



# JOINT ECONOMIC COMMITTEE

CHAIRMAN ROBERT F. BENNETT

## ECONOMIC UPDATE

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### Understanding the Size of the Economic Growth Package

Last week the Joint Committee on Taxation (JCT) estimated the President’s economic growth package would reduce taxes by \$726 billion over the next 11 years (FY2003-2013), more than any other published estimate. However, even the JCT estimate may not be as much as it appears. It is important to keep in mind that over the next 11 years the federal government will collect nearly \$30 trillion in taxes. So, \$726 billion represents just 2.4% of all the taxes that would be paid by taxpayers.

The JCT estimate is largely a “static score,” meaning it doesn’t account for how individuals and businesses respond to taxes. Private, independent “dynamic scores” estimate the economic growth package would reduce taxes less than \$726 billion. For example, the Heritage Foundation estimates the package would reduce taxes by only \$276 billion. Visit the Joint Economic Committee on-line at [jec.senate.gov](http://jec.senate.gov) for more information.

