

PRESERVING

AMERICAN

FREEDOM

**REPUBLICAN STUDY COMMITTEE
FISCAL YEAR 2020 BUDGET**

LIBERTY. OPPORTUNITY. SECURITY.

FISCAL YEAR 2020 BUDGET EXECUTIVE SUMMARY

EMBARGOED UNTIL RELEASE OF RSC BUDGET

The RSC Budget is the product of extensive deliberations between RSC Budget & Spending Task Force members, their staff, congressional committees, conservative think tanks and the executive branch. It contains more than 300 specific policy reforms and spending cuts.

A CONSERVATIVE SOLUTION

- balances the budget in 6 years (by 2025)
- refocuses federal spending on our core constitutional responsibilities
- limits the growth of the federal government and prioritizes individual liberty

PROVIDING A RESPONSIBLE PATH FORWARD

- reduces spending by \$12.6 trillion over 10 years
- lowers FY 2020 non-defense discretionary budget authority to \$349 billion and reverses the effects of reckless spending caps increases
- cuts funding for and eliminates duplicative, unnecessary, wasteful or ineffective programs that fall outside of Article I legislative authority
- provides solutions, including mandatory spending reforms, Obamacare repeal, welfare reform and the permanent extension of individual tax cuts
- limits funding for unauthorized programs

PRIORITIZING DEFENSE AND STRENGTHENING NATIONAL SECURITY

- honors the president's core defense funding request with \$745 billion in FY 2020, increasing to \$817 billion in FY 2029, for a total of \$7.73 trillion over the next decade
- incorporates planned Overseas Contingency Operations spending into the base defense budget
- provides the full \$8.6 billion requested by the president for wall funding
- breaks the artificial "firewall" in discretionary spending to deconstruct the notion of parity between national security spending and bloated non-defense programs
- invests in military readiness
- modernizes and expands our nuclear, cyber and outer space capacities
- implements reforms to ensure an efficient Pentagon that is focused on national security

PRO-GROWTH TAX REFORM AND INDIVIDUAL TAX CUTS PERMANENCE

- builds on the *Tax Cuts & Jobs Act* (TCJA) to allow Americans to keep more of their hard-earned money
- cuts \$1.88 trillion in taxes, returning roughly \$14,800 per family to the American people
- makes the individual tax cuts enacted in the TCJA permanent
- expands working-class and small business tax breaks by reducing the first two income brackets to 9.5 percent and 11 percent
- creates Universal Savings Accounts, allowing Americans to invest up to \$10,000 a year without double taxation
- indexes capital gains taxes and reduces the top two rates to 18 percent and 13 percent
- repeals the Death Tax
- makes full and immediate expensing enacted in the TCJA permanent and permanently includes full and immediate expensing for research and development
- expands the net interest deduction to its original intent under the TCJA
- reduces amortization schedule for commercial buildings from 39 to 30 years
- cleans up the tax code by eliminating special interest tax breaks

PRESERVING AMERICAN FREEDOM

CREATING AN ENVIRONMENT FOR ECONOMIC GROWTH AND JOBS

- focuses on moving Americans back into the labor force, rewarding work and promoting innovation
- reforms the regulatory process, expands congressional oversight and begins regulatory budgeting
- promotes domestic energy production and removes investment barriers, including the *Financial CHOICE Act*
- lifts labor regulations like those found in the *Davis-Bacon Act*, implements the *National Right to Work Act* and prohibits union work by federal employees on official time
- ends policies that pick winners and losers in the economy

EMPOWERING AMERICANS TO ENSURE OPPORTUNITY, UPWARD MOBILITY AND SELF-SUFFICIENCY

- rewards work and earned success to empower American individuals, families and local communities
- requires work, job search or training, or volunteering by all able-bodied adults to qualify for government assistance
- largely adopts the *JOBS for Success Act* to reform the Temporary Assistance for Needy Families Program
- supports reforming the Earned Income Tax Credit and Additional Child Tax Credit into a single, hourly-based credit that promotes work
- implements reforms to eliminate marriage penalties, fight fraud and allow for more state flexibility
- postpones welfare benefits until full citizenship is granted

SAVING MEDICARE - without reform, will be depleted by 2026

- saves and improves Medicare by providing more choices, lower costs and a simpler model
- reduces costs for beneficiaries by implementing premium support in 2023, while including traditional fee-for-service as an option
- phases in an increase in eligibility age to align with Social Security and account for longer lifespans
- combines Parts A & B, reforms Medigap and expands means testing

RESTORING FREEDOM AND INNOVATION TO HEALTH CARE

- modifies the employer health insurance exclusion by capping and equalizing the tax treatment of all health insurance premiums, putting an end to 76 years of distortionary effects that have raised health care costs, robbed us of medical innovation and reduced access to health care
- promotes buying insurance across state lines, medical liability reform and reforming the *McCarran-Ferguson Act*
- moves Obamacare, Medicaid and CHIP spending into five block grants dedicated to the core populations of these programs, which will allow flexibility for states to innovatively meet the health care needs of all their citizens
- fully repeals Obamacare's regulations and taxes

MAKING SOCIAL SECURITY SOLVENT - without reform, will be depleted by 2035, cutting benefits by 25 percent

- implements the *Social Security Reform Act* to achieve long-term sustainable solvency
- phases in an increase of the eligibility age to 70 and indexes life expectancy to keep up with increases in longevity
- updates to a more accurate system for calculating cost-of-living adjustments for those most in need
- modernizes the benefit formula for new retirees, provides additional support for the most vulnerable, reduces barriers to staying active in retirement and prohibits overpayment debt discharge

REFORMING DISABILITY INSURANCE - without reform, will be depleted by 2032

- modernizes the program by implementing the *Making DI Work for All Americans Act*, refocusing it on those who need the most help
- updates the program to encourage labor force participation where possible and prevents fraud

PRESERVING AMERICAN FREEDOM

RESTORING ARTICLE I AND FIXING THE BUDGET PROCESS

- identifies reforms to restore a properly limited and accountable federal government
- holds the administrative state accountable to the people
- permanently bans earmarks, restores the Article I power of the purse, increases transparency, requires periodic reauthorizations and promotes conversion of programs from mandatory to discretionary

PROTECTING CONSERVATIVE VALUES

- protects the Second Amendment
- secures the border
- defends life
- preserves religious liberty

FY 2020 BUDGET CHEAT SHEET

6
YEARS

**TO A
BALANCED
FEDERAL
BUDGET**



**SUPPORTS
PRO-GROWTH
TAX REFORM &
INDIVIDUAL TAX CUTS
PERMANENCE**

**\$12.6
TRILLION**

**REDUCTION IN
SPENDING BY THE
GOVERNMENT
OVER 10 YEARS**



**PRIORITIZES DEFENSE
&
NATIONAL SECURITY**



**SAVES MEDICARE,
RESTORES FREEDOM & PROMOTES
INNOVATION IN HEALTH CARE**

**\$1.9
TRILLION**

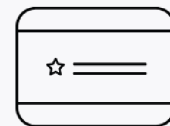
**RETURNED TO THE
AMERICAN PEOPLE
IN TAX CUTS**



**RESTORES ARTICLE I
POWERS TO CONGRESS
& FIXES THE
BUDGET PROCESS**



**EMPOWERS AMERICANS AND
ENSURES OPPORTUNITY,
UPWARD MOBILITY &
SELF-SUFFICIENCY**



**MAKES SOCIAL
SECURITY SOLVENT
& REFORMS
DISABILITY INSURANCE**

FY 2020 BUDGET
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