

United States Senator

BOB BENNETT

Joint Economic Committee

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CBO Report Confirms Benefit of Pro-Growth Tax Relief

Washington, D.C. – Senator Bob Bennett (R-Utah), chairman of the Joint Economic Committee, said today dynamic analyses by the Congressional Budget Office (CBO) confirm pro-growth tax relief – such as ending the double taxation of dividends – will help the economy.

“CBO analyzed the entire budget, rather than only the economic growth package,” said Bennett. “A fair reading of CBO’s report shows spending and some tax reductions can negate the economic benefits of pro-growth tax relief.”

Bennett based his remarks on a new examination of the CBO report released today by the Joint Economic Committee (JEC). Among other things, JEC’s examination of the CBO report reveals:

- In the short-run, the president’s budget would increase real gross domestic product by 1.3 percent in 2004.
- In the long-run, negative effects of spending and some tax reductions would offset the positive effects of pro-growth tax relief like ending the double taxation of dividends.
- If Congress significantly cut back the president’s economic growth package, the remaining spending increases in the budget might actually hurt the economy in the long-run.

“The last thing we should do is reduce the pro-growth tax relief in the president’s budget and increase the spending, yet many in Congress propose doing exactly that,” Bennett explained.

The Congressional Budget Office released the dynamic analyses last week as part of a final version of their report, “An Analysis of the President’s Budgetary Proposals for Fiscal Year 2004.”

The Joint Economic Committee is a unique joint Senate-House committee created to study the economy and advise Congress on economic policy. To view JEC’s 3-page examination of the CBO report, visit the committee’s website at jec.senate.gov.

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