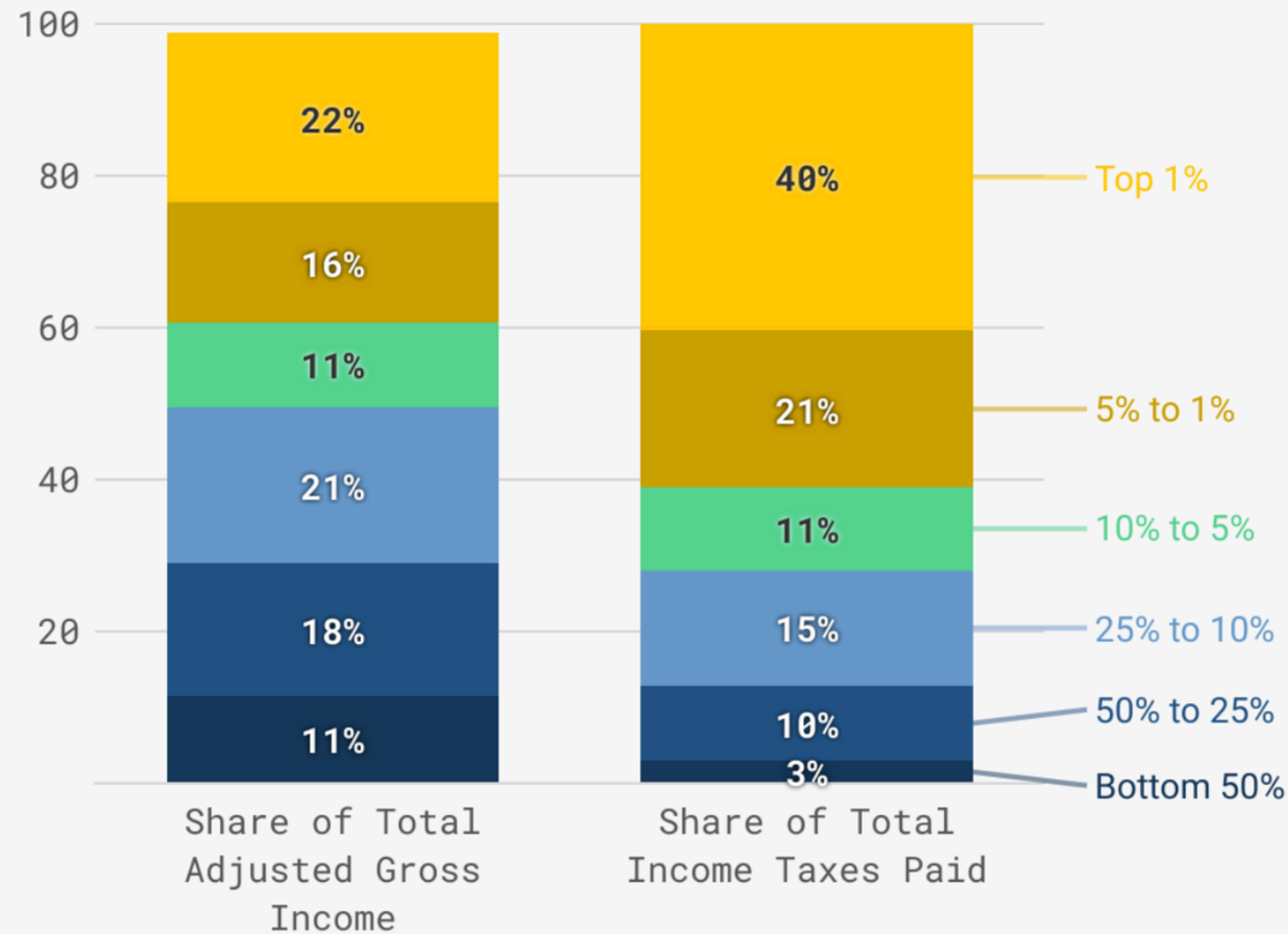


Half of Taxpayers Paid 97 Percent of Federal Income Taxes

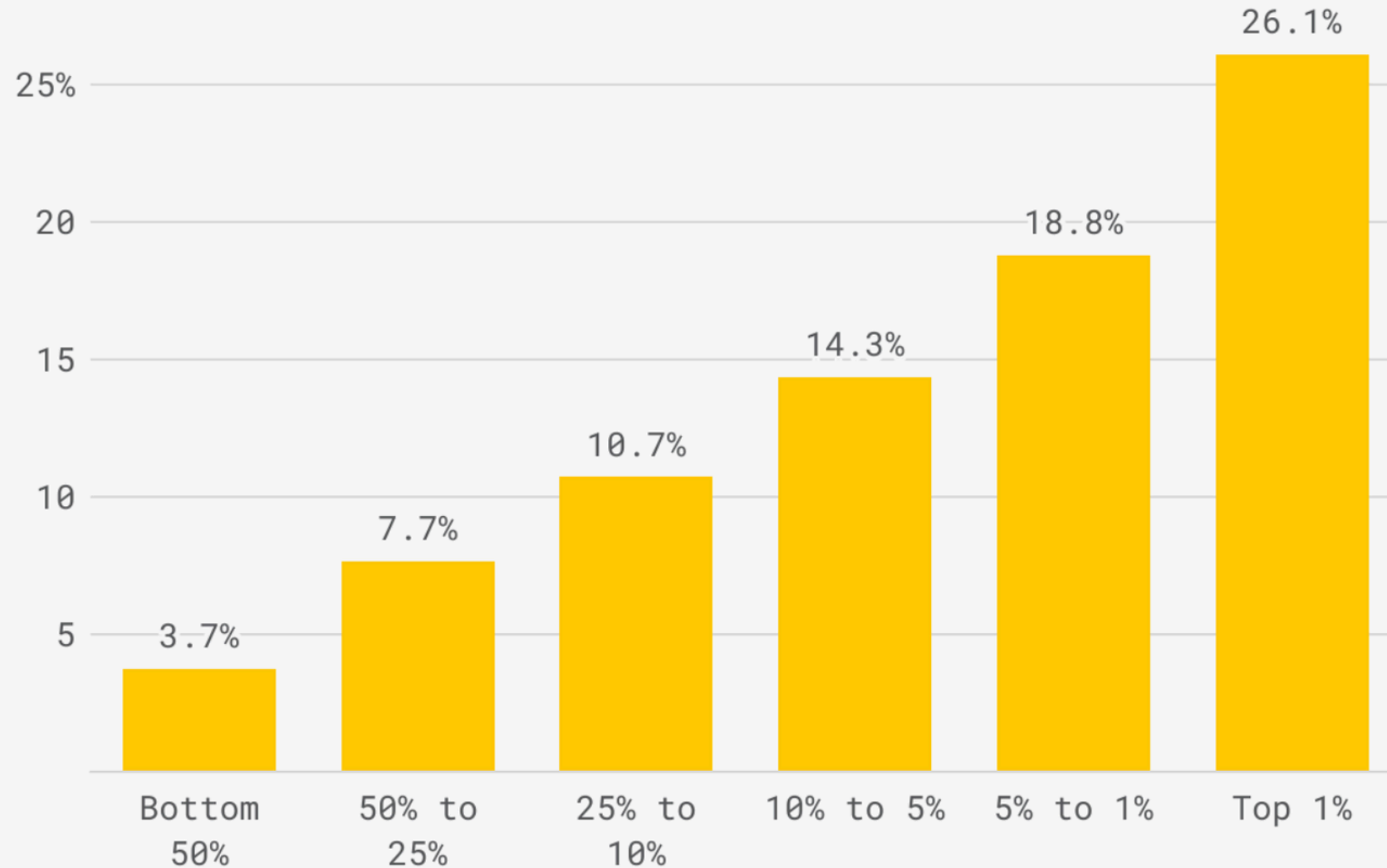
Shares of Adjusted Gross Income and Federal Income Taxes Paid by Income Group in 2022



Source: IRS, "SOI Tax Stats - Individual statistical tables by tax rate and income percentile."

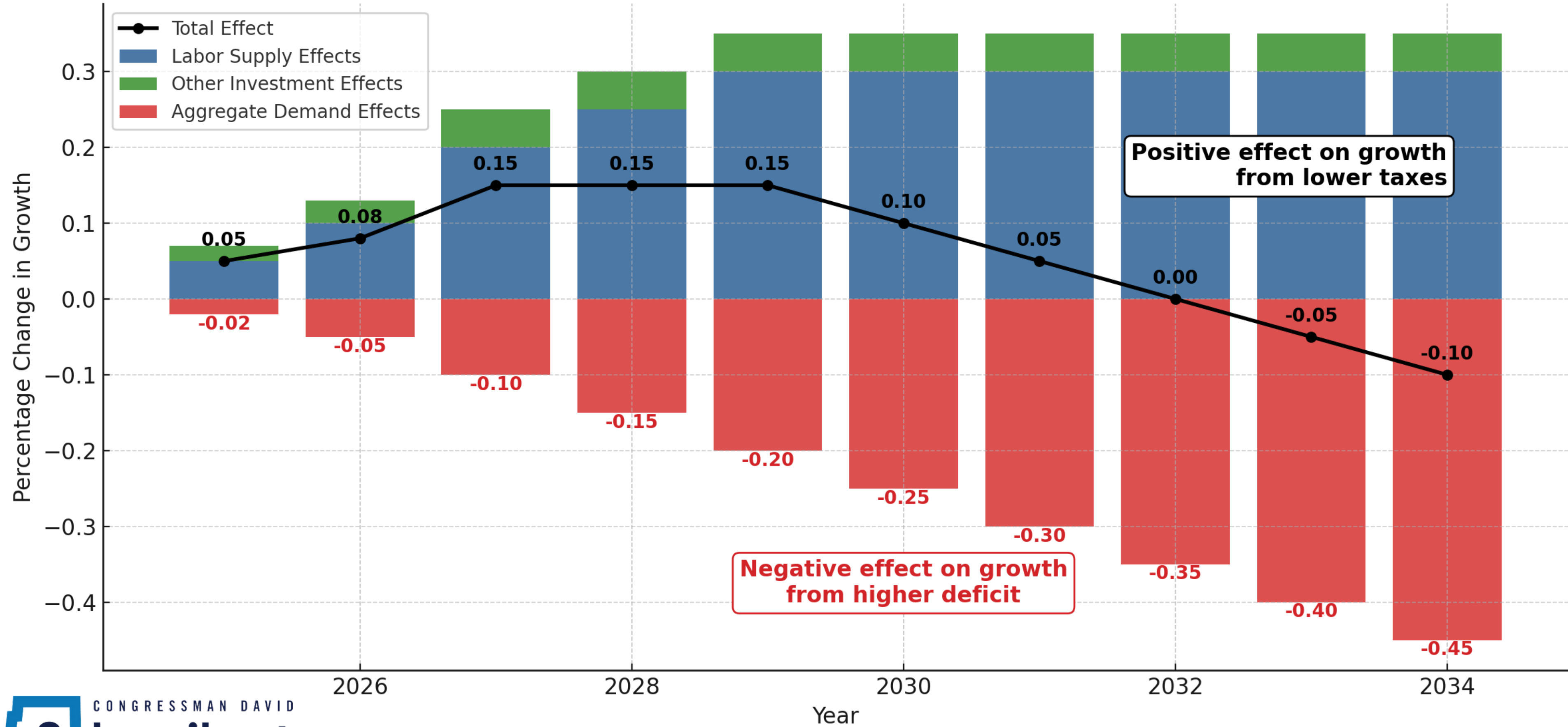
High-Income Taxpayers Paid the Highest Average Income Tax Rates

Average Federal Income Tax Rate by Income Group in 2022



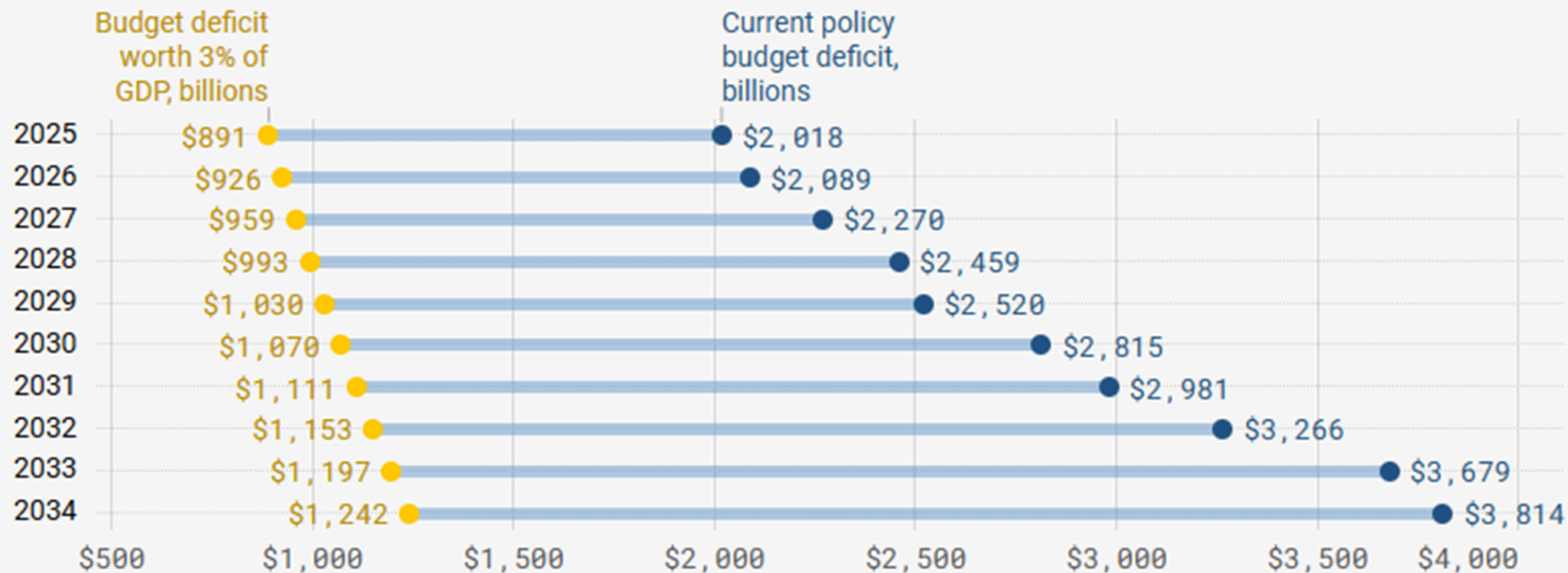
Source: IRS, "SOI Tax Stats - Individual statistical tables by tax rate and income percentile."

Impact of Tax Plan on Economic Growth



Over \$2 Trillion in Annual Savings Needed to Stabilize Budget Deficit at 3% of GDP by 2034

Difference Between Current Policy Budget Deficits and a Budget Deficit Worth 3% of GDP, Fiscal Year 2025 to 2034



Note: Current policy budget deficit assumes current policy tax law and spending are maintained through FY 2034 as projected by Brian Riedl, Manhattan Institute. GDP projections are sourced to June 2024 Congressional Budget Office Projections.

Source: Congressional The Budget Office, "The Budget and Economic Outlook: 2024 to 2034," and Brian Riedl, "2024 Spending, Taxes, and Deficits: A Book of Charts."

Following Passage of TCJA, Private Investment Grew Faster than Projections



Annualized Percent change in Real Nonresidential Private Fixed Investment, Q1 2015-Q4 2019

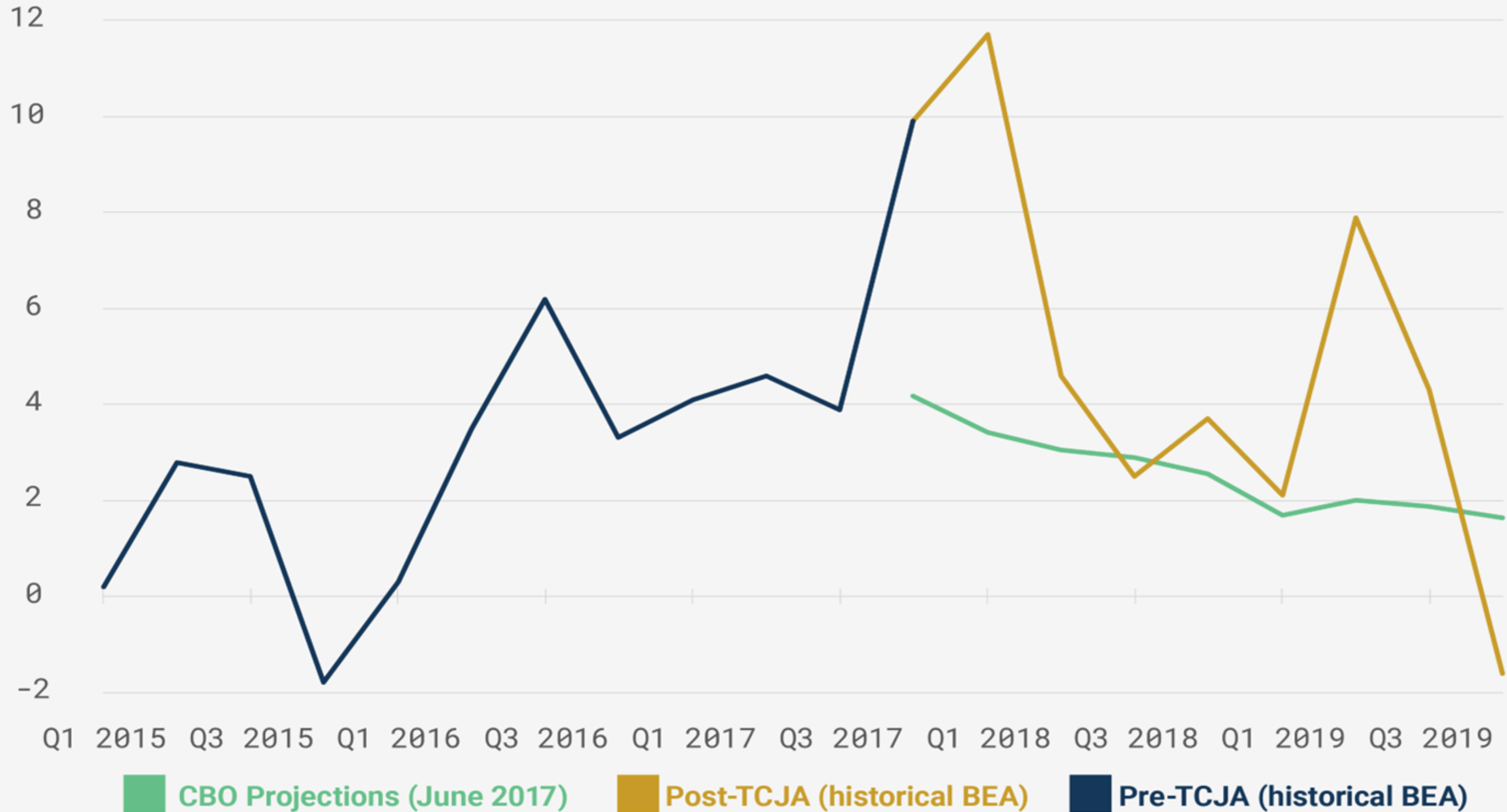
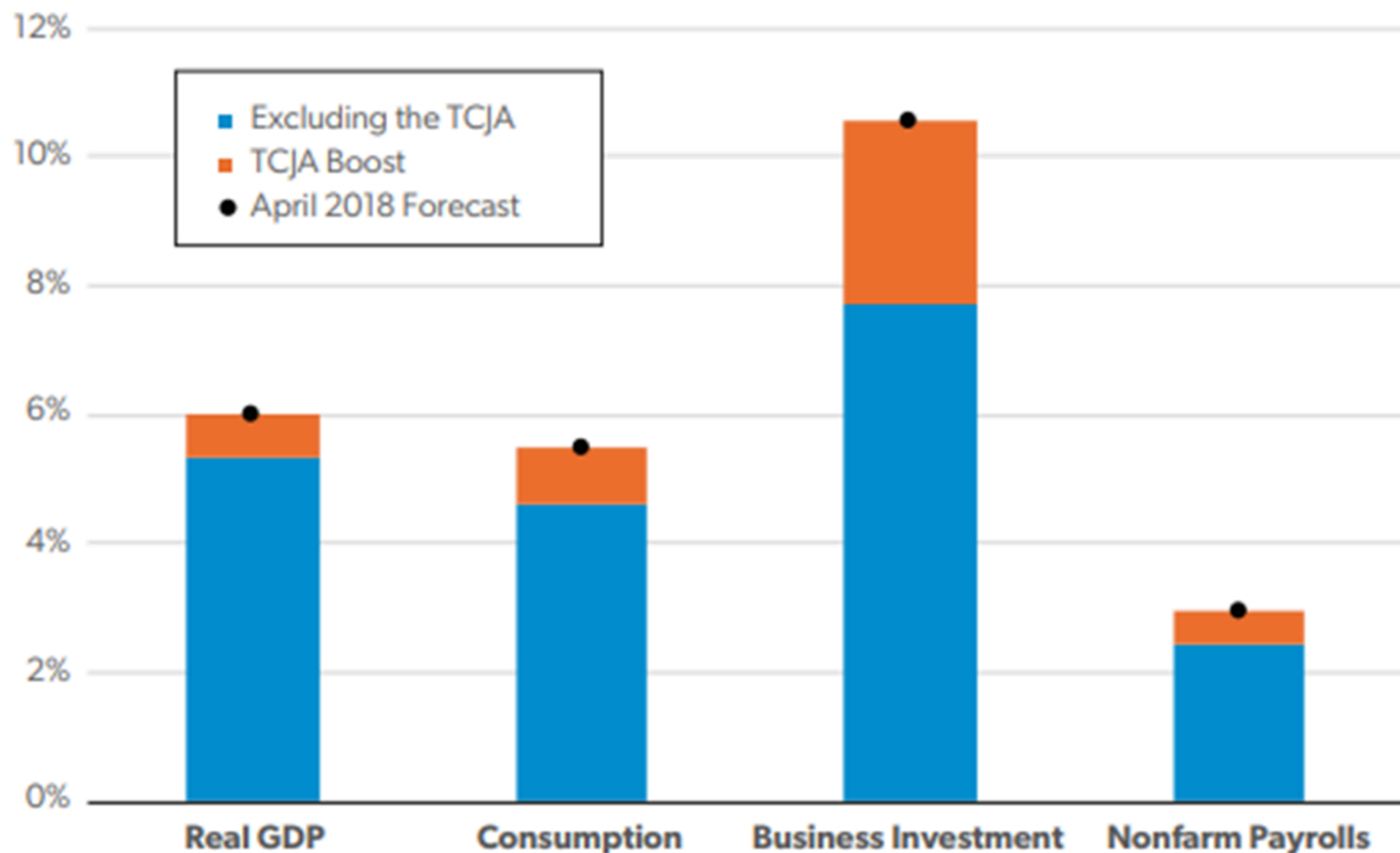


Figure 2. Decomposition of Growth in Key Macroeconomic Variables from 2017 to 2019 in CBO's April 2018 Baseline



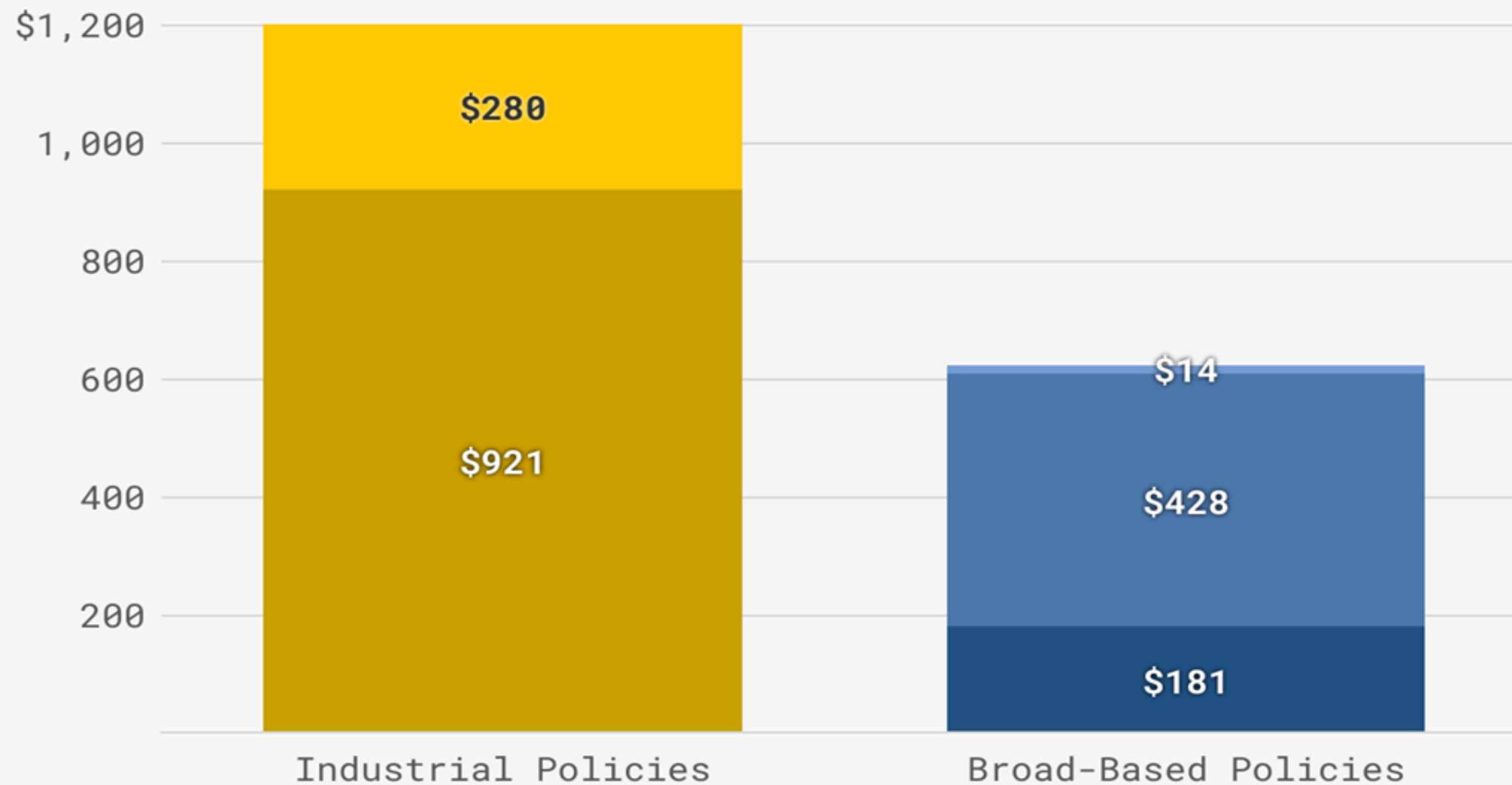
Source: Authors' calculations using Congressional Budget Office, "The Budget and Economic Outlook: 2018 to 2028," April 9, 2018, <https://www.cbo.gov/publication/53651>.

Removing the Tax Bias Against Investment Costs Less than IRA and CHIPS

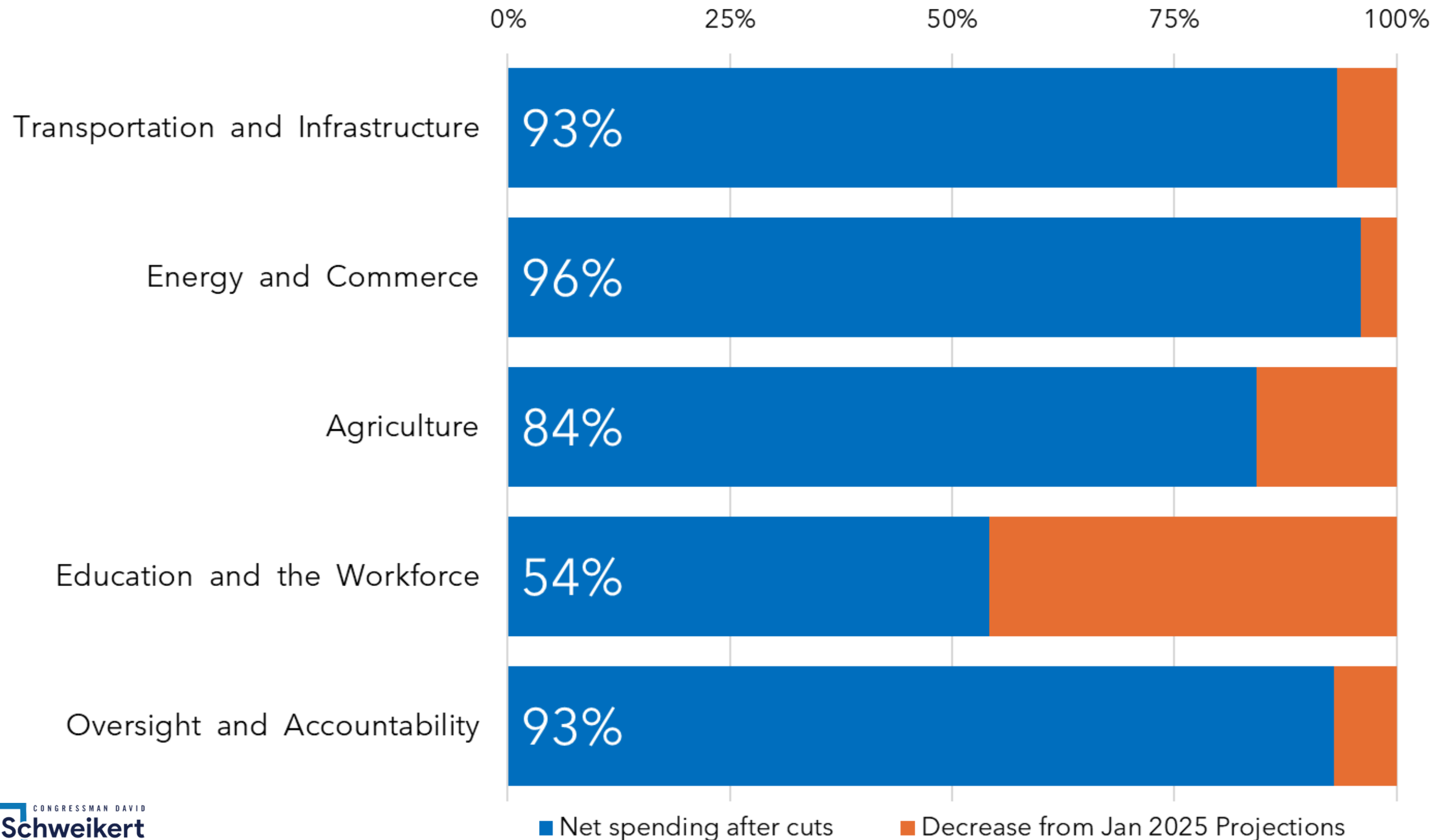


10-Year Fiscal Cost Estimates of Industrial Policy Subsidies Compared to Full Cost Recovery, Billions

- Inflation Reduction Act Green Energy Tax Credits
- CHIPS and Science Act Subsidies
- R&D Expensing
- 100% Bonus Depreciation
- Neutral Cost Recovery System for Structures



Budget Reconciliations Proportional Impact on Committees



Source: Congressional Budget Office

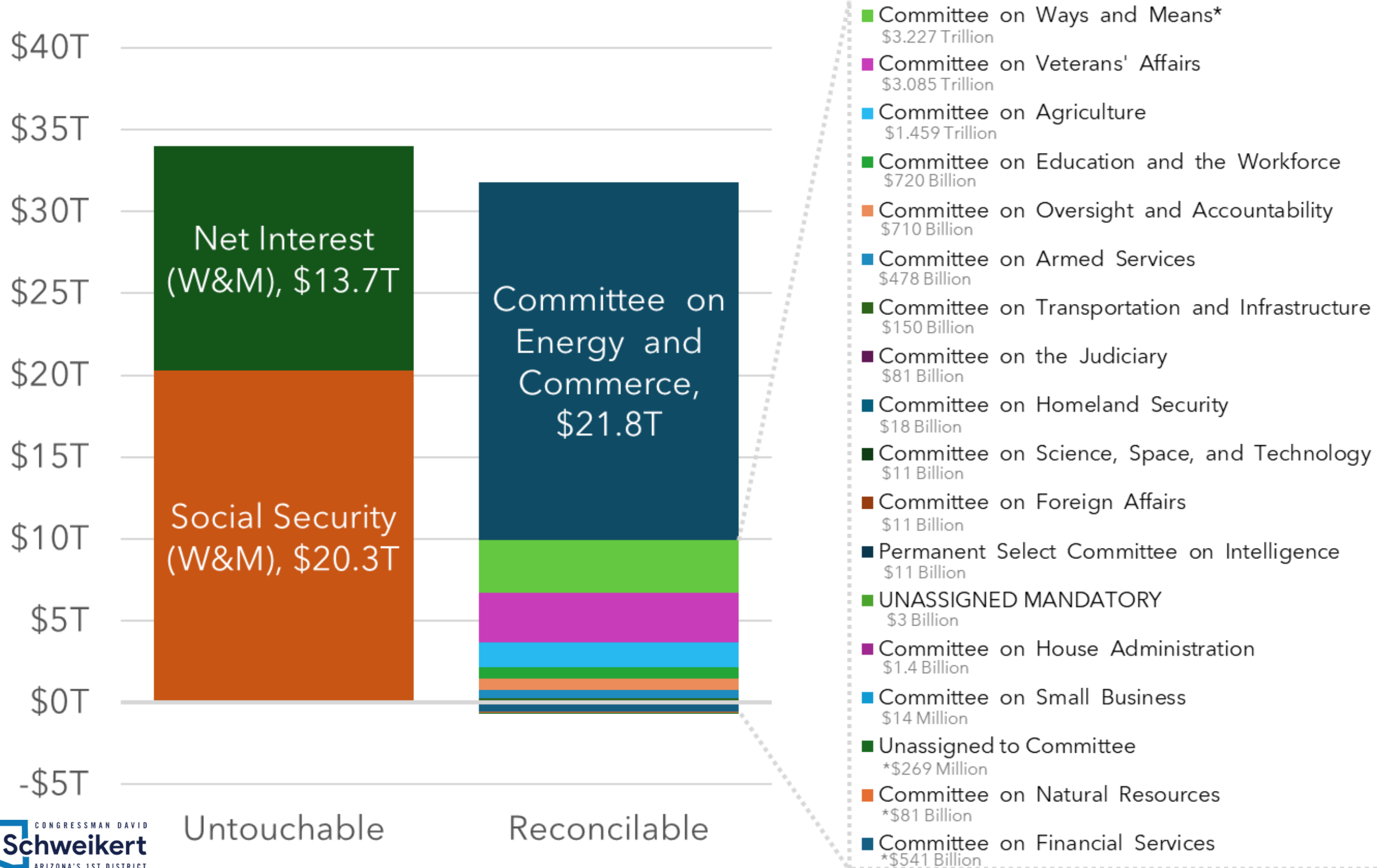
Note: Percentages indicated are the percent of total direct outlays over the 10-year window that the Budget Resolution took into account.



Joint Economic Committee **Republicans**

Less Than Half of Direct Spending Can be Reconciled

Cumulative Spending over 10-year Budget Window



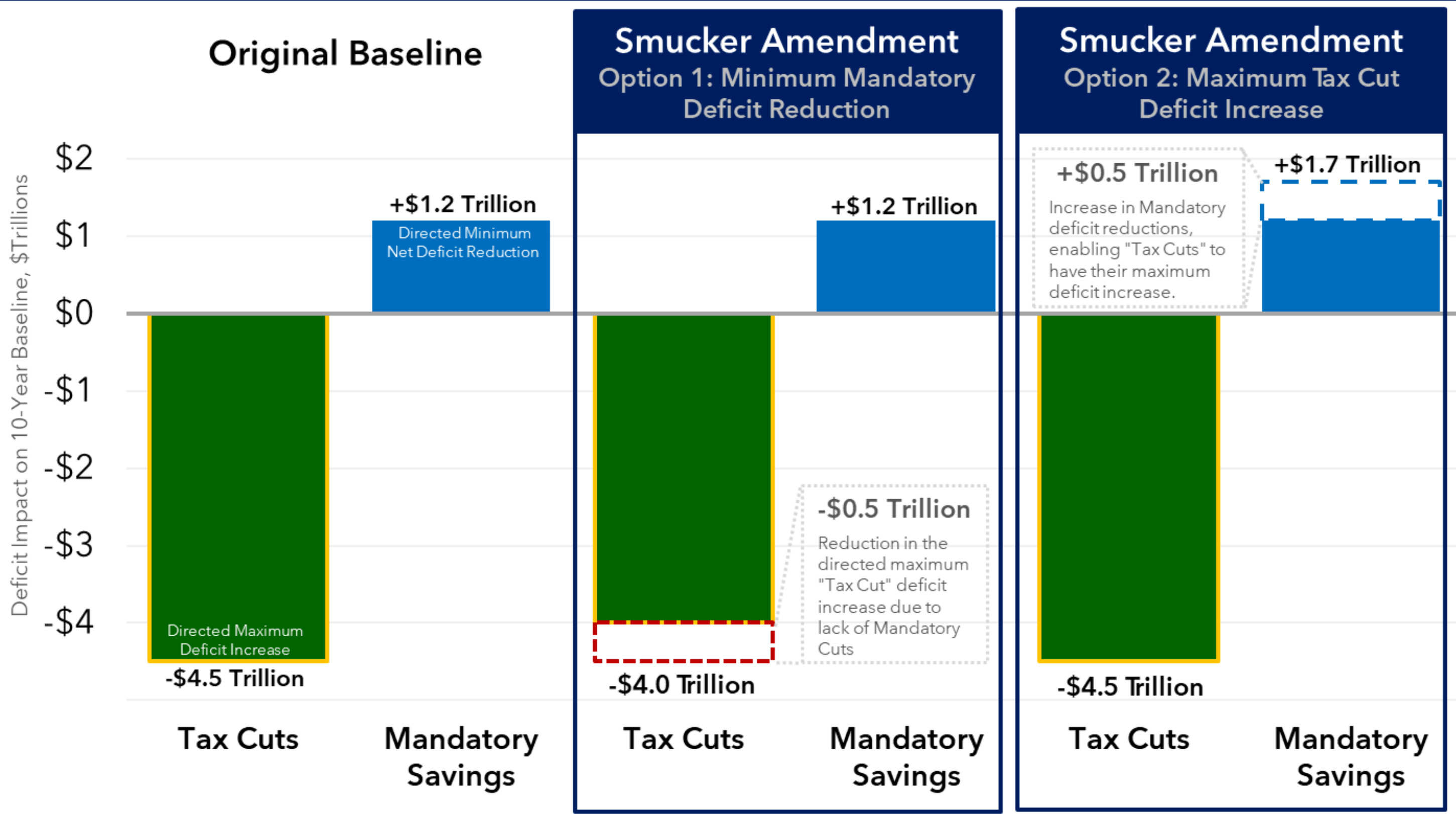
Source: Congressional Budget Office

Note: Changes to Social Security are not allowed due to the Byrd rule. Net interest is a function of deficits and interest rates, backed by the U.S. Government. Reconcilable Ways and Means is without Social Security and Net Interest "untouchable" spending. Fiscal astrisk is due to negative outlays which are typically offsetting receipts.



Joint Economic Committee **Republicans**

House Budget Resolution



Source: House Budget Committee.

Fiscal Year 2025 Budget Resolution, released 2/12/2025

Note: Mandatory government-wide savings(930) are the total of deficit directives to House Committees, for individual directives; reductions are minimum levels and increases are maximum levels. If Mandatory savings do not meet the targeted \$2 trillion in deficit reductions. Then, Ways and Means would be instructed to reduce the level of deficit reductions, on the \$4.5 trillion maximum, to a level offsetting the Mandatory target.

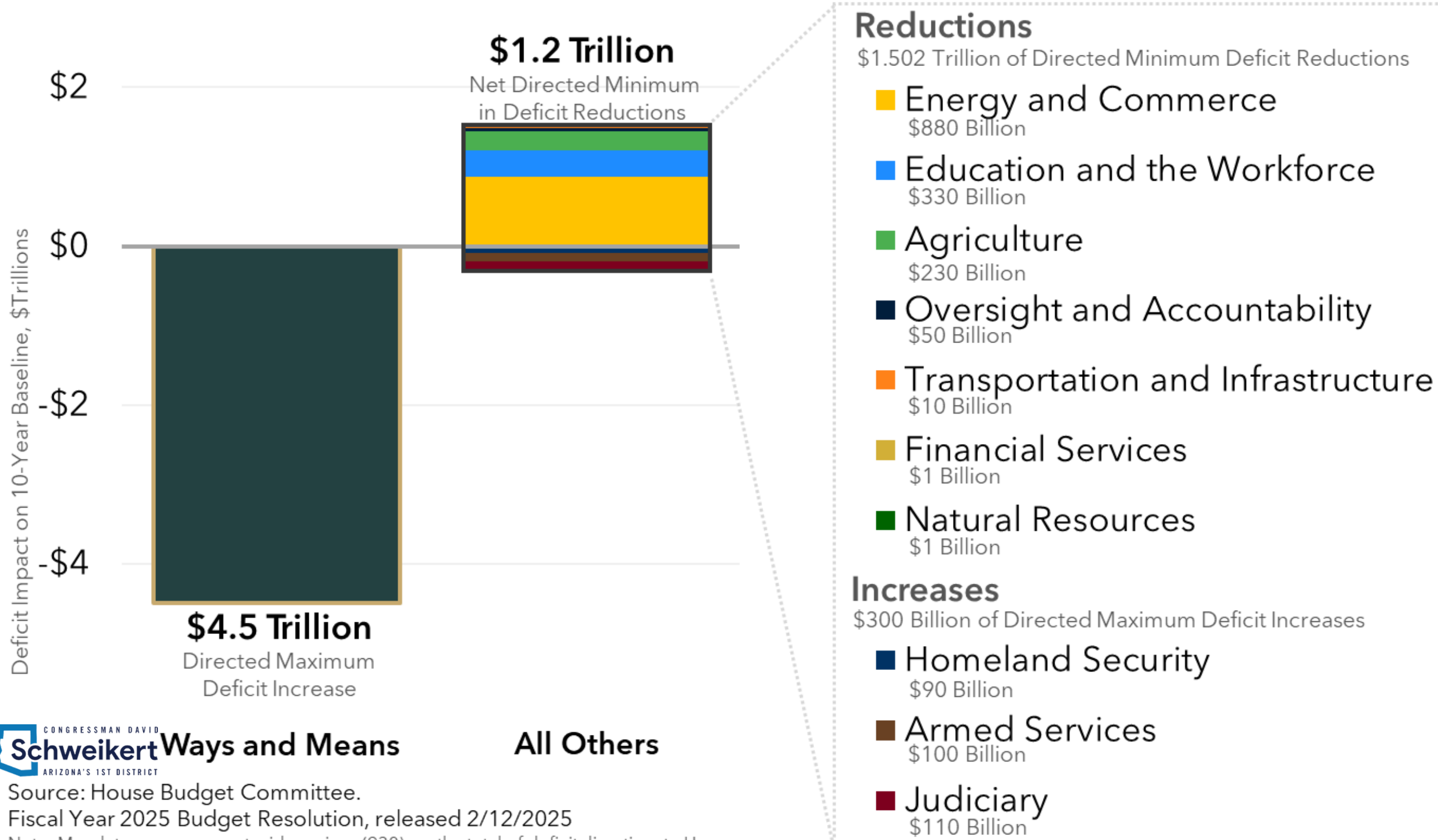


Joint Economic Committee **Republicans**



House Budget Resolution

Mandatory Deficit Directives to House Committees



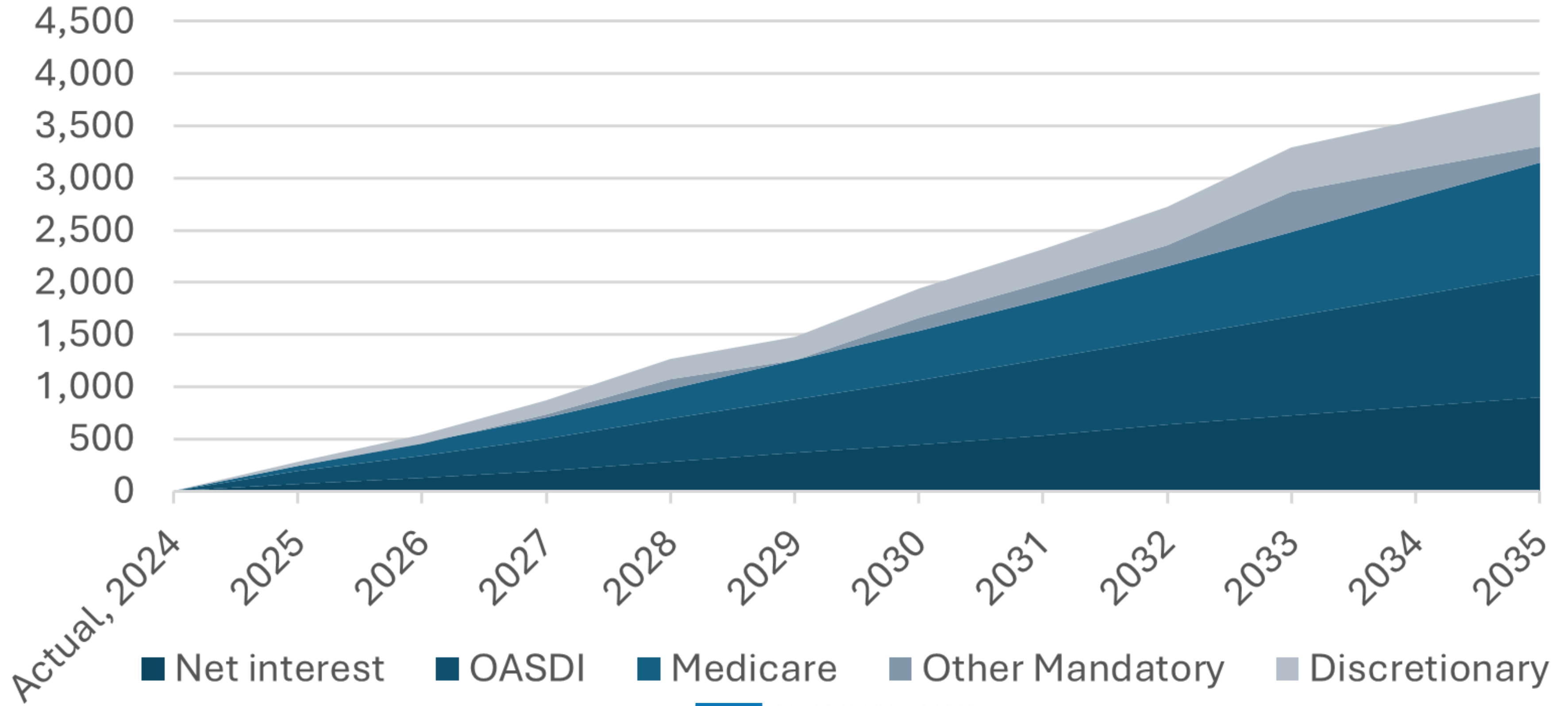
CONGRESSMAN DAVID
Schweikert
ARIZONA'S 1ST DISTRICT

Source: House Budget Committee.
Fiscal Year 2025 Budget Resolution, released 2/12/2025
Note: Mandatory government-wide savings (930) are the total of deficit directives to House Committees, for individual directives; reductions are minimum levels and increases are maximum levels. If Mandatory savings do not meet the targeted \$2 trillion in deficit reductions. Then, Ways and Means would be instructed to reduce the level of deficit reductions, on the \$4.5 trillion maximum, to a level offsetting the Mandatory target.

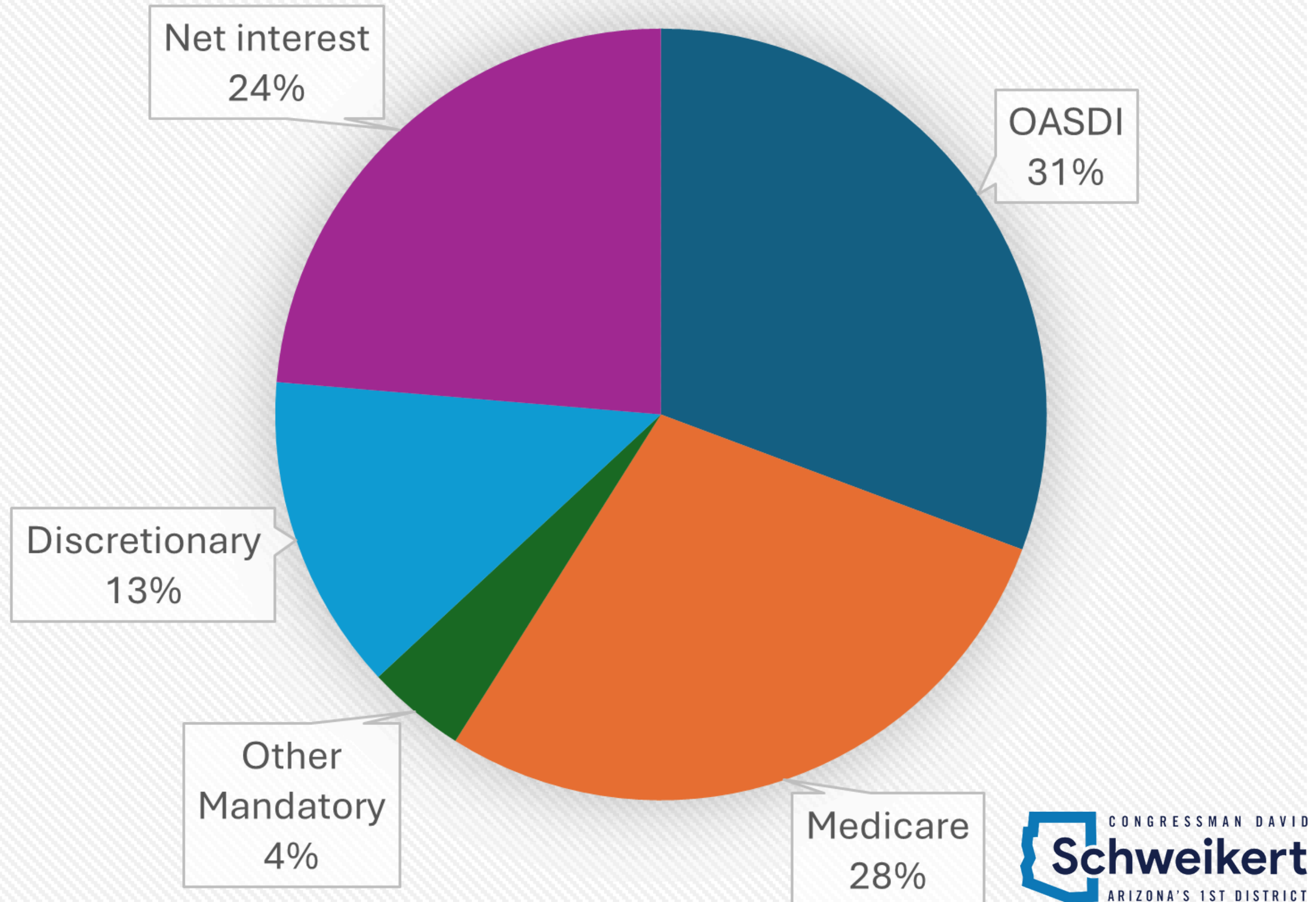


Joint Economic Committee **Republicans**

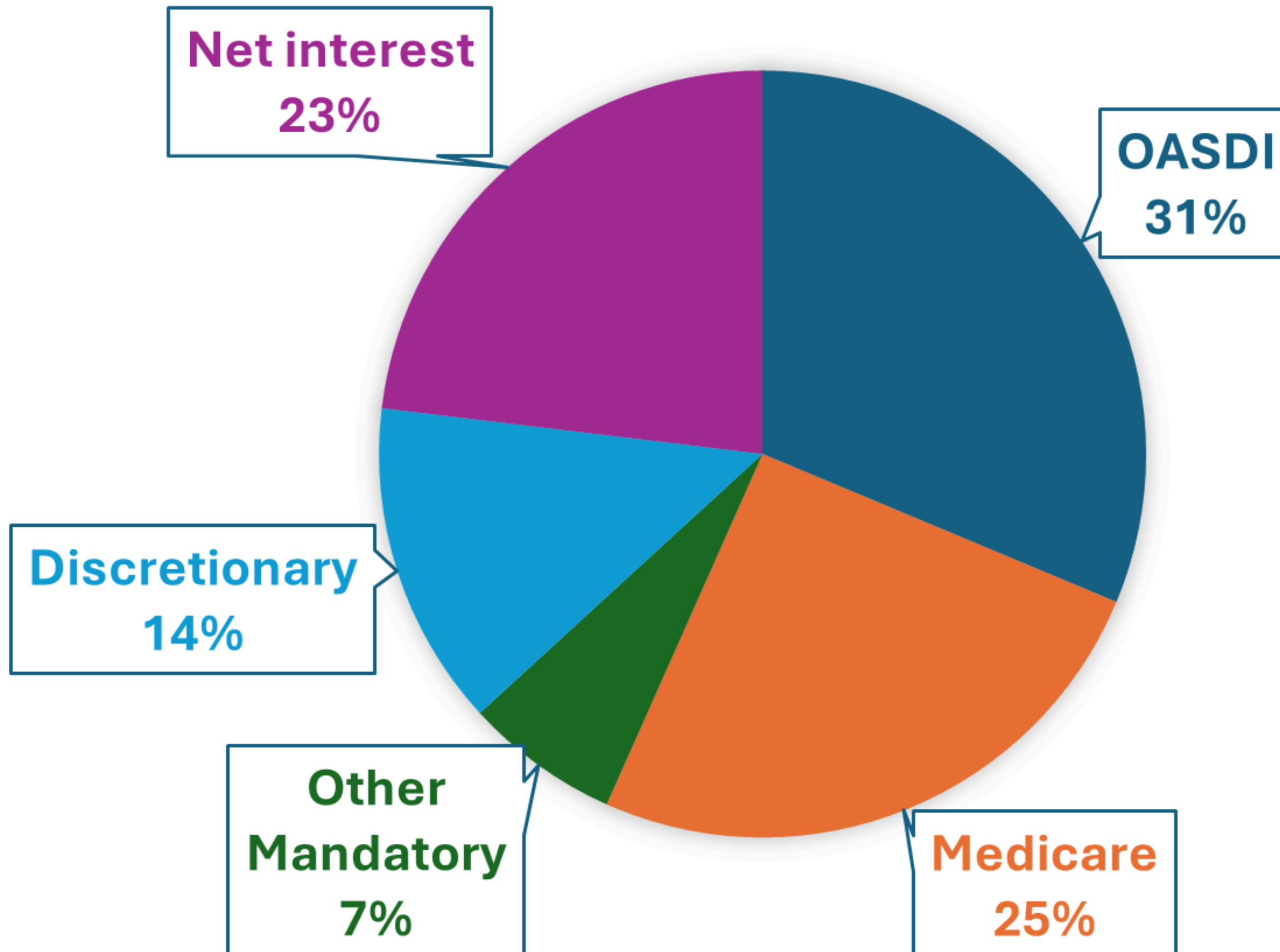
Contributions to Deficit Growth Since 2024



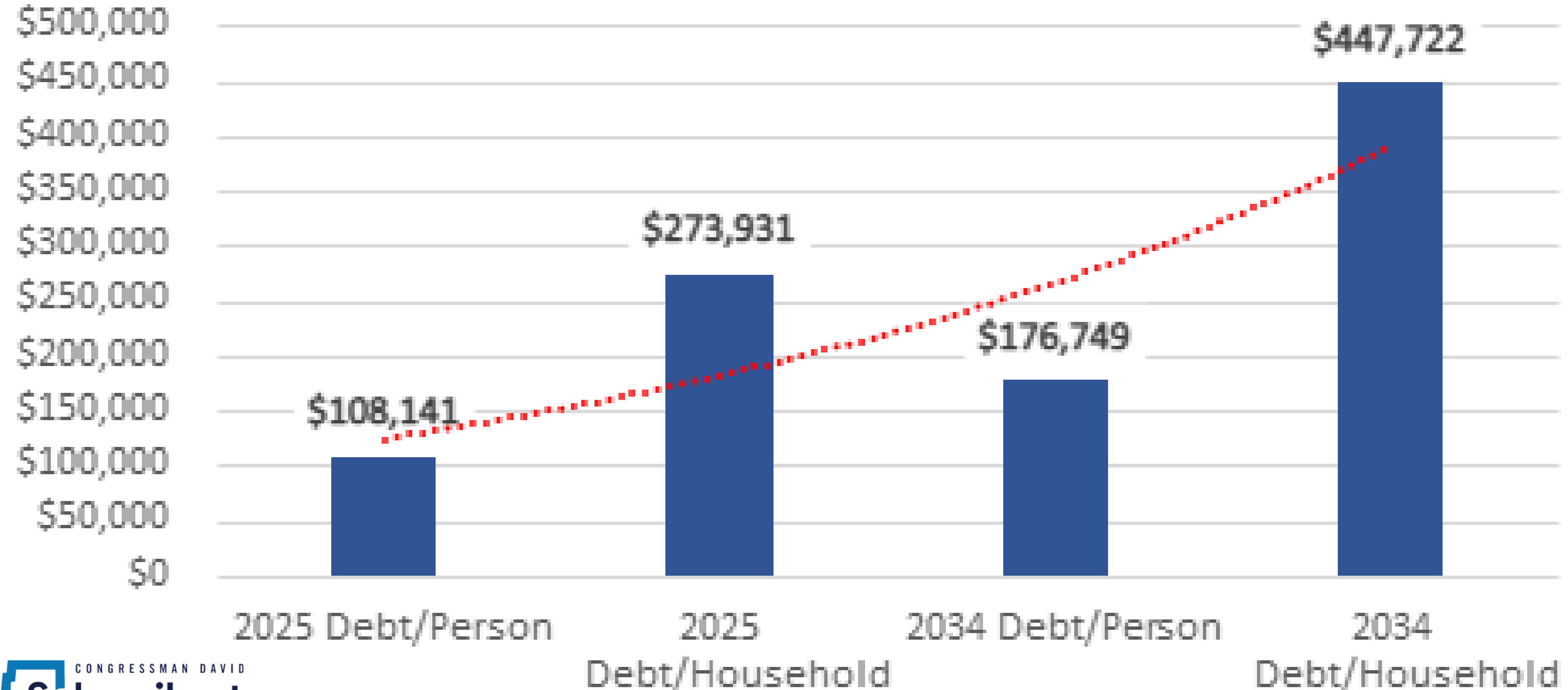
Contributions to the Increase in spending, 2024 vs 2035



CUMULATED CONTRIBUTIONS TO THE INCREASE IN SPENDING, 2025 - 2035 (BILLIONS \$)



Debt Comparison for FY25 vs. FY34



If TCJA Expires...

\$2,853

Average tax hike per taxpayer

If TCJA Expires...

62%

of tax filers get tax hikes