



Insight

OMB Dissembling on Congressional Budget

GORDON GRAY | MAY 5, 2015

Office of Management and Budget Director Shaun Donovan recently penned a critique of the budget resolution that is about to be finalized in Congress. Long on rhetoric and light on facts, the director's appraisal contains a number of questionable charges, but one charge reveals a particularly embarrassing oversight. Director Donovan accuses the Congressional budget resolution of allowing for the expiration of several tax benefits in 2017. This charge is factually incorrect. The director's accusation also ignores a gimmick in the president's own budget that assumes these policies are extended without paying for them.

The Congressional budget resolution specifically provides for the extension of expiring tax policies. This extension shields families from any tax increase. [Section 4308\(2\)](#) of the budget conference report provides a deficit neutral reserve fund that facilitates the extension of expiring tax policies. It is also worth noting that these policies were last extended at the beginning of 2013 and reflect a bipartisan agreement – injecting partisanship into this policy area does not square with recent history.

More importantly, Director Donovan's accusation appears to be divorced from the reality of the budget released on his watch. A review of the president's budget reveals no policy proposal to extend the tax benefits in question.

Instead, the president blithely assumes Congress will extend them permanently. Buried in [Footnote 1 of page 104](#) is an explanation of \$166 billion in unpaid for tax policies extended until 2025. The footnote reads: "The baseline permanently continues the tax benefits provided to individuals and families that were extended only through taxable year 2017 under ATRA." In the context of Director Donovan's charge, it means the president's budget assumes Congress is extending these policies, while accusing them elsewhere of not doing so.

Director Donovan's accusation that the Congressional budget resolution would allow taxes to expire on families is factually incorrect. The Congressional budget provides for the extension of these policies, which the president's budget conveniently assumes, but without budgeting for any of the cost. This is not the first time Director Donovan has leveled partisan attacks that betray a degree of unfamiliarity with budget he helped author. Indeed, in January launched an attack on "dynamic scoring," while [ignoring](#) the fact that OMB dynamically scores the president's budget.