



Insight

White House's Budget Mythology

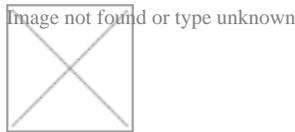
GORDON GRAY | MARCH 24, 2015

The White House launched a partisan critique of the House and Senate budget resolutions currently being debated in Congress. As part of this critique, the White House levels a number of deceptive charges at these budget blue-prints, both of which responsibly lower the deficit to balance over time. Given that the administration's budget *never* balances, the White House's critique appears all the more dubious.

Myths versus Facts

Myth: "Cut Taxes for Millionaires and Raise Taxes for Working Families and Students"

Fact: The House and Senate Budgets are [revenue neutral](#) – meaning no net tax increase for "working families" or tax cut for "millionaires." Meanwhile, the president's budget raises taxes by [\\$1.8 trillion](#) over 10 years.



Myth: "Eliminate Affordable Health Care"

Fact: The House and Senate budgets would repeal the Affordable Care Act, because 5 Years after its enactment, it's failing to deliver on the promise of affordability. Rather, Americans' out-of-pocket expenses are [increasing](#). In 2014 the average deductible for a bronze plan was \$5,081—42 percent higher than in comparable group market plans.

Myth: "Raise Health Care Costs for Seniors"

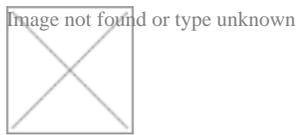
Fact: The House Budget would strengthen Medicare, which has run a [\\$1.4 trillion cash deficit](#) under President Obama. Closing this gap would require a 21 percent increase in the Hospital Insurance payroll tax, a \$3,676 increase in Part B premiums, and a \$2,174 increase in prescription drug premiums.

Myth: “Slash Investments in the Middle Class”

Fact: The House and Senate Budgets reflect discretionary spending levels [signed into law](#) by President Obama, who has [since taken credit](#) for its associated deficit reduction.

Myth: “Balance Only with Gimmicks and Deep Cuts to Programs that Serve the Most Vulnerable and Help Expand Opportunity.”

Fact: The administration’s budget *never* balances, despite the use of [\\$984 billion](#) in gimmicks – that includes pretending payments to physicians serving seniors and earned income and child tax credits don’t expire.



Myth: “Fail to Address our Crumbling Infrastructure”

Fact: The administration has [routinely](#) failed to propose a long-term highway bill. Indeed the current budget proposes a \$111.9 billion transfer from the General Fund to the Highway Trust fund, rather than proposing a sustainable financing mechanism.