

# SENATE BUDGET COMMITTEE

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## KENT CONRAD, CHAIRMAN

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### **SENATE GIVES FINAL APPROVAL TO FY 2009 BUDGET Fiscal Plan Returns Budget to Balance; Invests in Energy, Education, and Infrastructure; Cuts Taxes on Middle Class**

**Washington, DC** – The Senate today gave final approval to the fiscal year 2009 budget conference report. The five-year fiscal plan balances the budget; makes needed investments in energy, education, and infrastructure; and cuts taxes on the middle class. Importantly, the plan assumes no tax increase. It was adopted by the Senate on a bipartisan vote of 48-45. With an affirmative House vote expected Thursday, this will mark the first time Congress has adopted a budget during an election year since 2000.

“We have passed a fiscally responsible budget today,” said Senate Budget Committee Chairman Kent Conrad (D-ND). “This plan provides tax relief for the middle class. It makes critical investments in energy, education, and infrastructure. And it returns the budget to surplus in 2012 and 2013. Passing this budget represents a major accomplishment.”

The budget resolution restores the fiscal discipline that was abandoned by the Bush administration and the previously Republican-controlled Congress. It puts the nation back on a path to balance – reaching a surplus of \$22 billion in 2012 and \$10 billion in 2013. It reduces debt and spending as a percent of GDP each year of the budget. It adheres to key budget enforcement tools implemented last year, such as the pay-as-you-go rule. And it includes additional procedural protections to help ensure fiscal responsibility.

The budget resolution creates the building blocks for economic growth by investing in the three key areas of energy, education, and infrastructure. By investing in energy, the budget creates “green collar” jobs, reduces our dependence on foreign energy, and helps with soaring energy prices. By investing in education, the budget prepares our workforce to compete in the global economy, makes college more affordable, and improves student achievement. By investing in infrastructure, the budget repairs crumbling roads, bridges, transit, airports, and schools.

The budget resolution also makes our country safer by fully funding our troops and rejecting the President’s proposed cuts in law enforcement, the COPS program, firefighters, and other first responders. And it supports our veterans, ensuring that they get the quality health care they need and deserve.

While the budget resolution provides increases in these priority areas, the overall spending level is very close to the President's proposed level. In fact, there is only a one percent difference in total spending in 2009 between the budget and the President's fiscal plan.

The budget resolution does not assume any tax increase. To the contrary, it supports significant tax relief, including extension of marriage penalty relief, the child tax credit, and the 10 percent bracket, as well as allowing for estate tax reform. It includes an additional year of Alternative Minimum Tax relief. And it provides for property tax relief, energy and education tax relief, and extenders.

Over the five years of the budget resolution, revenue levels are only 2.9 percent above the levels assumed in the President's budget. This modest additional revenue could be achieved by closing the tax gap, addressing offshore tax havens, shutting down abusive tax shelters, and without a tax increase.

After returning to power last year, this will mark the second year in a row that the Democratically-controlled Congress has adopted a budget.

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