



Press Release

What Does a \$3.5 Trillion Senate Budget Deal Mean?

ANDREW EVANS | JULY 14, 2021

Senate Democratic leadership has announced a \$3.5 trillion “budget deal,” but this top-line figure indicates relatively little about the precise policies that will be included in the legislative package, writes AAF’s Director of Fiscal Policy Gordon Gray. In this insight, Gray explains the role of this deal and a forthcoming budget resolution in pursuing a reconciliation bill, and he notes where Congress will need to make substantive policy decisions.

An excerpt:

The upshot of the reported “budget deal” is that there appears to be agreement to consider a budget resolution that assumes additional spending and revenue losses totaling \$3.5 trillion over the next decade, in part drawn from two major tax and spending proposals put forward by the Biden Administration. The budget resolution will necessarily shed additional light on the parameters of congressional Democrats’ forthcoming tax and spending legislation, but it will not provide clear detail. To the extent Senators vote to advance the budget resolution, at this stage they will very likely be voting for legislation without knowing what policies they are enabling.

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