

1 Trillion-1 Trillion Framework

(all \$ in billions)

POLICY	SAVINGS
SPENDING	
Other Mandatory - Provisions currently being discussed by JSC	\$200
Medicare Reforms - Providers (\$250B) - Beneficiaries (\$100B)	\$350
Medicaid and Other Miscellaneous - DME (\$5 B) - DSH (\$4 B) - Provider tax (\$13 B) - Reduction of prevention and public health trust fund (\$8 B) - Increase inflationary rebate (\$20 B)	\$50
Discretionary - Defense (\$200B) - Non-Defense (\$200B)	\$400
SPENDING SUBTOTAL:	\$1,000
REVENUE	
Down Payment - Miscellaneous revenue provisions	\$350
Fast Track Procedures For Tax Reform - Tax reform generating \$650 billion in revenues from the current policy baseline - The down payment of \$300 does not count toward the \$650 billion - Tax reform instruction to include (a) corporate tax reform to enhance competitiveness, (b) an individual rate no higher than 35%, and (c) a distribution of changes that ensures a tax code as progressive as current law.	\$650
Trigger - If legislation is not enacted that meets the instructions for tax reform by January 1, 2013, there would be a trigger that would raise revenue by \$650 billion with two policies taking effect January 1, 2013: (A) Feldstein-type limitation on itemized deductions for higher income taxpayers (\$325 B) and (B) a deficit reduction charge on income tax liability before applications of credits (\$325) - The entitlement cuts go into effect only when either tax reform is enacted or the trigger is implemented.	\$650
REVENUE SUBTOTAL:	\$1,000
OTHER	
Interest	\$300
Fiscal Dividend	\$
TOTAL	
Total Package	\$2,300

In addition to the above, a portion of OCO would be used for the Medicare SGR and for a jobs package, including infrastructure.