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Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues

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The Congressional Budget Office regularly publishes baseline budget projections that show federal spending, revenues, and deficits over the next decade under the assumption that the laws governing spending and taxes generally remain unchanged.[1] This report shows how different assumptions about future legislated policies would affect those budget projections.

CBO's baseline projections are not intended to be a forecast of budgetary outcomes; rather, they are meant to provide a benchmark that policymakers can use to assess the potential effects of policy decisions. The projections follow procedures set in law as well as long-standing guidelines. For example, laws require the agency to incorporate the assumption that discretionary funding—that is, the budget authority generally controlled by appropriation acts—grows with inflation. (CBO also incorporates limits on such funding established by other laws.) In addition, provisions of law require CBO to construct its projections of mandatory spending to reflect the assumption that laws governing such spending generally continue beyond their statutory expiration.[2] By contrast, CBO's revenue projections generally reflect scheduled changes to provisions affecting the tax code, including changes in statutory tax rates.[3]

This report presents the budgetary implications of alternative assumptions about future funding for discretionary programs and the continuation of certain revenue provisions that recently changed or are currently scheduled to change. Some of those alternatives could result in significant changes to the economy that would, in turn, affect the budget. However, the estimates in this report do not account for such effects.

Changes in spending or revenues can affect the economy through three main channels. First, any change in spending or revenues is likely to alter aggregate demand, which can affect output in the short run. Second, any change in spending or revenues will result in the federal government's borrowing more or less than projected. An increase in federal borrowing would decrease the resources available for private investment (an effect often referred to as crowding out) and thus reduce output. Third, changes to spending or revenues can affect output by altering people's incentives to work, save, and invest. Such effects would depend on the combination of alternative assumptions that were considered because some assumptions would interact in ways that would alter their economic and budgetary impacts.

This report includes 10 alternative assumptions—3 about discretionary spending and 7 about policies affecting

1. For CBO's most recent baseline projections, see Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034* (February 2024), www.cbo.gov/publication/59710. For details about how CBO constructs the baseline, see Congressional Budget Office, *CBO Explains How It Develops the Budget Baseline* (April 2023), www.cbo.gov/publication/58916.

2. For estimates of the costs of mandatory programs that continue beyond their current expiration date in CBO's baseline projections, see Congressional Budget Office, "10-Year Budget Projections" (February 2024), www.cbo.gov/publication/59710#data.

3. The staff of the Joint Committee on Taxation regularly compiles a list of scheduled changes to tax provisions. For the latest list, see Joint Committee on Taxation, *List of Expiring Federal Tax Provisions 2024–2034*, JCX-1-24 (January 11, 2024), www.jct.gov/publications/2024/jcx-1-24/.

Notes: Unless this report indicates otherwise, all years referred to are federal fiscal years, which run from October 1 to September 30 and are designated by the calendar year in which they end. Numbers in the text and tables may not add up to totals because of rounding. For this analysis, deficits have been adjusted to exclude the effects of shifts that occur in the timing of certain payments when the fiscal year begins on a weekend.

revenues.[4] The effects of those assumptions (considered in isolation) on primary deficits over the 2025–2034 period range from a decrease of $1.5 trillion to an increase of $3.3 trillion. (Primary deficits exclude net outlays for interest.) Most of the alternatives examined in this report would increase projected deficits and debt.[5]

Alternative Assumptions About Discretionary Funding

For the most part, current law does not specify discretionary appropriations for years after 2024.[6] However, section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) requires that projections of funding for discretionary programs reflect the assumption that funding in years for which there is not yet an appropriation will be equal to the amounts provided for the current year with increases for inflation.[7] The Fiscal Responsibility Act of 2023 (FRA, P.L. 118-5) established limits—also known as caps—on discretionary funding for 2024 and 2025. In CBO's baseline, those caps reduce most discretionary funding in 2025. Because CBO's projections of discretionary funding for years after 2025 are based on the amounts projected for 2025, those caps reduce funding through the end of the projection period.

CBO translates projected funding into projected outlays for each year by estimating how quickly agencies would spend the money provided. Lawmakers generally determine the actual amount of funding provided to discretionary programs through the appropriation process, and when those amounts differ from the amounts in CBO's baseline projections—as they usually do—actual outlays are greater than or less than projected.

To illustrate how discretionary funding that differed from CBO's baseline projections would affect budgetary outcomes, the agency estimated such outcomes under three alternative assumptions about future appropriations (see Table 1). Those alternative assumptions are as follows:

- Discretionary funding constrained by the caps grows at a rate faster than the rate used in the baseline after 2025,
- Discretionary funding constrained by the caps is frozen at the 2025 amounts after that year, and
- The discretionary funding provided by the Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58) and the Bipartisan Safer Communities Act (BSCA, P.L. 117-159) is not projected beyond the last year for which funds were provided in those laws.

Discretionary Funding Constrained by the Caps Increases at the Growth Rate of Nominal GDP After 2025

Using a measure that generally grows faster than the measures CBO currently uses to project discretionary funding would provide another benchmark that could serve as an alternative to CBO's baseline projections of discretionary outlays. Because the measures that CBO uses grow more slowly than gross domestic product (GDP), projected discretionary outlays shrink in relation to the size of the economy over time. If, instead, discretionary appropriations that are constrained by the caps and obligation limitations for certain transportation programs were projected to grow at the same rate as nominal GDP after 2025, discretionary outlays in 2034 would amount to 5.7 percent of GDP.[8] That is greater than the 5.1 percent of GDP such outlays equal in 2034

4. A complete list of the provisions included in each of the alternative assumptions about revenue policies is available in the supplemental data that accompany this report at www.cbo.gov/publication/60114#data.

5. For a discussion of the consequences of larger deficits and debt, see Congressional Budget Office, *The Economic Effects of Waiting to Stabilize Federal Debt* (April 2022), www.cbo.gov/publication/57867.

6. The estimates in this report are based on the projections in *The Budget and Economic Outlook: 2024 to 2034*, which was published in early February 2024, when discretionary funding for federal agencies was provided under a continuing resolution. Incorporating the effects of the Consolidated Appropriations Act, 2024 (Public Law 118-42) and the Further Consolidated Appropriations Act, 2024 (P.L. 118-47), both of which were enacted after that report was published, would not appreciably change those estimates. In addition, appropriations designated as an emergency requirement were enacted in April 2024. Including those appropriations would not change this analysis because such emergency funding is not constrained by the caps.

7. For nearly all discretionary spending, CBO projects funding in each account by using a weighted mixture of the gross domestic product price index and the employment cost index for wages and salaries of workers in private industry, with adjustments to account for the cost of benefits. The weights are determined using data from the Office of Management and Budget that indicate how much of a program's funding is spent on compensation for federal employees and how much is used for other purposes.

8. Funding for most ground and air transportation programs is mandatory—that is, it is not controlled by the appropriation process—but lawmakers typically limit the ability of the Administration to obligate that funding in annual appropriation acts. Like other appropriations, those obligation limitations are projected to grow with inflation in CBO's baseline. Outlays that result from those limitations are considered discretionary.

Table 1.

Budgetary Effects of Selected Alternative Assumptions About Discretionary Funding

Billions of dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 2025–2029	Total 2025–2034
Discretionary funding constrained by the caps increases at the growth rate of nominal GDP after 2025												
Increase in the primary deficit [CBO's estimate]	0	16	40	68	99	132	166	202	238	276	223	1,237
Increase in net interest outlays	0	*	1	3	6	10	15	22	30	39	10	126
Discretionary funding constrained by the caps is frozen at the 2025 amounts												
Decrease (-) in the primary deficit [CBO's estimate]	0	-21	-53	-88	-125	-164	-205	-246	-289	-333	-286	-1,524
Decrease (-) in net interest outlays	0	*	-2	-4	-7	-12	-19	-27	-37	-48	-14	-157
IIJA and BSCA funding does not continue[a]												
Decrease (-) in the primary deficit [CBO's estimate]	*	*	-2	-7	-17	-30	-41	-50	-58	-63	-26	-267
Decrease (-) in net interest outlays	*	*	*	*	-1	-1	-3	-4	-6	-8	-1	-23
Addendum:												
Primary deficit in CBO's baseline[b]	821	687	591	622	671	676	726	808	875	929	3,392	7,405
Net interest outlays in CBO's baseline	951	1,005	1,049	1,105	1,170	1,241	1,328	1,430	1,527	1,628	5,280	12,435

Data source: Congressional Budget Office. See www.cbo.gov/publication/60114#data.

Estimates are relative to CBO's February 2024 baseline budget projections and reflect the economic forecast that underlies those projections. The baseline projections do not incorporate the effects of the Consolidated Appropriations Act, 2024 (Public Law 118-42), the Further Consolidated Appropriations Act, 2024 (P.L. 118-47), or appropriations enacted in April 2024 that were designated as an emergency requirement. Each alternative assumption is assumed to be in place on October 1, 2024. The estimates do not account for how the alternatives could affect the economy or for how those potential changes could, in turn, affect the budget.

In CBO's baseline projections, discretionary funding generally grows from its current amount at the projected rate of inflation, which is measured by a weighted mixture of the GDP price index and the employment cost index for wages and salaries of workers in private industry.

Primary deficits exclude net interest outlays. The change in net interest outlays is CBO's estimate of the change in interest payments resulting from an increase or decrease in estimates of the primary deficit.

BSCA = Bipartisan Safer Communities Act; GDP = gross domestic product; IIJA = Infrastructure Investment and Jobs Act; * = between -$500 million and $500 million.

a. The IIJA and the BSCA appropriated funds for specific purposes through 2026. In accordance with laws governing how CBO constructs its baseline projections, such funding grows with inflation from the latest appropriated amounts through 2034 in the baseline. Under this alternative, however, funding does not continue beyond the last year for which funds were provided in those laws.

b. When outlays exceed revenues, the result is a deficit. Values in this row were calculated by subtracting revenues from outlays; thus, positive values indicate deficits. Deficits have been adjusted to exclude the effects of shifts that occur in the timing of certain payments when the fiscal year begins on a weekend.

in the baseline but less than the 6.0 percent projected for 2025. On a nominal basis, discretionary outlays over the 2026–2034 period would be $1.2 trillion higher—and thus primary deficits would be $1.2 trillion larger—than they are in CBO's baseline. The debt-service costs associated with those additional outlays would increase net interest outlays by $126 billion. (Debt service is the change in interest payments resulting from an increase or a decrease in the deficit.)

Discretionary Funding Constrained by the Caps Is Frozen at the 2025 Amounts

Projecting spending under the assumption that discretionary funding constrained by the caps and transportation-related obligation limitations are frozen at the amounts projected for 2025 provides another alternative benchmark. Under that assumption, discretionary outlays over the 2026–2034 period would be $1.5 trillion less than they are in the baseline. (The debt-service savings would reduce net interest outlays by $157 billion.) In 2034, discretionary outlays under such

a freeze would equal 4.3 percent of GDP rather than the 5.1 percent they total in the baseline.

IIJA and BSCA Funding Does Not Continue

Enacted in November 2021, the Infrastructure Investment and Jobs Act appropriated funds for programs related to transportation, the environment, and other areas for each year from 2022 through 2026. The Bipartisan Safer Communities Act, signed into law in June 2022, provided funds through 2026 for states to implement laws controlling access to guns and other safety measures. The total funding provided by both acts decreases each year over that period as funding for different programs ends in different years.

In CBO's baseline projections, however, funding related to those acts increases in most years. That is because, in consultation with the budget committees, CBO followed its typical practice for constructing the baseline in its treatment of that funding. Thus, for years for which the IIJA and the BSCA did not provide any funding, CBO projected funding related to those laws by starting with the latest annual amounts they provided and adjusting them for inflation.[9]

If, instead, CBO did not project funding related to the IIJA and the BSCA into the future and included only the funding specifically provided by those laws in its projections, discretionary outlays through 2034 would be $267 billion less than they are in CBO's baseline projections. Under that scenario, discretionary outlays in 2034 would equal 4.9 percent of GDP instead of the 5.1 percent they total in CBO's baseline. Debt-service savings would reduce net interest costs by $23 billion, CBO estimates.

Alternative Assumptions About Policies Affecting Revenues

CBO's baseline projections generally reflect the effects of scheduled changes in revenue provisions, including the assumption that temporary provisions will expire as scheduled under current law.[10] If certain temporary revenue provisions were instead made permanent, revenues would differ from the amounts in CBO's baseline projections. To illustrate how different revenue policies could affect budgetary outcomes, CBO and the staff of the Joint Committee on Taxation (JCT) estimated such outcomes under seven alternative assumptions.[11] Four of those assumptions relate to provisions of the 2017 tax act (P.L. 115-97), and three address other revenue provisions.[12]

The estimated effects of each of the individual provisions would depend on the order in which they were estimated (because of interactions among the provisions), but the total effect of implementing all alternative policies discussed in this report would be approximately equal to the sum of the estimates for each alternative.[13]

The 2017 Tax Act's Changes to Individual Income Tax Provisions Are Extended

Most of the individual income tax provisions of the 2017 tax act are slated to expire at the end of calendar year 2025. The expiring provisions affect major elements of the individual income tax code, including the statutory tax rates and brackets, the allowable deductions, the size and refundability of the child tax credit, the 20 percent deduction for certain business income, and the income levels at which the alternative minimum tax takes effect.[14]

According to JCT's estimates, if the expiring individual income tax provisions of the 2017 tax act were extended, primary deficits over the 2025–2034 period would be $3.3 trillion larger, on net, than those in CBO's baseline projections (see Table 2). Most of the effects would occur

9. For more information about how the IIJA affects CBO's baseline projections of discretionary spending, see Congressional Budget Office, *The Budget and Economic Outlook: 2022 to 2032* (May 2022), Box 3-4, www.cbo.gov/publication/57950.

10. An exception to that general rule is specified in the Balanced Budget and Emergency Deficit Control Act of 1985. That law requires that CBO's baseline projections reflect the assumption that expiring excise taxes dedicated to trust funds will be extended.

11. The Congressional Budget Act of 1974, as amended, stipulates that the revenue estimates provided by JCT will be the official estimates for all tax legislation considered by the Congress. CBO therefore incorporates those estimates into its estimates of the budgetary effects of legislation.

12. The estimated effects of those alternative assumptions do not account for any resulting changes to the economy or for how those changes could, in turn, affect the budget. After the 2017 tax act was enacted, CBO estimated the effects that the law would have on the economy and determined that it would boost investment, employment, and gross domestic product. See Congressional Budget Office, *The Budget and Economic Outlook: 2018 to 2028* (April 2018), Appendix B, www.cbo.gov/publication/53651.

13. Additional detailed estimates of the budgetary effects of the alternative revenue policies are included in the supplemental data that accompany this report at www.cbo.gov/publication/60114#data.

14. The alternative minimum tax is similar to the regular income tax but includes fewer exemptions, deductions, and rates. People who file individual income tax returns must calculate the tax owed under each system and pay the larger of the two amounts.

Table 2.

Budgetary Effects of Selected Alternative Assumptions About Revenue Policies Related to the 2017 Tax Act

Billions of dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 2025–2029	Total 2025–2034
The 2017 tax act's changes to individual income tax provisions are extended[a]												
Increase in the primary deficit [JCT's estimate]	6	147	368	355	364	374	387	403	419	434	1,239	3,256
Increase in net interest outlays	*	3	12	24	35	48	62	77	94	111	74	467
The 2017 tax act's higher estate and gift tax exemptions are extended[b]												
Increase in the primary deficit [JCT's estimate]	1	3	15	17	18	20	21	22	24	25	55	167
Increase in net interest outlays	*	*	*	1	2	2	3	4	5	6	3	22
The 2017 tax act's changes to the tax treatment of investment costs are extended[c]												
Increase in the primary deficit [JCT's estimate]	74	48	58	54	39	29	23	19	17	17	273	378
Increase in net interest outlays	2	4	6	8	9	10	12	13	14	15	28	91
Certain business tax provisions altered by the 2017 tax act are maintained[d]												
Increase in the primary deficit [JCT's estimate]	0	11	19	19	19	20	20	20	21	22	68	172
Increase in net interest outlays	0	*	1	1	2	3	3	4	5	6	4	25
Addendum:												
Primary deficit in CBO's baseline[e]	821	687	591	622	671	676	726	808	875	929	3,392	7,405
Net interest outlays in CBO's baseline	951	1,005	1,049	1,105	1,170	1,241	1,328	1,430	1,527	1,628	5,280	12,435

Data sources: Congressional Budget Office; staff of the Joint Committee on Taxation (JCT). See www.cbo.gov/publication/60114#data.

Estimates are relative to CBO's February 2024 baseline budget projections and reflect the economic forecast that underlies those projections. The laws implementing the changes represented by each alternative are assumed to be enacted on October 1, 2024. The estimates do not account for how the alternatives could affect the economy or for how those potential changes could, in turn, affect the budget. The estimates include the effects on outlays of changes in refundable tax credits and of other tax credits received as payments.

Primary deficits exclude net interest outlays. The change in net interest outlays is CBO's estimate of the change in interest payments resulting from an increase or decrease in estimates of the primary deficit.

* = between zero and $500 million.

a. Many provisions of the 2017 tax act (Public Law 115-97) that are scheduled to expire at the end of calendar year 2025—most significantly, the provisions that lowered individual income tax rates, expanded the income tax base, expanded the child tax credit, instituted the 20 percent deduction for certain business income, and reduced the amount of income subject to the alternative minimum tax—are assumed to be permanently extended. For detailed estimates, see the supplemental data that accompany this report.

b. The 2017 tax act's expansion of the exemption amount for estate and gift taxes is assumed to be permanently extended.

c. The provision of the 2017 tax act that allows businesses with investments in equipment and certain other property to immediately deduct from their taxable income a portion of the cost of such investments is assumed to be permanently extended. The law set the deductible portion at 100 percent of the cost of such investments through calendar year 2022 but scheduled the deduction for phaseout thereafter. In calendar year 2023, 80 percent of the total eligible cost could be deducted, and this year, 60 percent is deductible. The deductible portion is scheduled to fall to 40 percent next year, to 20 percent in calendar year 2026, and to zero the following year. Under this alternative, the deductible portion would be permanently set at 100 percent (including retroactively for 2023).

d. Certain tax policies that affect businesses and that are scheduled to expire or to otherwise change under current law are instead assumed to be permanently extended. For detailed estimates, see the supplemental data that accompany this report.

e. When outlays exceed revenues, the result is a deficit. Values in this row were calculated by subtracting revenues from outlays; thus, positive values indicate deficits. Deficits have been adjusted to exclude the effects of shifts that occur in the timing of certain payments when the fiscal year begins on a weekend.

after 2026. Increased net outlays for interest would add $467 billion to those deficits.

The 2017 Tax Act's Higher Estate and Gift Tax Exemptions Are Extended

The 2017 tax act also temporarily doubled the exemption amount for estate and gift taxes. That change expires at the end of calendar year 2025. If that expansion was extended, primary deficits over the 2025–2034 period would be $167 billion larger than they are in CBO's baseline projections, JCT estimates. Most of those effects would occur after 2026. Increased net interest outlays would add $22 billion to those deficits.

The 2017 Tax Act's Changes to the Tax Treatment of Investment Costs Are Extended

The 2017 tax act temporarily expanded a provision known as bonus depreciation, which allows businesses to immediately deduct a portion of the cost of certain investments. That law increased the deductible amount to 100 percent of the cost of such investments through calendar year 2022 but set the provision to be phased out thereafter. In calendar year 2023, 80 percent of the total eligible cost could be deducted, and this year, 60 percent is deductible. The deductible portion is scheduled to fall to 40 percent next year, to 20 percent in calendar year 2026, and to zero the following year. Extending that provision by permanently setting the deductible portion to 100 percent (including retroactively for 2023) would result in primary deficits over the 2025–2034 period that were $378 billion larger than those in CBO's baseline, JCT estimates. Increased net interest outlays would add $91 billion to those deficits.

Certain Business Tax Provisions Altered by the 2017 Tax Act Are Maintained

Some provisions of the 2017 tax act that affect business taxes have scheduled expiration dates or include changes that do not take effect for several years. Scheduled changes include reductions in the size of the deduction for certain types of foreign income and an increase in the tax rate applied for the base erosion minimum tax (a provision put in place to keep corporations from avoiding tax liability by shifting profits out of the United States). If those scheduled expirations and changes did not occur, primary deficits over the 2025–2034 period would be $172 billion larger than they are in CBO's baseline projections, JCT estimates. Increased net interest outlays would add $25 billion to those deficits.

The Expansion of Premium Tax Credits Is Extended

The Affordable Care Act provides tax credits to individuals who purchase health insurance through the marketplaces that were established under that law. Before 2021, eligibility for those premium tax credits was limited to individuals whose income was less than 400 percent of the federal poverty guidelines. The American Rescue Plan Act of 2021 (P.L. 117-2) temporarily waived that limit, thereby boosting the number of people who received premium tax credits; it also increased the amount eligible individuals would receive. Those benefit expansions were most recently extended through calendar year 2025 by the 2022 reconciliation act (P.L. 117-169). If those changes were permanently enacted, primary deficits over the 2025–2034 period would be $335 billion larger than they are in the baseline, CBO and JCT estimate (see Table 3).[15] Increased net interest outlays would add $48 billion to those deficits.

Certain Other Expiring Tax Provisions Are Extended

In addition to the revenue provisions described above, JCT estimated the budgetary effects of extending 25 other expiring provisions. Of those provisions, the one with the largest effects is the advanced manufacturing production tax credit, which can be claimed for producing battery components and components used to generate wind or solar power. If those temporary tax provisions were permanently extended, primary deficits over the 2025–2034 period would be $199 billion larger than they are in the baseline, JCT estimates. Increased net interest outlays would add $17 billion to those deficits.

Trade Promotion Programs Are Extended

Trade promotion programs are programs that reduce or eliminate customs duties on certain products from participating countries. Three such programs—administered in accordance with the African Growth and Opportunity Act, the Caribbean Basin Trade Partnership Act, and laws granting trade preferences to Haiti—are

15. CBO and JCT estimate that if the enhanced premium tax credits were permanently extended, from 2026 to 2034, an average of 3.8 million more people would have health insurance. That overall increase in coverage consists of an increase in nongroup coverage of 7.1 million people (the net effect of an increase in subsidized nongroup coverage of 8.2 million people and a decline in unsubsidized nongroup coverage of 1.1 million people), an increase in enrollment in Medicaid and the Children's Health Insurance Program of 500,000 people, and a decrease in employment-based coverage of 3.9 million people. The agencies estimate that the effects on coverage would be smaller in 2025 because the enhanced subsidies are already available.

Table 3.

Budgetary Effects of Selected Alternative Assumptions About Other Future Revenue Policies

Billions of dollars

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total 2025–2029	Total 2025–2034
The expansion of premium tax credits is extended[a]												
Increase in the primary deficit [CBO and JCT's estimate]	*	23	32	34	36	38	40	42	43	46	126	335
Increase in net interest outlays	*	*	1	2	4	5	6	8	10	11	8	48
Certain other expiring tax provisions are extended[b]												
Increase in the primary deficit [JCT's estimate]	*	4	7	10	12	12	12	13	59	68	34	199
Increase in net interest outlays	*	*	*	1	1	1	2	2	4	6	2	17
Trade promotion programs are extended[c]												
Increase in the primary deficit [CBO's estimate]	4	1	1	1	1	1	2	2	2	2	9	18
Increase in net interest outlays	*	*	*	*	*	*	*	*	1	1	1	4
Addendum:												
Primary deficit in CBO's baseline[d]	821	687	591	622	671	676	726	808	875	929	3,392	7,405
Net interest outlays in CBO's baseline	951	1,005	1,049	1,105	1,170	1,241	1,328	1,430	1,527	1,628	5,280	12,435

Data sources: Congressional Budget Office; staff of the Joint Committee on Taxation (JCT). See www.cbo.gov/publication/60114#data.

Most estimates are relative to CBO's February 2024 baseline budget projections and reflect the economic forecast that underlies those projections. Estimates of the increases in primary deficits resulting from extending the expansion of premium tax credits are relative to CBO's forthcoming spring 2024 baseline budget projections. The laws implementing the changes represented by each alternative are assumed to be enacted on October 1, 2024. The estimates do not account for how the alternatives could affect the economy or for how those potential changes could, in turn, affect the budget. The estimates include the effects on outlays of changes in refundable tax credits and of other tax credits received as payments.

Primary deficits exclude net interest outlays. The change in net interest outlays is CBO's estimate of the change in interest payments resulting from an increase or decrease in estimates of the primary deficit.

* = between zero and $500 million.

a. The expansion of benefits and eligibility for premium tax credits to individuals who purchase health insurance through marketplaces established under the Affordable Care Act is assumed to be permanently extended.

b. Certain other expiring tax provisions are assumed to be permanently extended. For detailed estimates, see the supplemental data that accompany this report.

c. Several trade promotion programs that are scheduled to expire over the 2025–2034 period are assumed to be permanently extended, and the Generalized System of Preferences, which expired at the end of 2020, is assumed to be reinstated.

d. When outlays exceed revenues, the result is a deficit. Values in this row were calculated by subtracting revenues from outlays; thus, positive values indicate deficits. Deficits have been adjusted to exclude the effects of shifts that occur in the timing of certain payments when the fiscal year begins on a weekend.

set to expire at various points between 2025 and 2034. In addition, the Generalized System of Preferences (the largest and oldest U.S. trade preference program) expired in December 2020. If each of those programs was permanently extended and the Generalized System of Preferences was reinstated retroactive to 2021, primary deficits over the 2025–2034 period would be $18 billion larger than they are in the baseline, CBO estimates. The resulting increase in net interest outlays would add $4 billion to those deficits.

This report supplements *The Budget and Economic Outlook: 2024 to 2034*, which is available on the Congressional Budget Office's website at www.cbo.gov/publication/59710. In keeping with CBO's mandate to provide objective, impartial analysis, this report makes no recommendations.

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Jeffrey Kling and Robert Sunshine reviewed the report. Bo Peery edited it, and R. L. Rebach created the tables and prepared the text for publication. The report and supplemental data are available on the agency's website at www.cbo.gov/publication/60114.

CBO seeks feedback to make its work as useful as possible. Please send comments to communications@cbo.gov.

Phillip L. Swagel
Director