



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

CHAIRMAN JIM SAXTON

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## PRESS RELEASE

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For Immediate Release  
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## **STRONG ECONOMY BOOSTS REVENUES AND CUTS DEFICIT**

Press Release #109-83  
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**WASHINGTON, D.C.** – Robust economic growth in recent years has caused a surge in federal revenue that has pushed the budget deficit from \$413 billion in fiscal 2004 to about \$300 billion in 2006, Chairman Jim Saxton said today. Both the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB) report that federal revenue growth continues to exceed levels projected in 2006. Saxton made the following statement regarding the surge in federal revenue:

“Federal revenues jumped 15 percent in 2005 and have risen at a rate of 13 percent so far in fiscal 2006. This rapid growth in federal revenues is the primary reason both CBO and OMB expect the budget situation to improve in 2006.

“This strong revenue growth is due to the robust performance of the economy in recent years. The tax incentives for investment enacted in 2003, combined with Federal Reserve monetary policy, led to a rebound in investment that boosted the rate of economic growth over the last three years. Investment activity, which previously had been a drag on the economy, became an important source of strength. The results of the policy mix adopted in 2003 include healthy economic growth, the creation of more than 5.4 million jobs, and an unemployment rate of 4.6 percent.”

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