



AMERICANS FOR TAX REFORM

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# NEWS

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## Doubting Thomas, Step Aside: Recession and Spending Caused Deficit, *Not* Tax Relief

*Congressional Budget Office (CBO) reports that 80% of deficits over next four years caused by slow economic growth and big spenders in Congress.*

WASHINGTON — Contrary to the campaign rhetoric of politicians who opposed President Bush's tax relief plan, it is the slowing economy and increased spending – not tax relief – that is responsible for a projected four years of federal budget deficits, according to an August report by the non-partisan Congressional Budget Office (CBO).

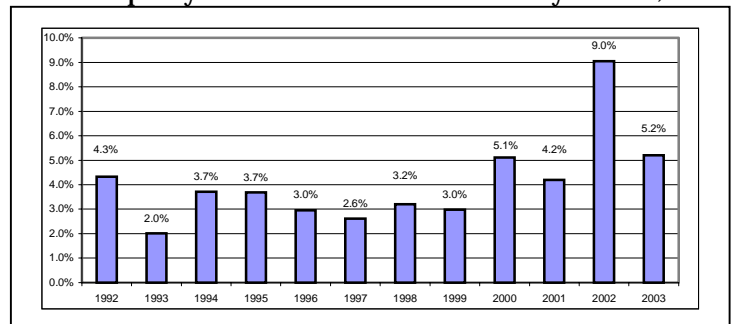
“Tax relief creates the conditions for budget surpluses, and it's bad policy to think about it the other way around,” said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington. “Congress needs to pass more tax relief, especially on capital gains, which will spur economic growth and send the federal budget back into the black,” he continued.

Federal spending is currently growing at unsustainable rates. In fiscal year 2002, federal spending is expected to increase nine percent above fiscal year 2001 levels. **This dramatic increase in spending will increase federal spending as a percentage of national income by more than 1.5 percent compared to fiscal year 2001.**

In fact, the spending increase is so steep that FY 2002 spending as a percentage of the economy will wipe out all the spending restraint achieved by the Congress from FY 1996 – 2000. According to the Office of Management and Budget (OMB), spending will continue to increase above historical levels in FY2003 and the President's request will be more than sufficient to meet the needs of the country.

“Washington politicians should stop their crowing and start adopting pro-growth tax policies while practicing fiscal restraint,” continued Norquist. “That's the best way to a balanced budget.”

### Federal Spending Increases, FY 1992-2003



*Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who support tax simplification and oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org)*