

## Murphy Supports Landmark Deficit Reform Bill

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WASHINGTON, D.C. - In an effort to change the way Washington has spent taxpayer dollars in recent years, yesterday Congressman Chris Murphy (CT-5) helped pass legislation in the House of Representatives that requires any new spending or tax cuts to not increase the federal deficit. Murphy is a sponsor of H.R. 2920, the Statutory Pay-As-You-Go Act of 2009 (PayGo), which is similar to the spending rules Democrats put in place in the 1990s, which helped reverse huge deficits of the Reagan-Bush years, create budget surpluses, and produce an economic boom.

"For too long, we've been paying on credit, and like any Connecticut family that faces debt, we need to tighten our belts and work to reduce our balance. Passing this bill ensures that we're returning to the days when responsibility ruled and Congress was held accountable to a spending standard," Murphy said.

The bill will help cut the deficit in the following ways:

- Require that all new policies reducing revenues or expanding entitlement spending enacted during a session of Congress be offset over five and ten years;

- Force a serious examination of wasteful subsidies in the budget and tax loopholes that can be eliminated to offset more worthwhile programs;

- Acknowledge that tax cuts do have a cost and require that they don't increase the deficit;
  
- Require any future extension of upper income tax cuts to be offset.

If the net effect of all legislation enacted during a session of Congress increased the deficit, this rule would force an across-the-board reduction in certain mandatory programs. The PayGo policy will hold Congress to the same standard the Connecticut legislature uses to balance the state budget: don't spend money you don't have.

"Following these simple rules will mean tough choices about spending, but will make crucial progress toward reigning in the out-of-control spending that created the massive deficits during the last decade," said Murphy.

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