

Not All Bipartisan Reform Commissions are Created Equal

The Dangers of Falling into the Bipartisan Commission Trap

After a series of government bailouts, an ill-conceived “stimulus” package, an overall spending binge and months of a failure to listen to the concerns of taxpayers regarding out-of-control spending, politicians in Washington are now scrambling to find ways to bail themselves out for their profligacy. Votes to increase the Federal debt ceiling yet again and reinstating PAYGO, a fig leaf for tax-hiking efforts, are only the beginning.

In recent weeks, an idea to create a bipartisan commission tasked with drafting a proposal to make wholesale changes to the tax code and Federal spending programs has become more and more popular. While innocuous sounding, several of the proposals that have been put on the table, represent what is conceivably one of the biggest threats to taxpayers, as they would set the stage for a guaranteed massive tax increase, the last thing our country needs now.

One proposal that has received much attention (and was luckily voted down as an amendment to the debt ceiling hike) is the plan put forth by Sens. Kent Conrad (D-ND) and Judd Gregg (R-NH). It would establish an eighteen-member task force comprised of ten Democrat and eight Republican Congressmen, Senators, and Administration officials. A report from the commission would need to gather fourteen votes in order to make an expedited recommendation to both bodies. The recommendation would only pass with a supermajority vote in each chamber. Despite the appearance of protection for taxpayers, this commission would guarantee a net tax increase be in its proposal. Every Democrat on the commission would insist on tax increases to “balance” spending cuts in the recommendation. There is no conceivable scenario whereby the commission would issue a report that does not contain tax hikes, and history underscores the dangers of such a bipartisan deal that puts everything on the table:

In the 1990 Andrews Air Force Base debacle, Congressional Democrats convinced a number of Republicans to join them in a bipartisan deal promising \$2 in spending cuts for every \$1 in tax increases. Every penny of the tax increases (\$137 billion from 1991-1995¹) went through. Not only did the Democrats break their promise to cut spending below the CBO baseline—they actually spent \$23 billion *above* CBO’s pre-budget deal spending baseline.



While voted down as an amendment, the proposal still exists as stand-alone legislation. Similar versions (as outlined below) are also being floated.

On the other hand, there are several good common sense proposals for a commission that could actually be beneficial for taxpayers, as they would only address the root cause of our nation’s fiscal problems – profligate spending. Positive commission proposals from a taxpayer perspective include Sen. Sam Brownback’s (R-KS.) CARFA Act, Rep. John Sullivan’s (R, OK-1) FAPRAC Act, and Rep. Patrick McHenry’s (R, NC-10) CORE Spending Act all represent prudent ways to address our fiscal challenges.

As you study options to address our fiscal problems, we urge you to be mindful of the differences between the proposals and to only rally behind truly pro-taxpayer proposals. An overview over the various proposals follows:

¹ Joint Committee on Taxation. Revenue Effects of H.R. 5835, Budget Reconciliation Conference Report. JCX-45-90. October 26, 1990

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	 Anti-Taxpayer Commission Proposals			 Pro-Taxpayer Commission Proposals		
<i>Sponsor(s)</i>	<i>Conrad/Gregg</i>	<i>Baucus</i>	<i>Wolf/ Cooper</i>	<i>Brownback</i>	<i>Sullivan</i>	<i>McHenry</i>
<i>Title of Bill</i>	Bipartisan Task Force for Responsible Fiscal Action Act of 2009	Bipartisan Task Force for Responsible Fiscal Action Act of 2009 <i>(same title as Conrad/Gregg but not expedited)</i>	Securing America's Future Economy Commission Act	To Establish a Commission on Congressional Budgetary Accountability and Review of Federal Agencies	Federal Agency Program Realignment and Closure Act	Commission on Reforming Entitlement Spending Act
<i>Also Known As</i>	Conrad/Gregg	Conrad/Gregg "light"	SAFE Commission Act	CARFA Act	FAPRAC Act	CORE Spending Act
<i>Bill Number in 111th Congress</i>	S.2853	S.AMDT.3306 to H.J.RES.45	H.R.1557	S.1282	H.R.1023	H.R.1557
<i>Target of Review</i>	Federal expenditures, Federal revenues, current and long term actuarial financial condition of the Federal government	Federal expenditures, Federal revenues, current and long term actuarial financial condition of the Federal government	Tax policy and entitlement benefit programs	Federal spending programs across the board	Federal spending programs across the board	Entitlement spending
<i>Criteria</i>	Recommendations must "significantly improve long-term fiscal imbalance of the Federal Government" = everything is on the table, including tax increases	Recommendations must "significantly improve long-term fiscal imbalance of the Federal Government" = everything is on the table, including tax increases	Limit growth of entitlement spending to ensure sustainability, strengthen safety net, incentives to increase private savings, make tax laws more efficient and conducive to encouraging economic growth - will mean tax increases in light of composition of commission	Review of agencies and programs based on whether they are: duplicative, wasteful or inefficient, outdated, irrelevant or failed	Review of agencies on programs based on whether they are: duplicative functions, state functions, private functions	Limit growth of entitlement spending to ensure sustainability, strengthen safety net, incentives to increase private savings, automatic stabilizers or triggers to enforce spending or revenue targets - but no new or any increases in existing Federal taxes
<i>Composition</i>	18 members: Treasury Sec., executive branch officer appt. by Pres., 4 appt. by each of the following: house speaker, min. leader of house, maj. leader of senate, min. leader of senate	18 members: Treasury Sec., executive branch officer appt. by Pres., 4 appt. by each of the following: house speaker, min. leader of house, maj. leader of senate, min. leader of senate	16 voting members: OMB dir., Treasury Sec., 4 appt. by house speaker, 3 appt. by min. leader of house, 4 by maj. leader of senate, 3 by min. leader of senate; comptroller general and CBO director non-voting	8 members, 2 appt. by maj. leader of senate, 2 appt. by min. leader of senate, 2 appt. by house speaker, 2 appt. by min. leader of house	17 members appt. by Pres., consulting w/each of the following for 3 members: house speaker, min. leader of house, maj. leader of senate, min. leader of senate	15 voting members: 3 appt. by Pres., 3 appt. by each of the following: house speaker, min. leader of house, maj. leader of senate, min. leader of senate; comptroller general and CBO director non-voting
<i>Tax Hikes on Table?</i>	Yes	Yes	Yes	No	No	No
<i>Expedited Process?</i>	Yes	No	Yes	Yes	Yes	Yes
<i>Problem/Benefit</i>	Requires an expedited floor vote on bill developed by commission, composition will guarantee that proposal has tax hikes	Puts tax increases on the table = bad idea. However threat level lower as no expedited process - commission's recommendations likely to die in committee process	Requires an expedited floor vote on bill developed by commission, composition will guarantee that recommendations will have tax hikes	Comprehensive review of agencies and spending programs. Commission will only recommend program realignments or eliminations, will not touch taxes as an issue	Comprehensive review of agencies and spending programs. Commission will only recommend program realignments or eliminations, will not touch taxes as an issue	Essentially like Wolf/Cooper, but EXPLICITLY PROHIBITS consideration of tax increases and new taxes by the commission, thus a good deal for taxpayers