

Paul Budget Plan

- **A truly radical plan**
 - large tax cuts for the wealthiest
 - deep spending cuts in priorities like education, energy
- **Cuts discretionary spending more than \$2 T below BCA levels**
 - eliminates Departments of Education, Energy, Commerce, HUD
- **\$3.8 T in health care cuts**
 - ends Medicare in 2 years
 - block grants Medicaid
 - repeals health care reform
- **Cuts safety net for seniors, children, and disabled**
 - more than doubles House GOP cuts in income security
 - block grants Food Stamps and Child Nutrition
 - eliminates low-income energy assistance (LIHEAP)

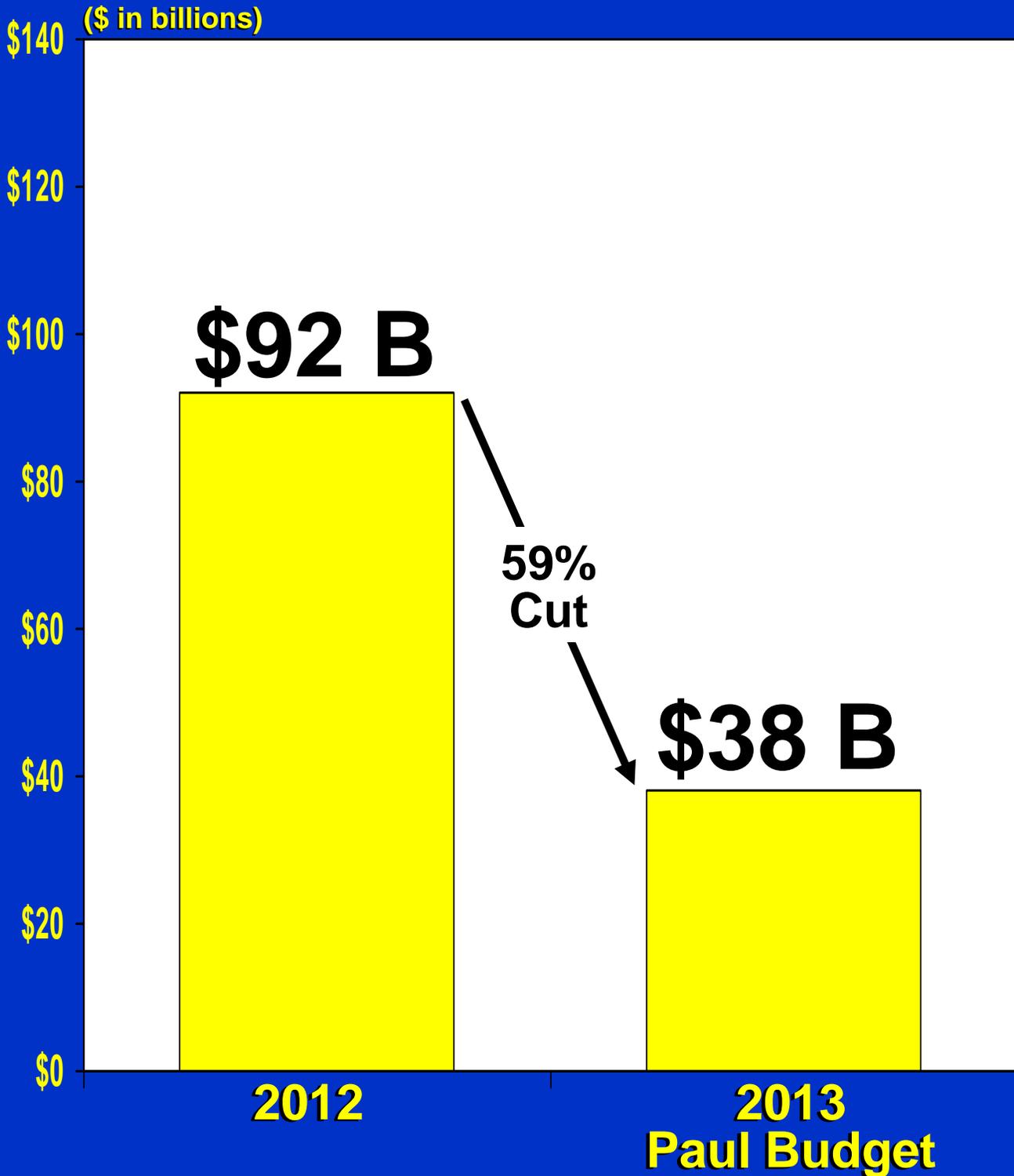
Revenue in Paul Budget Plan

- **Provides large tax cut for wealthiest**
 - replaces current progressive system with 17% flat tax
 - eliminates estate tax
 - eliminates taxes on capital gains, dividends
- **Raises taxes on lower-income families**
 - ends EITC and Child Tax Credit
- **Does not contribute one dime of revenue to deficit reduction**
 - digs deficit hole deeper on revenue side
- **Uses dynamic scoring assumptions**

Paul Budget Social Security Policy Statement

- Deep cuts in Social Security benefits
 - cuts benefits 39% for average worker
- Increases retirement age 3 times faster than Fiscal Commission plan
 - increases normal retirement age to 70 over about 20 years
 - increases early retirement age with no hardship exemption
- Shifts to “progressive indexing” for those earning above \$33,000
 - indexes benefits to inflation instead of wages
 - cuts benefits more deeply over time

Education Funding Under Paul Budget Plan



Source: CBO, Paul
Note: Regular discretionary budget authority for Function 500; excludes emergency funding.