



Don Nickles, Chairman  
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## **SENATE PASSES BUDGET TO HALVE DEFICIT IN 3 YEARS, PROTECT FAMILIES FROM TAX INCREASES, AND INVEST IN SECURITY AND DEFENSE**

WASHINGTON – The U.S. Senate early this morning passed a \$2.36 trillion budget for fiscal year 2005 that halves the deficit in three years, rejects tax increases on families and invests billions in defense and homeland security.

The Senate passed the budget 51-45 after four days of debate and 25 roll call votes.

Senate Budget Committee Chairman Don Nickles said following the vote, “This is a challenging budget year. The deficits we face are unacceptable, and the Senate has worked this week to pass a budget that cuts deficits while making room for important national priorities. The budget we passed has significant deficit reduction, fully funds the President’s defense requests, and paves the way for the Senate to keep tax rates lower for working families.”

Senate Republicans throughout the day Thursday repeatedly beat back amendments that would have raised taxes and raised spending. Right now, the federal government spends more than \$8,000 per man, woman and child in America.

The Budget would reduce the deficit from \$477 billion in FY 2004, which represents 4.2 percent of gross domestic product (GDP), to approximately \$225 billion in FY 2007, which represents 1.7 percent of GDP. This compares to a post-World War II high of 6 percent.

The Budget provides for expedited consideration of tax cuts on working families that would expire under current law, including the \$1,000-per-child tax credit, marriage penalty relief and the 10-percent tax bracket for the nation’s lowest earning workers.

The Budget invests in the critical issues of defense and homeland security, increasing spending 7 percent and 15 percent, respectively, fully funding the President’s requests in both those areas.

Nickles expressed disappointment that a provision to root out waste, fraud and abuse in mandatory programs was stripped out of the resolution late Wednesday. “Mandatory spending represents two-thirds of the entire budget. We cannot expect to eliminate deficits if are unwilling to consider even modest reductions in these programs.”