand the income tax base, expand the child tax credit, reduce the amount of income subject to the alternative minimum tax, and increase the estate and gift tax exemption. It does not incorporate the assumption that the expensing of equipment and property is extended; the effects of that alternative are shown separately.

f. This alternative would extend the provisions that allow businesses with large amounts of investments to expense (immediately deduct from their taxable income) the cost of their investment in equipment and certain other property. Under current law, the portion that can be expensed is 100 percent through 2022, 80 percent in 2023, 60 percent in 2024, 40 percent in 2025, and 20 percent in 2026, after which the provisions expire. The option would extend the 100 percent allowance permanently beyond 2022.

g. This alternative would extend 20 tax provisions that expired in 2018 or are scheduled to expire. It also includes the extension of a number of trade promotion programs that are scheduled to expire between 2020 and 2026 and that affect customs duties. It does not include an extension of the expensing provisions or a repeal of certain health-related provisions; those effects are shown separately.

h. This alternative would repeal the health insurance provider tax, the medical device excise tax, and the excise tax on certain health insurance plans with high premiums. All were postponed for either one or two years in the Extension of Continuing Appropriations Act, 2018. The component of the estimate from repealing the high-premium excise tax does not include largely offsetting effects that would result because some people who would otherwise have been enrolled in insurance through Medicaid or the marketplaces established by the Affordable Care Act would instead enroll in employment-based coverage.

i. This alternative would allow some planned changes to newly imposed tariffs to occur: The higher tariffs on certain imported appliances and solar panels are scheduled to expire in 2021 and 2022, respectively, and the additional tariffs on Chinese imports that the President announced on August 1, 2019, were to be imposed beginning on September 1, 2019. The estimates in this report do not reflect changes announced after August 1, 2019.

j. This alternative would return tariffs that were raised by administrative action in 2018 and 2019 to 2017 levels. Those include tariffs on the following: imports of solar panels and certain appliances; steel and aluminum imports from most countries; and a range of products imported from China.

An Alternative Fiscal Scenario

If current laws were changed to maintain certain major policies that are currently in place, larger deficits and greater debt than are shown in CBO's current baseline would result. Over the 2020–2029 period, deficits would be larger by a total of $2.5 trillion (excluding debt-service costs, which would add another $0.2 trillion to deficits), resulting in cumulative deficits of $14.9 trillion, if the following policy decisions were made:

- Discretionary outlays were set to average 6.3 percent of GDP from 2022 through 2029 (instead of the average of 5.9 percent projected in CBO's baseline);
- The expiring revenue provisions of the 2017 tax act were extended, including provisions that specify tax rates and brackets, the amount of deductions that are allowed, the size and refundability of the child tax credit, and the reach of the alternative minimum tax;
- The expansion of bonus depreciation for businesses that deduct certain investments were held at a rate of 100 percent;
- Certain temporary revenue provisions that have recently expired or are scheduled to expire in coming years, including several trade promotion programs, were permanently extended; and
- Delays in implementing certain taxes established by the Affordable Care Act were extended or made permanent.[9]

The alternative fiscal scenario would lead to the following average outcomes over the 2020–2029 period:

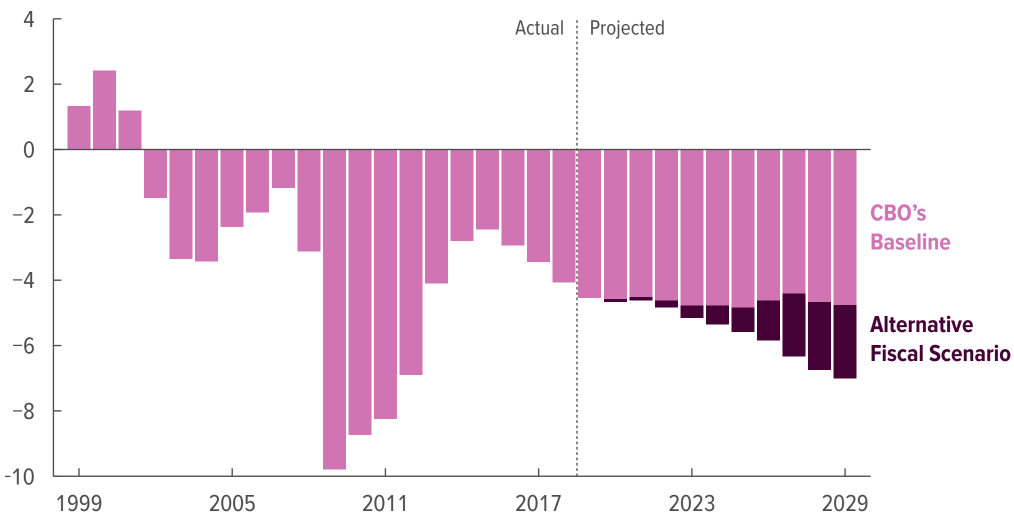
- Deficits would be 5.7 percent of GDP, compared with 4.7 percent in the baseline (see Figure 1);
- Revenues would equal 16.8 percent of GDP, 0.6 percentage points below their 50-year average and 0.6 percentage points below CBO's baseline projections (see Table 2 on page 8); and

9. Those policies encompass all of the policy alternatives shown in Table 1 except the ones labeled "Freeze Discretionary Appropriations at the 2019 Amount" and "Policy Alternatives That Affect Tariffs."

Figure 1.

Projected Deficits Under CBO's Baseline and an Alternative Fiscal Scenario

Percentage of Gross Domestic Product



Under this alternative fiscal scenario, deficits as a percentage of gross domestic product would be an average of 1.0 percentage point higher than they are in CBO's baseline over the 2020–2029 period.

Source: Congressional Budget Office.

The alternative fiscal scenario depicted includes the effects of higher discretionary spending than is projected in CBO's baseline; extending several expiring revenue provisions (namely, certain provisions of the 2017 tax act, the expensing of certain investments at a rate of 100 percent, and 20 other expiring revenue provisions, including trade promotion programs); and repealing certain postponed health care taxes.

When October 1 (the first day of the fiscal year) falls on a weekend, certain payments that ordinarily would have been made on that day are instead made at the end of September and thus are shifted into the previous fiscal year. All projections presented here have been adjusted to exclude the effects of those timing shifts. Historical amounts have been adjusted as far back as the available data will allow.

- Outlays would equal 22.5 percent of GDP, 2.2 percentage points above their 50-year average, and 0.4 percentage points above the baseline projections.

In 2029, the deficit would reach $2.2 trillion, equal to 7.0 percent of GDP, 2.2 percentage points larger than in CBO's baseline projections. Debt held by the public would reach about 104 percent of GDP by the end of 2029—the largest share since 1946 and about 9 percentage points higher than is projected in the baseline (see Figure 2). Moreover, deficits and debt would be on an upward trajectory, and the pressures that are expected to contribute to that increase—such as an aging population and rising interest costs—would accelerate and drive up debt even more in subsequent decades. That path of federal debt, even more so than the projected path of federal debt under current law, would affect the economy in two significant ways:

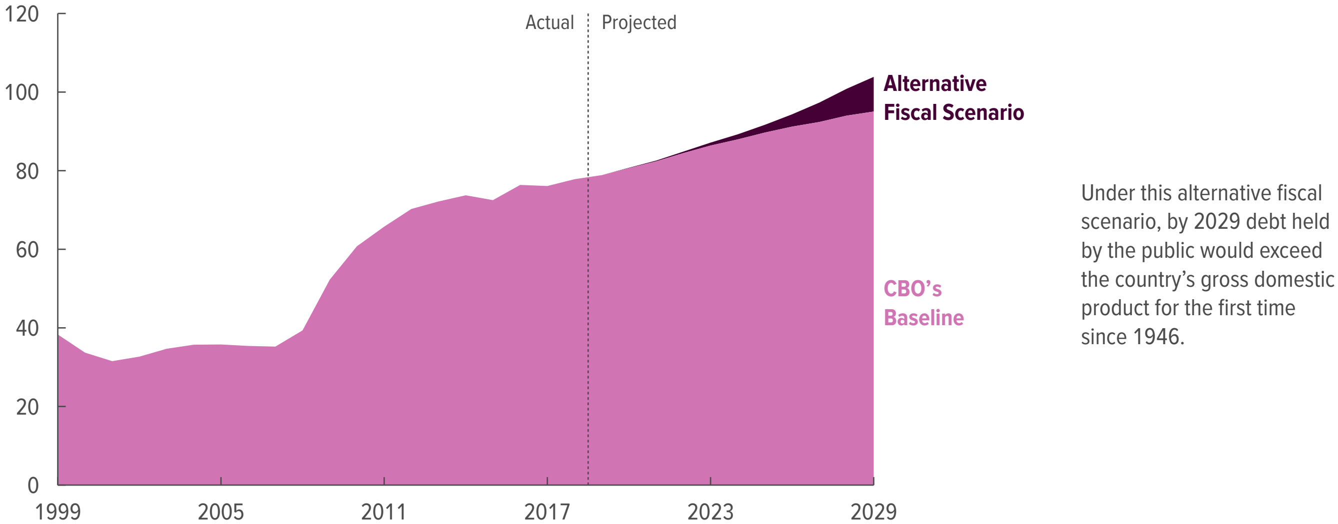
- The path of high and rising debt would dampen economic output over time; and
- Rising interest costs associated with that debt would increase interest payments to foreign debt holders and thus reduce the income of U.S. households by increasing amounts.

That debt path would also pose significant risks to the fiscal and economic outlook, although those risks are not

Figure 2.

Federal Debt Held by the Public Under CBO's Baseline and an Alternative Fiscal Scenario

Percentage of Gross Domestic Product



Source: Congressional Budget Office.

The alternative fiscal scenario depicted includes the effects of higher discretionary spending than is projected in CBO's baseline; extending several expiring tax provisions (namely, certain provisions of the 2017 tax act, the expensing of certain investments at a rate of 100 percent, and 20 other expiring revenue provisions, including trade promotion programs); and repealing certain postponed health care taxes.

currently apparent in financial markets. In particular, the significant increase in federal borrowing would elevate the risk of a fiscal crisis and would limit lawmakers' ability to adopt deficit-financed fiscal policies to respond to unforeseen events or for other purposes. Negative economic and financial effects that were less abrupt but still significant—such as expectations of higher inflation or the increased burden of financing public and private activity in international markets—would also have a greater chance of occurring. Those effects would worsen the consequences associated with high and rising federal debt.[10]

10. For more information about the risks of rising debt over the long term, see Congressional Budget Office, *The 2019 Long-Term Budget Outlook* (June 2019), www.cbo.gov/publication/55331.

Table 2.

Budgetary Effects of an Alternative Fiscal Scenario Compared With CBO's Baseline

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total 2020–2024	Total 2020–2029
						In Billions of Dollars							
CBO's Baseline													
Revenues	3,451	3,620	3,792	3,971	4,163	4,392	4,585	4,900	5,206	5,390	5,619	19,937	45,637
Outlays[a]	4,411	4,628	4,826	5,067	5,339	5,610	5,869	6,174	6,466	6,775	7,090	25,470	57,844
Deficits[a]	-960	-1,008	-1,034	-1,097	-1,176	-1,219	-1,284	-1,274	-1,260	-1,385	-1,471	-5,533	-12,208
Debt held by the public	16,685	17,755	18,841	20,042	21,264	22,457	23,784	25,102	26,407	27,917	29,322	n.a.	n.a.
Effects of Alternative Fiscal Scenario[b]													
Decrease in revenues	0	-19	-23	-33	-51	-73	-98	-205	-364	-387	-401	-199	-1,654
Increase in outlays[c]	0	*	1	20	41	67	97	130	187	235	284	130	1,064
Increase (-) in deficits	0	-20	-24	-53	-92	-140	-195	-335	-550	-622	-685	-329	-2,717
Increase in debt held by the public	0	20	44	97	189	329	524	859	1,410	2,032	2,717	n.a.	n.a.
Alternative Fiscal Scenario													
Revenues	3,451	3,601	3,769	3,938	4,112	4,319	4,487	4,695	4,842	5,002	5,219	19,738	43,983
Outlays[a]	4,411	4,628	4,827	5,087	5,380	5,678	5,966	6,305	6,653	7,010	7,375	25,600	58,908
Deficits[a]	-960	-1,027	-1,058	-1,150	-1,268	-1,359	-1,480	-1,609	-1,811	-2,008	-2,156	-5,862	-14,925
Debt held by the public	16,685	17,775	18,885	20,138	21,453	22,785	24,309	25,961	27,817	29,949	32,039	n.a.	n.a.

Continued

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

* = between zero and $500 million or between zero and 0.05 percent; n.a. = not applicable.

Table 2. Continued

Budgetary Effects of an Alternative Fiscal Scenario Compared With CBO's Baseline

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total 2020–2024	Total 2020–2029
						As a Percentage of Gross Domestic Product							
CBO's Baseline													
Revenues	16.3	16.4	16.6	16.7	16.9	17.2	17.3	17.8	18.2	18.1	18.2	16.8	17.4
Outlays[a]	20.8	21.0	21.1	21.4	21.7	22.0	22.1	22.4	22.6	22.8	23.0	21.4	22.1
Deficits[a]	-4.5	-4.6	-4.5	-4.6	-4.8	-4.8	-4.8	-4.6	-4.4	-4.7	-4.8	-4.7	-4.7
Debt held by the public	78.9	80.7	82.4	84.5	86.4	88.0	89.7	91.2	92.4	94.0	95.1	n.a.	n.a.
Effects of Alternative Fiscal Scenario[b]													
Decrease in revenues	0	-0.1	-0.1	-0.1	-0.2	-0.3	-0.4	-0.7	-1.3	-1.3	-1.3	-0.2	-0.6
Increase in outlays[c]	0	*	*	0.1	0.2	0.3	0.4	0.5	0.7	0.8	0.9	0.1	0.4
Increase (-) in deficits	0	-0.1	-0.1	-0.2	-0.4	-0.5	-0.7	-1.2	-1.9	-2.1	-2.2	-0.3	-1.0
Increase in debt held by the public	0	0.1	0.2	0.4	0.8	1.3	2.0	3.1	4.9	6.8	8.8	n.a.	n.a.
Alternative Fiscal Scenario													
Revenues	16.3	16.4	16.5	16.6	16.7	16.9	16.9	17.1	16.9	16.8	16.9	16.6	16.8
Outlays[a]	20.8	21.0	21.1	21.4	21.9	22.2	22.5	22.9	23.3	23.6	23.9	21.6	22.5
Deficits[a]	-4.5	-4.7	-4.6	-4.8	-5.2	-5.3	-5.6	-5.8	-6.3	-6.8	-7.0	-4.9	-5.7
Debt held by the public	78.9	80.7	82.6	84.9	87.2	89.3	91.7	94.3	97.3	100.8	103.9	n.a.	n.a.

a. When October 1 (the first day of the fiscal year) falls on a weekend, certain payments that ordinarily would have been made on that day are instead made at the end of September and thus are shifted into the previous fiscal year. All projections presented here have been adjusted to exclude the effects of those timing shifts.

b. This alternative fiscal scenario incorporates all of the policy alternatives in Table 1 except the ones labeled "Freeze Discretionary Appropriations at the 2019 Amount" and "Policy Alternatives That Affect Tariffs."

c. In addition to the effects of higher discretionary spending and added debt-service costs under the alternative fiscal scenario, mandatory outlays would be $46 billion higher over the 2020–2029 period as a result of the refundable portion of the child tax credit and other credits extended under the alternatives shown in the section of Table 1 that is labeled "Policy Alternatives That Affect the Tax Code and Trade Promotion Programs."

This Congressional Budget Office report was prepared in response to interest expressed by the Congress. In keeping with CBO's mandate to provide objective, impartial analysis, the report makes no recommendations.

Daniel Ready wrote the report with assistance from Madeleine Fox, Nathaniel Frentz, Daniel Fried, Bayard Meiser, and Shannon Mok; with guidance from Christina Hawley Anthony, Theresa Gullo, John McClelland, and Joshua Shakin; and with contributions from the staff of the Joint Committee on Taxation.

Wendy Edelberg, Mark Hadley, Jeffrey Kling, and Robert Sunshine reviewed the report; Loretta Lettner edited it; and Jorge Salazar prepared it for publication. An electronic version of the report and supplemental data are available on the agency's website (www.cbo.gov/publication/55580).

CBO continually seeks feedback to make its work as useful as possible. Please send any comments to communications@cbo.gov.

Phillip L. Swagel
Director