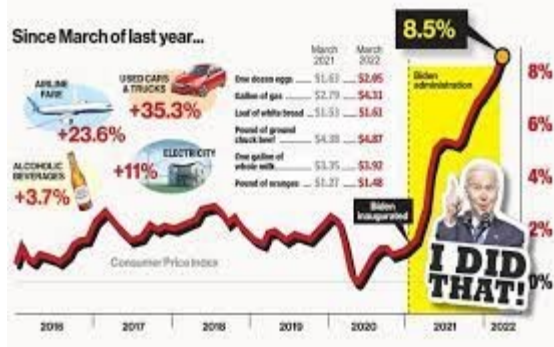


NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER: THE BIDEN TAX & SPEND BLOATED BUDGET.

BACKGROUND. Another tax and spend Biden budget proposed for FY 2023-2024. Laughably claiming to be fiscally responsible, Biden in his third budget proposes exorbitant wealth confiscation policies, astronomical spending, and burgeoning deficits. \$6.9 trillion in spending, \$5 trillion in tax hikes and new taxes, \$17 trillion in overall deficits over the next decade, trillions in interest payments, and stunted Gross Domestic Product (GDP) growth. The Biden budget shows the usual pattern of reckless spending, inflationary deficits, huge debt, and immense growth in the size of the federal government. His budget would reverse many of the 2017 Trump tax cuts, violating his promise to raise taxes only on the wealthiest of taxpayers.

TAX HIKES. A major proposal is his 25% minimum tax on individuals having over \$100 million in assets, a \$1.17 trillion tax hike. Biden would tax the increase in assets, even if no income realized. He also would raise the tax rate for individuals making over \$400,000 and couples earning over \$450,000 to 39.6%, up from 35%. Slashing the standard deduction by about \$7,000 for single filers and \$14,000 for married filers, a provision that mostly helps low- and middle-income taxpayers. Biden would repeal several parts of the Trump tax cuts, taxing capital gains at the same rate as wage income for those with over \$1 million income. A carried income tax on capital gains. Raising the capital gains on real



estate transactions by ending Like-Kind Exchanges. Quadrupling of the stock buyback tax from 1% to 4%. Raising the net investment income tax by 1.2%. Total budget tax hikes set at \$4.7 trillion. His budget extends the 3.8% surtax now applied to investment income of couples earning more than \$250,000 in business income. Adding state taxes, higher income folks would pay a combined tax rate of 55%, higher than in the UK, Germany, and Sweden. Families could take advantage of the expanded child tax credit, even if they paid no taxes. His budget plan calls for approximately \$5.5 trillion in tax increases over the next decade to offset proposed spending increases. The [Tax Foundation](#) said the proposed increases would “bring U.S. tax rates far out of step with

international norms.”

CORPORATE TAXES. Biden would raise the corporate tax rate to 28% from 21% and tax corporate distributions as dividends. These 2 rate boosts projected to raise \$449 billion. His proposal would raise the minimum rate on foreign earnings of U.S. multinational corporations from 10.5% to 21%. An additional \$549 billion would come from new taxes on international corporate profits. U.S. companies will become sorely disadvantaged globally. Raising the top individual capital gains tax rate to 39.6% would hurt Main Street, especially small business sole proprietorships, S-corporations, partnerships, and LLCs. The corporate tax jump would impact small employers identified as C-corporations. Biden would tax capital gains at the same rate as ordinary wage income, thus doubling the current 20% tax. The Biden 4% stock buyback tax on corporations, quadrupling it, will interfere with business decisions about where to invest capital and damage economic growth. A new 15% minimum corporate tax on billion-dollar companies. An increase in taxes on the profits of hedge funds and private equity executives. If this deluge of business taxes enacted, many investors will pull out of U.S. markets, and American retirement accounts will suffer. Nor would businesses simply absorb all those taxes; they would pass along added costs to consumers. Much of the cost would cascade down on American workers and consumers in the form of lower wages, fewer jobs, and higher prices.¹

RETIREEES. Limiting tax-favored retirement plan benefits for those with account balances over \$10 million and earnings over \$400,000.

ENERGY. The Energy Department’s Office of Science will receive \$8.8 billion to find ways to escape use of fossil fuels. \$1.2 billion would go toward Energy Dept. “decarbonization activities” to reduce the risk of global warming. The National Oceanic and Atmospheric Administration would triple its investment in supporting offshore wind production while requesting to boost spending on its weather satellites by 23%. The White House is asking for \$23 billion for climate resilience, spread among the departments of Interior, Agriculture, Homeland Security, and Defense. The spending would go toward prevention and mitigation of floods and wildfires caused by alleged global warming, also improving response

¹ The Daily Signal, David Ditch, et.al., [8 Things to Know About Biden’s Fiscal 2024 Budget, From Bad to Worse](#), March 14, 2023.

capacity, including boosting pay and retention efforts for federal firefighters.² Installing a phased-in 30% mining excise tax. Free weatherization for homes of the poor. \$30 billion from tax changes aimed at targeting fossil fuel companies. Elimination of tax breaks for oil companies.³ The plan includes \$4.5 billion to further “green” energy development and \$16.5 billion to develop new technologies and conduct scientific research. Biden also wants \$7 billion, an increase of about \$1 billion, to support economic revitalization and job creation in communities that relied on coal, oil, and gas production.⁴ The budget would appropriate \$35 million to begin planning for a new national energy lab at a historically Black college or university, a tribal college or university, or another minority-serving institution. Samantha Power, administrator of the U.S. Agency for International Development, said the Regime \$70.5 billion request for the State Department, USAID, and other international programs would help blunt global hunger, driven in part by climate change. Biden urged Congress to more than quadruple U.S. international climate financing, including \$3 billion for his global plan to guard against and respond to the impacts of rapid climate change. He also requested \$1.6 billion for the Green Climate Fund, a U.N.-backed slush fund from multiple countries used to help poor nations address global heating, and \$1.2 billion for the Clean Technology Fund, held at the World Bank. Both have received little funding from Congress in recent years because of conservative opposition, in comparison to what Biden requested. Rep. [Frank D. Lucas](#) (OK.), chairman of the House Science, Space, and Technology Committee, criticized the request and foreign climate spending, "The budget proposal boasts about spending taxpayer dollars on international climate slush funds and vaguely defined environmental justice programs, while shortchanging the basic research that has been proven to advance our economy, lower energy prices and reduce greenhouse gas emissions." In this budget, a massive cash infusion for the Low- Income Home Energy Assistance Program. \$4.1 billion for FY 2024, \$111 million more than the current spending level.⁵

GENEROUS SPENDING. Biden would expand access to and funding for pre-K education and child care by \$600 billion and expand the higher child tax credit through 2025, costing \$435 billion. He asks for \$15 billion over 10 years to cover an additional 9 million children with a program that provides free school lunches. National paid family and medical leave, costing \$325 billion. Free community college and higher K-12 education spending, \$217 billion. \$105 billion and tax incentives for additional taxpayer-subsidized housing. The Biden budget also projects that inflation will decrease sooner than the Federal Reserve and Congressional Budget Office (CBO) forecast, dropping from 3% in the FY 4th quarter to 2.3% in the October-December period next year. A massive 5.2% federal worker pay raise. \$2.6 trillion in new spending.⁶ Another spending binge that will fuel the price increases straining household finances. Economists warn that nominal debt would nearly double, growing from \$24.6 trillion to \$43.6 trillion over the next decade. This budget for FY 2024 will lead to a record national debt. Biden and Regime officials touted that this budget proposal reduces the deficit by \$3 trillion over 10 years, an impossibility. It falls short of the deficit reduction needed to put the nation on a sustainable fiscal path, economists warn. Though the budget does include \$3 trillion of deficit reduction, it comes largely from tax hikes and expanding Medicare ability to



negotiate down the prices of prescription drugs. The spending cuts in this budget, factoring in the massive spending growth in recent years, amount to less than 1% of the budget, coupled by 4 times as much in spending increases. The non-partisan Committee for a Responsible Federal Budget report notes the deficit would also grow \$17 trillion in that span, because spending would reach 25.2% of GDP while revenue would increase by only 20.1% by 2033. These figures eclipse the 50-year historical spending average of 21% of GDP and the revenue average of 17.4%. Biden assumptions include stronger long-term growth, lower unemployment, and lower long-term interest rates than those proposed by the CBO. Biden assumed 0.4% growth this year, 2.1% growth next year, and 2.2% growth by the end of the decade, compared to the CBO 0.1% predicted growth this year, 2.5% growth next year, and 1.7% growth by the end of the decade. The budget requests \$688 billion in funding for nondefense programs, up 7.3% from the previous fiscal year. Biden would give billions of dollars more to the IRS in addition to the massive increases granted in the 2022 Inflation Reduction Act. Republicans on the House Ways and Means Committee pressed Treasury Sec. Janet Yellen during a hearing. "You already got \$80 billion for the IRS. Now, you want \$43.2 billion more," Rep. Jason Smith (MO.) pointed out, "Audits are something people really care about. Will there be increased audits on working class families with these new appropriations?"

² Government Executive, Eric Katz, [These Are the 11 Most Significant Agency and Program Reforms in Biden's Budget](#), March 9, 2023.

³ Financial Times. James Politi. [Joe Biden's budget draws fiscal battle lines with Republicans ahead of 2024](#), March 8, 2023.

⁴ JOURNAL RECORD. [Biden budget proposal sets up fight with GOP lawmakers](#), March 10, 2023.

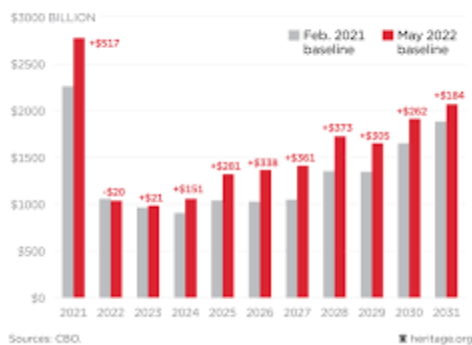
⁵ Roll Call, Benjamin J. Hulac, [GOP takes up arms against Biden's energy, climate spending plan](#), March 13, 2023.

⁶ New York Post. Steven Nelson, [Biden pitches \\$5.5T in tax hikes, fed worker pay raise in budget proposal](#), March 9, 2023.

HEALTH/WELFARE. The budget permanently expands and increases taxpayer subsidies to those using Obama Care, costing \$383 billion. \$144 billion in discretionary funding for the federal welfare dept., an 11.5% hike. Under current law, Medicare spending, aggravated by inflation, will continue to grow faster than wages and the general economy and more rapidly than private health insurance spending. Biden raises the rate of Medicare taxes from 3.8% to 5% on higher incomes. The 31% spike in Medicare taxes does not have an income cap and essentially creates a new top tax bracket. The Medicare program will spend less, and seniors will pay more to secure the program savings.⁷ Biden himself personally exploited a Medicare tax loophole to avoid paying up to \$500,000 in taxes to fund this program by routing income from speaking fees and book profits through an S-corporation in 2017 and 2018. Chris Jacobs, a former GOP congressional aide who last year filed an IRS whistleblower complaint against Biden, said, “Joe Biden likes to say ‘Show me your budget and I will show you your values.’ By refusing to pay his fair share of Medicare’s costs, Joe Biden’s personal budget shows that he values one family above all — his, not yours.”⁸ The budget also expands national healthcare services by expanding and extending subsidies and coverage (\$185 billion) and increasing other healthcare and long-term care spending (\$309 billion). According to both the CBO and independent economists, he will cramp the availability of new medical therapies and breakthrough drugs, leading to unforeseen consequences to public health. Biden allocates funding for abortion services and a State Department program to advance welfare gender equity.⁹

IN DEBT. The national deficit would widen from \$1.4 trillion in FY 2022 to almost \$1.6 trillion in FY 2023. The regime estimates running a deficit of \$1.846 trillion in 2024, by 2033 \$17 trillion of total deficits, counting net interest payments, about 5% of GDP. Annual debt-servicing costs will top \$1 trillion in 6 years, totaling about \$10.2 trillion. As a result of this enormous deficit-financed spending, the federal debt held by the public would soar to above \$43 trillion in the next decade, increasing the debt-to-GDP ratio to 110%. The CBO estimates that our national debt will grow by over \$20 trillion in 10 years. One detail in the budget request summary likely to attract attention is the growing cost of interest on the national debt. Interest payments in 2024 will cost \$796 billion and by 2027 will exceed defense spending in future budgets. It would mean \$10.2 trillion of interest payments on the national debt alone, more than spending on Medicaid over the same time period. A budget document released by the White House projects that the annual deficit actually would gradually increase from \$1.38 trillion in FY 2022 to \$1.9 trillion in FY 2025, meaning that the \$31.6 trillion national debt actually would grow at a faster rate than currently.¹⁰ The Committee for a Responsible Federal Budget (CRFB) warns that the budget would result in our debt rising from 98% of GDP at the end of 2023 to 106% by 2027 and then 110% of GDP by 2033. According to its analysis, despite some attempts at deficit reduction, nominal debt would almost double, according to the CRFB analysis. The Biden budget would borrow \$19 trillion through 2033 and increase the debt-to-GDP ratio past the record set in this nation directly after WW II. The U.S. economy already sits in a fragile state because of high inflation. If Biden and Congress fail to increase the statutory debt cap of \$31.4 trillion by this summer, the government could default on payments and shove the U.S. economy into a recession.¹¹ Further, the \$17 trillion in new deficits planned by this budget over the next 10 years would crowd out private investment. Because the federal government has no cap on dollars it can print or tax to repay debts, it draws capital away from businesses that must earn their money through hard work.¹²

BIDEN DEFICITS SMASH EXPECTATIONS



The U.S. economy already sits in a fragile state because of high inflation. If Biden and Congress fail to increase the statutory debt cap of \$31.4 trillion by this summer, the government could default on payments and shove the U.S. economy into a recession.¹¹ Further, the \$17 trillion in new deficits planned by this budget over the next 10 years would crowd out private investment. Because the federal government has no cap on dollars it can print or tax to repay debts, it draws capital away from businesses that must earn their money through hard work.¹²

SOCIAL SECURITY. The Democrats continually have lambasted Republicans for wanting to cut or abolish Social Security. However, the Biden budget does not address a plan to ensure the retirement program solvency, although it promises to guarantee that it remains intact for the next 25 years. The SS trust fund actually will become insolvent by 2035. The Regime vows to give the Social Security Administration a 10% increase, representing an additional \$1.4 billion, to increase manpower, invest in information technology, and make other improvements. But nothing within the budget references efforts to prevent an automatic 20% reduction in benefits in 12 years for retirees.¹³

⁷ The Daily Signal, David Ditch, et al., 8 Things to Know About Biden’s Fiscal 2024 Budget, From Bad to Worse, March 14, 2023.

⁸ New York Post. Steven Nelson, Biden pitches \$5.5T in tax hikes, fed worker pay raise in budget proposal, March 9, 2023.

⁹ The Hill. Aris Folley, Brett Samuels, and Alex Gangitano, Five takeaways from Biden’s \$6.8 trillion budget, March 9, 2023.

¹⁰ Ibid., New York Post.

¹¹ Josh Boak, Biden unveiling 2024 budget with deficit cuts, tax hikes, March 9, 2023.

¹² The Daily Signal, David Ditch, et al., 8 Things to Know About Biden’s Fiscal 2024 Budget, From Bad to Worse, March 14, 2023.

¹³ Andrew Moran, Biden Budget 2024: A Fiscal Nightmare, March 10, 2023.

EDUCATION. \$20.5 billion for Title I education, a \$2.2 billion increase. Title I supposedly provides funding to lower-income school districts. However, almost every school district gets Title I money under Biden, and all students are eligible for Title I programs, if their school designated a Title I school, even if those students are not poor. The Biden budget would continue a trend of expanding Title I to non-poor students, accelerating mission creep and poor utilization of taxpayer resources. The budget would spend \$578 million to increase the number of social workers and psychologists in schools. Non-teaching administrative staff bloat is an ongoing problem in districts across the country. Non-teaching staff has increased at a rate 7 times that of increases in the number of public school students since 1950. The budget would spend \$100 million on a new initiative to “promote racial and socioeconomic diversity” in schools. The rigorous research on the effects of government preschool show that it does not deliver on proponent promises. It does not improve academic outcomes long term, has negative social impacts on participants, and introduces large distortions into the preschool market that drive up costs borne by parents and taxpayers. The federal Head Start program, gaining more funding, has failed for a half century to improve student academic achievement, their access to health care, or parent parenting practices, according to randomized, controlled trial evaluations conducted by the Dept. of Health and Human Services.¹⁴

MILITARY. Since his taking office, military readiness and recruitment have reached record lows, while our adversaries strengthen. China recently announced a 7.2% defense budget increase. While other federal departments received proposed budget increases of more than 10%, the Pentagon would suffer a loss of purchasing power of about \$9 billion. A decline in military spending, below the inflation rate, only 3.2% above the last fiscal budget, as the threat of war with



Russia or Red China looms. His budget gave no indication of allocations to the individual services or major budget categories like acquisition, research, and development. The budget does provide a needed 5.2% pay raise for military personnel. Adding in non-Defense Dept. funding for nuclear programs managed by the Dept. of Energy, total requested defense spending for FY 2024 is \$880 trillion. During previous budget cycles, conservative congressmen have criticized the presidential requests for being inadequate to address modernization needs for facing a major war and to cover inflation. Congress added \$46 billion to the Biden FY 2023 defense budget request. Sen. Roger Wicker (Miss.) criticized the FY 2024

defense request, “The President’s defense budget is woefully inadequate and disappointing. It does not even resource his own National Defense Strategy to protect our country from growing threats around the world.”¹⁵ We live in a dangerous world, and with growing tensions around the globe, this budget only proves that this Regime is unwilling to prepare our military to confront the wide range of strategic threats we face.

COMMENTARY. Former Trump White House budget director Russ Vought stated, “The Biden budget will do nothing to address the current fiscal crisis, marked by high inflation, nor alleviate the burden of woke and weaponized bureaucracy on the American people.” “President Biden just delivered his budget to Congress, and it is completely unserious,” House leader Kevin McCarthy declared, “He proposes trillions in new taxes that you and your family will pay directly or through higher costs. Mr. President: Washington has a spending problem, NOT a revenue problem.”¹⁶ Sen. Chuck Grassley, ranking member of the Senate Budget Committee, called it “a roadmap to fiscal ruin.”¹⁷ Grassley suggested that the president should propose to cut 2024 spending to 2020 levels plus inflation. Conservative Sen. Rick Scott wrote that the proposal is insane. Sen. Shelley Moore Capito, a Republican on the Senate Appropriations Committee, said, “This misguided, bloated plan would subject American families to more taxes, waste, and government intrusion that they do not deserve during the continued challenging economic times that define this administration.”¹⁸ A \$7 trillion Biden budget that hypes raising taxes but notes nothing about spending cuts has only emboldened budget hawks. Meanwhile, a new Economist/YouGov poll also has bad news for Biden. It found that 57% of U.S. adults do not want Biden to run for president again, including 79% of Republicans, 62% of independents, and 32% of Democrats.

IMMIGRATION. The budget includes billions to support the Biden open borders agenda, including funds to advance his illegal parole program and hiring hundreds more personnel to process and release illegal aliens into our country. This budget is simply the latest politically-motivated attempt to undermine our immigration laws. Not content with the \$151 billion that American taxpayers are already paying to process illegal aliens every year, the budget cuts the Dept. of

¹⁴ Ibid.

¹⁵ Sean Carberry, [Breaking: White House Asks for \\$842 billion in 2024 DOD Funding](#), 3-9-23.

¹⁶ Diccon Hyatt, Investopedia. [Biden Awaits Republican Counter-Proposal on Budget](#), March 10, 2023.

¹⁷ Juliana Kaplan and Ayelet Sheffey, [Biden's funding wish list quickly runs into headwinds as Republicans slam it as 'completely unserious' and 'a roadmap to fiscal ruin'](#), March 9, 2023.

¹⁸ Ibid.

Homeland Security border enforcement budget by 1% to a level of \$60.4 billion. The budget cuts \$600 million from DHS, while there is a raging crisis at our southern border. \$4.7 billion to a contingency fund for release to Customs and Border Enforcement (CBP), ICE, and FEMA accounts without clear oversight. More than \$1.5 billion to the Executive Office for Immigration Review for 150 new immigration judge teams, courts, and support staff to begin offering legal representation to illegal aliens. \$430 million to the Dept. of State to promote the radical Los Angeles Declaration on Migration and Protection. \$150 million to bolster the efforts of legal advocacy organizations to make immigration proceedings “more equitable.” Funding to hire an additional 460 processing assistants at CBP and ICE to more efficiently welcome in illegal aliens. It doubles down and further advances the same policies and programs that caused the border crisis in the first place. In maintaining this course, the Regime once again proves that it is more concerned with appeasing open borders radicals than protecting American citizens, opening the border for anyone, including dozens of suspects on the terror watchlist and tons of illegal narcotics flowing across.¹⁹ The Health and Human Services Dept. is requesting \$7.3 billion for its Office of Refugee Resettlement, a 14% hike, as it seeks to help a tidal wave of refugees. The White House proposed budget would put \$7.3 billion in this office to help repair refugee settlement infrastructure, to support a goal of admitting 125,000 refugees while thousands of asylum seekers flood the southern border.²⁰ An increase of \$1 billion and an emergency contingency plan for additional resources, if the number of unaccompanied minors at the border increases. The budget also allocates over \$1.5 billion for immigration courts, an increase of \$595 million from FY 2023, to help manage a significant backlog of 1.8 million cases now pending in the immigration courts.²¹



GROWING BUREAUCRACY. The Biden budget would increase the OSHA workforce by 21%, its Wage & Hour Division by 26%. The EPA would see the biggest increase of all federal agencies. This invasive agency would add 1,400 additional employees, a 16% increase. Increased staffing at the Bureau of Alcohol, Tobacco, Firearms and Explosives. Biden is requesting a 33% boost to the Dept. of Justice Office of Civil Rights to investigate local police forces accused of malfeasance and to protect voting rights.²²

GLOBAL WARMING. \$16.5 billion given the EPA to address global warming and fight climate change. The Interior Dept., Commerce Dept., and the National Science Foundation all would receive climate change research funding. The Biden budget also would increase the

U.S. contribution to the Green Climate Fund, a pool of money to help developing countries tackle climate change, to \$1.6 billion, a 33% increase from the current level. Billions of dollars in additional funding for climate change and clean energy research for science agencies, including the Energy Dept. science office, the National Oceanic and Atmospheric Administration, and NASA.²³

TAKE ACTION NOW. The Biden Regime budget will increase taxes for both the wealthy and middle class, stifle us with new costly and burdensome regulations, and spike both the national debt and federal deficit with its reckless and socialist spending. Our favored Trump tax cuts lie at risk. Our savings and incomes will suffer. Businesses will not expand, inflation will continue unabated, and our economy will stagnate. Foreign nations will overtake our economy, our enemies gaining military superiority. Using the information above, lobby your representative and 2 senators to kill the Biden Budget immediately and to support an upcoming conservative GOP budget produced by the House of Representatives. Email netaxpayers@gmail.com for congressional contact information and join our NTF *President Watch Project*.

Research, documentation, and analysis for this issue paper done by **Nebraska Taxpayers for Freedom**. This material copyrighted by Nebraska Taxpayers for Freedom, with express prior permission granted for its use by other groups in the *NE Conservative Coalition Network*. 3-23. C



¹⁹ Joe Chatham. FAIR. Biden Budget Proposal Takes Aim at Immigration Enforcement, March 10, 2023.

²⁰ Government Executive, Eric Katz, These Are the 11 Most Significant Agency and Program Reforms in Biden's Budget, March 9, 2023.

²¹ Khaya Himmelman, et. al. President Biden's 2024 budget: 5 winners and 6 losers, March 9, 2023.

²² Ibid, Government Executive.

²³ Ibid.