

THE PATH TO PROSPERITY

A Summary of Major Provisions *The House Republican Conference*

Keeping Taxes Low So the Economy Can Grow

- The Path to Prosperity keeps taxes low so the economy can grow. This budget eliminates roughly \$800 billion in tax increases imposed by ObamaCare. The budget prevents the \$1.5 trillion tax increase called for in the President's budget.
- The Path to Prosperity calls for a simpler, less burdensome tax code for families and small businesses, improving incentives for growth and investment. This budget also lowers the tax rate imposed on American businesses, which is the highest corporate tax rate in the industrialized world, from 35 percent to 25 percent.
- The Path to Prosperity consolidates the six current brackets while cutting the top rate from 35 percent to 25 percent, and clearing out a burdensome tangle of loopholes that distort economic activity.



Repealing and Defunding ObamaCare

- The Path to Prosperity repeals and defunds ObamaCare, ensuring that not a penny is spent on the government takeover of health care that was enacted last year. Instead, it moves toward patient-centered reform.
- The Path to Prosperity stops the raid on the Medicare trust fund that was going to be used to pay for ObamaCare. Any current-law Medicare savings must go to saving Medicare, not financing the creation of new government takeover of health-care.



Restraining Job-Destroying Spending

- The Path to Prosperity cuts \$6.2 trillion in government spending over the next decade compared to the President's budget.
- The Path to Prosperity extends the ban on earmarks, targets corporate welfare and eliminates hundreds of duplicative programs, bringing non-security discretionary spending to below 2008 levels.
- The Path to Prosperity restrains government spending to 20% of the economy after ten years and 15% in 2050, a sharp contrast to President Obama's budget, which drives the size of government to more than 23% of the economy over the next decade.

Restoring Confidence by Ending Runaway Deficits and Reducing the Debt

- The Path to Prosperity cuts \$4.4 trillion in deficit spending compared to the President's budget over the next decade.
- The Path to Prosperity surpasses the President's low benchmark of sustainability – which his own budget fails to meet—by reaching primary balance in 2015, and reduces the deficit well below the President's goal throughout the first decade.
- The Path to Prosperity balances the federal budget and puts the government on track to pay off the debt.
 - By 2040, this budget will produce annual surpluses, according to the non-partisan Congressional Budget Office. By contrast, under the status quo, the annual deficit would grow to consume nearly one-fifth of the entire U.S. economy.
 - By 2050, this budget would cut the debt in half relative to where it stands today, lifting nearly \$120 trillion of debt relative to the President's path.



Fulfilling the Mission of Health and Retirement Security

- The Path to Prosperity secures our health and retirement benefit programs both for current beneficiaries, who will receive the benefits they've organized their retirements around, and for future generations, who will inherit stronger programs they can count on when they retire.
- The Path to Prosperity saves Medicare while protecting those in and near retirement from any disruptions and offering future beneficiaries access to the same kinds of health care options now enjoyed by members of Congress.
- The Path to Prosperity ends an onerous, one-size-fits-all approach for Medicaid, converting the federal share of spending into an allotment that gives states the freedom and flexibility to tailor a Medicaid program that fits the needs of their unique populations.
- The Path to Prosperity strengthens Social Security and forces action from the President and both chambers of Congress to ensure the solvency of this critical program, creating the space for advancing solutions.



Ensuring Efficient, Effective and Responsible Government

- The Path to Prosperity recommits the federal government to the security of every American citizen's natural right to life, liberty and the pursuit of happiness, while fostering an environment for economic growth and private-sector job creation.

- The Path to Prosperity reflects \$178 billion in savings identified by Defense Secretary Robert Gates, reinvesting \$100 billion in higher military priorities and dedicating the rest to deficit reduction.
- The Path to Prosperity consolidates 49 job-training programs into one accountable, targeted scholarship program aimed to empower American workers with the tools needed to compete in the global economy.
- The Path to Prosperity streamlines government agencies, brings non-security discretionary spending to below 2008 levels, targets wasteful and duplicative federal programs, and repeals the president's health care law.
- The Path to Prosperity changes the spending culture of Washington by locking in savings with enforceable spending caps and budget process reforms, addressing not only what Washington spends, but also how tax dollars are spent.



Key Objectives of the Path to Prosperity

GROWTH AND JOBS

The Path to Prosperity provides common-sense stability and certainty to American job creators and the economy by ensuring that taxes remain low and competitive with their competitors around the world. The plan provides a top tax rate of 25% for both individuals and corporations. It removes the regulatory burdens that Washington has built that inhibit economic growth and job creation.

THE GOVERNMENT TAKEOVER OF HEALTH CARE

The Path to Prosperity repeals and defunds ObamaCare, the \$2.6 trillion government takeover of health care.

HEALTH SECURITY & RETIREMENT SECURITY

The Path to Prosperity preserves health and retirement benefits for Americans in or near retirement. Since these programs are in financial trouble, this plan strengthens our social safety net for future generations so they can benefit from these important programs when they retire.

SPENDING CUTS AND CONTROLS

The Path to Prosperity stops Washington from spending money it doesn't have and actually reduces dream-crushing debt. This plan cuts the deficit below \$1 trillion in the first year alone and reduces deficits by \$4.4 trillion over 10 years compared to the President's budget.

RESTORING AMERICA'S EXCEPTIONAL PROMISE

The Path to Prosperity lifts the crushing burden of debt and averts the looming fiscal crisis before us. This budget tackles the existential threat posed by the national debt, and ensures that the next generation inherits a stronger, more prosperous America. It ensures that our children live lives free from indebtedness to China.