

The Path to American Prosperity Summary of the Republican Budget Alternative In stark contrast to the Democrats' budget that spends too much, taxes too much, and borrows too much, the Republican Budget Alternative puts America on a path to prosperity.

Spends \$4.8 trillion less than the Democrats' budget over 10 years.

Brings spending back down to 20.7% of gross domestic product (GDP), in line with the historical average, instead of climbing to 24.5% of GDP as proposed in the Obama budget. ? Freezes non-defense/non-veterans spending, instead of increasing non-defense spending by over 9% as proposed in the Obama budget.

Brings debt under control, borrowing \$3.6 trillion less than the Obama budget over 10 years.

The GOP budget holds debt to 65% of GDP, instead of soaring to over 82% of GDP and nearly tripling over the 10-year period as proposed in the Democrats' budget.

Puts forward a long-term budget to bring debt under control, instead of burying our children under a mountain of debt that will result from the Democrats' budget. ? Does not raise taxes. Instead of imposing \$1.5 trillion in tax increases on investors, small businesses, and families as proposed in the Obama budget, the Republican budget extends tax relief avoiding tax increases during a recession.

Avoids scheduled tax increases in 2010 by permanently extending 2001 and 2003 tax relief. ? Permanently fixes the Alternative Minimum Tax.

Creates 2.1 million more Jobs than the Democrats' Budget. Instead of a big government strategy in which Washington attempts to spend, tax, and borrow America to prosperity, the Republican budget puts its faith in individuals, small business and private sector investment to generate economic and job growth.

Suspends capital gains taxes through 2010 instead of increasing taxes on investment as proposed in the Obama budget.

Reforms the tax code making it simpler, more pro-growth, and more competitive, instead of making it more burdensome and complex as proposed in the President's budget.

Reduces corporate tax rate to 25% (from 35%, second highest in the industrialized world) to make U.S. companies more competitive and create American jobs.

Funds National Priorities ? Increases the Defense budget by \$5 billion over the Obama budget and reserves the \$50 billion annual "placeholder" for the war or unmet DOD needs. ? Increases Veterans funding by \$540 million over the President's budget.

Provides for health and retirement security by reforming programs to ensure they can provide

benefits for future beneficiaries.

