



BIDEN'S SOCIALIST SPENDING SPREE

Democrats' socialist \$4.3 trillion reconciliation bill¹ will harm the economy for generations to come.

- **President Biden's budget proposal estimates U.S. GDP growth will drop to 1.8% annually by 2024² without accounting for the economy-shrinking effects of the Democrats' tax-and-spend spree.**
 - A Penn Wharton Budget Model projects the \$4.3 trillion bill will shrink GDP by 4%, while expanding the debt by 8.9%.
 - If spending continues beyond the 10-year window, the GDP will shrink by 4.8% while the debt will expand by 16.4%.³
- **Americans will pay for Democrats' plan with both higher taxes and the "hidden tax" of inflation.**
 - The Joint Committee on Taxation projects Democrats' tax hikes will hit middle-income Americans after just a few years, despite President Biden's promises.⁴
 - The Tax Foundation estimates the tax proposals alone will reduce long-run GDP by 0.98%, eliminate 303,000 jobs, and reduce the after-tax incomes of 80% of taxpayers.⁵
 - Inflation is already at 5.3% and will continue to spiral due to increased spending.⁶ It is sure to wreck havoc on elderly and low-income families with fixed incomes who will spend a larger percentage of their income or diligently saved money on costlier goods and services.
- **Democrats' so-called "environmental justice" policies – such as fining energy suppliers that do not meet certain clean electricity levels, increasing fees for drilling on public lands, and establishing a natural gas tax – will lead to higher energy costs, job losses, and continue to hit the pocketbook of American families.**
 - Punishing domestic energy suppliers compromises national security by boosting the manufacturing and energy development of foreign adversaries such as Russia.
 - Subsidizing solar panels and electric vehicles also boosts foreign adversaries like China, who supplies 80% of the world supply of critical minerals used in these products.⁷
 - Job losses are inevitable as energy sector jobs in oil, gas, and coal are eliminated in favor of green jobs. When some European Union countries attempted similar energy policies, they saw major job losses among energy sector workers who were unable to transition to new jobs. For example, Spain's wind industry subsidies eliminated 2.2 jobs for every new green energy job.⁸
 - The natural gas tax will affect thousands of everyday items.⁹ This includes up to a \$242 increase in yearly energy costs per family¹⁰ and astronomical increases to pork, beef, and dairy products.¹¹

- **The reconciliation plan will expand subsidies to the affluent.¹²**

- It provides grants of up to \$82,000 to buy new houses to individuals making over \$200,000 a year.
- It provides \$450 billion in subsidies for parents to send their children to government approved child care centers. The provision caps child care costs at 7% of a family's income and taxpayers will pay the rest. For example, based on child care costs in D.C., a family with two children and an income of \$140,000 – 1.5 times the median income – could receive \$33,000 per year in child care subsidies.¹³
- It provides paid family leave for up to 12 weeks capped at 85% of average wages for any family care. It also provides grants for private companies who already have those programs to cover the cost of paid leave.¹⁴
- Expanding child tax credits will allow a family earning \$400,000 to receive up to \$8,000 a year.
- The electric vehicle tax credit of up to \$12,500 will primarily benefit the wealthy, since nearly 80% of the tax credits were claimed by Americans making more than \$100,000.¹⁵
- The bill also awards grant funds and aid toward taxpayer-funded community college, including to illegal immigrants.¹⁶

- **Taxpayers will be forced to subsidize union membership.**

- Under this spending spree, employees who pay full union dues, including funds for political lobbying, are given a \$250 above-the-line tax deduction.
- On the other hand, employees in non-right-to-work states who are required to pay union agency fees, which do not include political lobbying, do not receive a deduction.¹⁷
- Nearly 90% of American workers are not in a union.¹⁸

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¹ Representative Yarmuth. Committee on the Budget. September 23, 2021.

<https://docs.house.gov/meetings/BU/BU00/20210925/114090/BILLS-117pih-BuildBackBetterAct.pdf>

² Sarah Hanson. White House Releases Biden's \$6 Trillion Budget—Here's What's In It. Forbes. May 28, 2021. [White House Releases Biden's \\$6 Trillion Budget—Here's What's In It \(forbes.com\)](https://www.forbes.com/sites/sarahhanson/2021/05/28/white-house-releases-biden-s-6-trillion-budget-heres-what-s-in-it/)

³Jon Huntley, Maddison Erbabian, and John Ricco. The Macroeconomic Effects of the August 2021 Senate Budget Reconciliation Package. Penn Wharton University of Pennsylvania. September 9, 2021. <https://budgetmodel.wharton.upenn.edu/issues/2021/9/9/reconciliation-macro-effects>

⁴ Distributional Effects of the Estimated Budget Effects. Joint Committee on Taxation. September 14, 2021.

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⁵ Alex Durante, Cody Kallen, Huaqun Li, William McBride, Alex Muresianu, Erica York, and Garrett Watson. Build Back Better Act: Details & Analysis of the \$3.5 Trillion Budget Reconciliation Bill. Tax Foundation. September 16, 2021. <https://taxfoundation.org/build-back-better-plan-reconciliation-bill-tax/>

⁶ Consumer Price Index. News Release Bureau of Labor Statistics U.S. Department of Labor. August 2021.

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⁷ How E&C Democrats are building back China. Energy&Commerce Committee. September 14, 2021. <https://republicans-energycommerce.house.gov/news/how-ec-democrats-are-building-back-china/> and Primer: The Reconciliation Ruse to Radically Transform America. Center for Renewing America. September 24, 2021. <https://americarenewing.com/issues/primer-the-reconciliation-ruse-to-radically-transform-america/>

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¹⁰ Energy&Commerce Committee. September 13, 2021. <https://republicans-energycommerce.house.gov/wp-content/uploads/2021/09/091321-Letter-to-Congress-on-Natural-Gas-Fees.pdf>

¹¹ The Natural Gas Tax is a Tax Hike on Every Part of our Lives. Energy & Commerce Committee. September 13, 2021. <https://republicans-energycommerce.house.gov/news/the-natural-gas-tax-is-a-tax-hike-on-every-part-of-our-lives/>

¹² The Editorial Board. Entitlements for the Affluent. Wall Street Journal Opinion. September 27, 2021.

<https://www.wsj.com/articles/entitlements-for-the-affluent-joe-biden-nancy-pelosi-bernie-sanders-democrats-spending-bill-congress-entitlements-11632780666>

¹³ Rachel Greszler. The Role of Childcare in an Equitable Post-Pandemic Economy. The Heritage Foundation. June 23, 2021.

<https://www.banking.senate.gov/imo/media/doc/Greszler%20Testimony%206-23-21.pdf>

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