Press Release

CBO's Updated Estimate of a Permanent TCJA

ALLIE WATSON | APRIL 11, 2025

In a recent letter, the Congressional Budget Office (CBO) analyzed the long-term budgetary and economic impact of an alternative scenario that assumes a permanent, unpaid-for extension of the Tax Cuts and Jobs Act of 2017 (TCJA) and lower revenue collections. In a new insight, Director of Fiscal Policy Jordan Haring walks through the highlights of CBO's letter.

She concludes:

> *CBO shows that while tax cuts can stimulate economic growth, debt-financing them can cause harms that may outweigh the benefits of the tax cuts themselves. As policymakers work to craft the reconciliation legislation to address the TCJA extension and other domestic priorities, they should aim to enact a pro-growth tax package that is offset with spending reductions.*

Read the analysis.