

FACT CHECK: President Claims Budget Cuts Spending \$2.50 for each \$1.00 in tax increases.

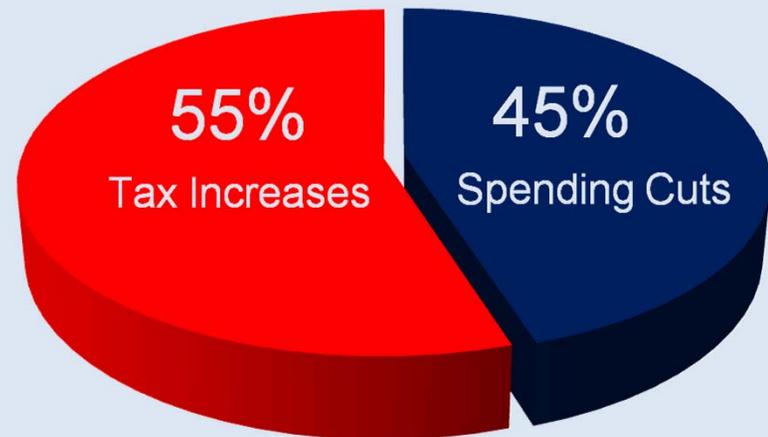
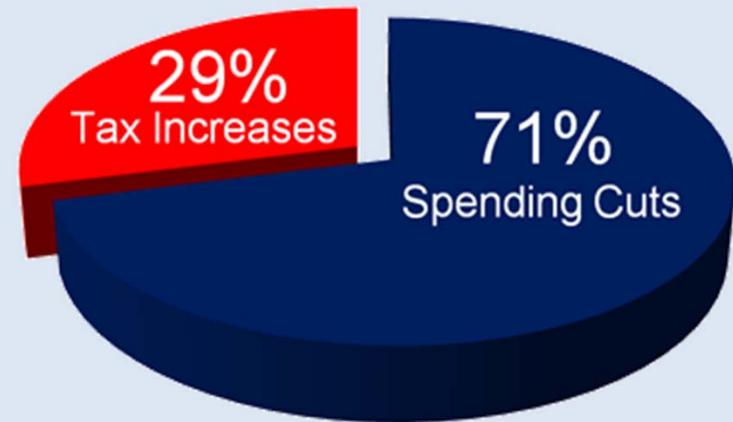
CLAIM: “White House Chief of Staff Jack Lew said that for every dollar of new revenue, the budget includes \$2.50 in spending cuts...”

\$2.50 to \$1

RATED: UNTRUE. The White House uses spending cuts already enacted and disguises interest savings from tax increases as spending cuts. Nearly \$4 of every \$10 the President claims in spending cuts is based on legislation already enacted. **True ratio: 83 cents in spending cuts for every \$1 in tax increases.**

\$0.83 to \$1

Data: The President claims \$1.72 trillion in spending cuts already enacted into law and \$800 billion in interest effects (including those generated by tax increases) as spending cuts. In reality, his budget proposes \$1.25 trillion in new spending cuts and \$1.51 trillion in new tax increases yielding a ratio of \$.83 in cuts to \$1.00 in tax increases. Put another way, for every \$1 in spending cuts he increases taxes by \$1.20.



- Source: Joint Economic Committee Republican Staff