

Figure 1
CBO Baseline Budget Projections, August 2002

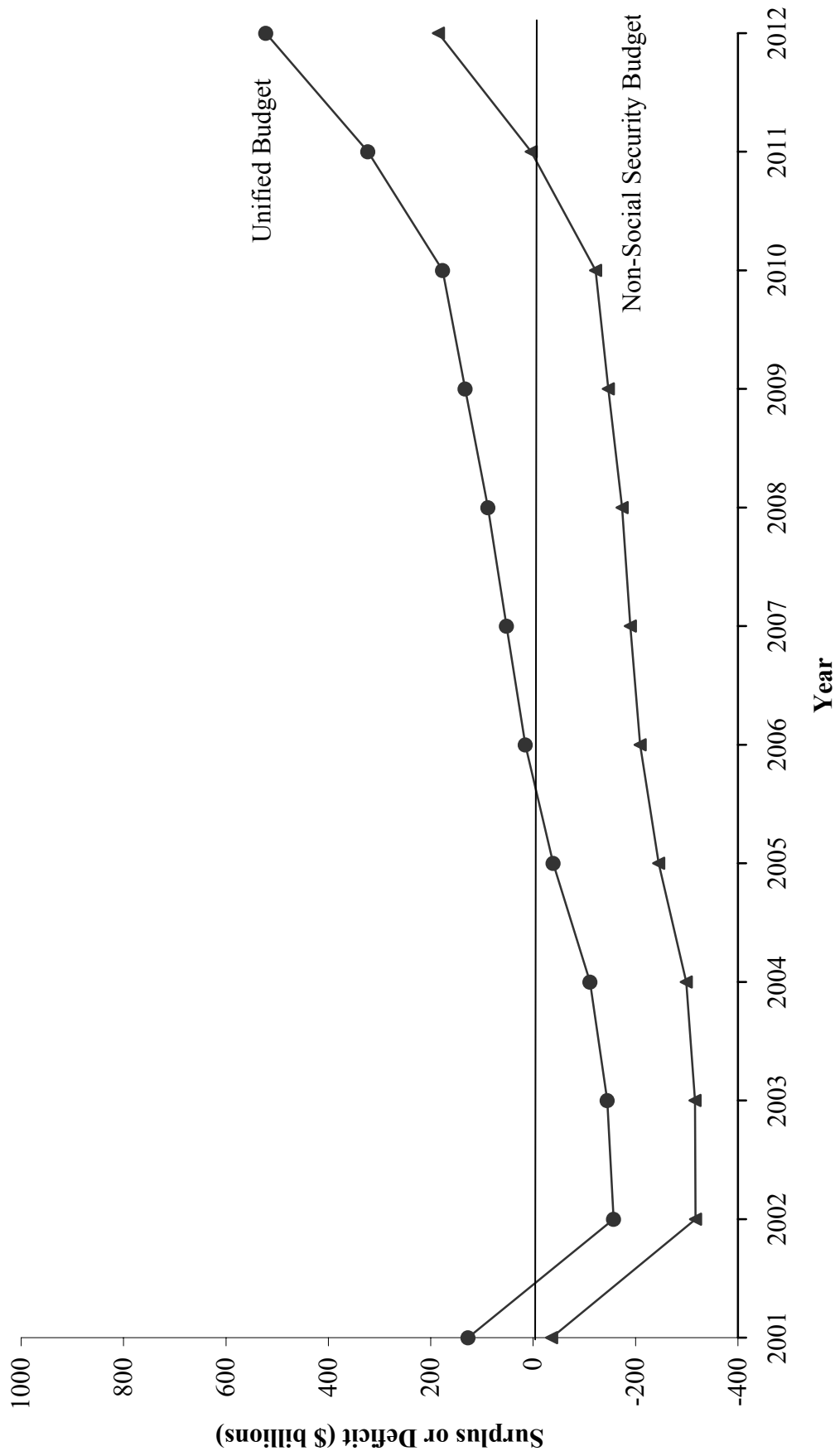


Figure 2
Budget Outcomes Under Alternative Assumptions, 2003-2012

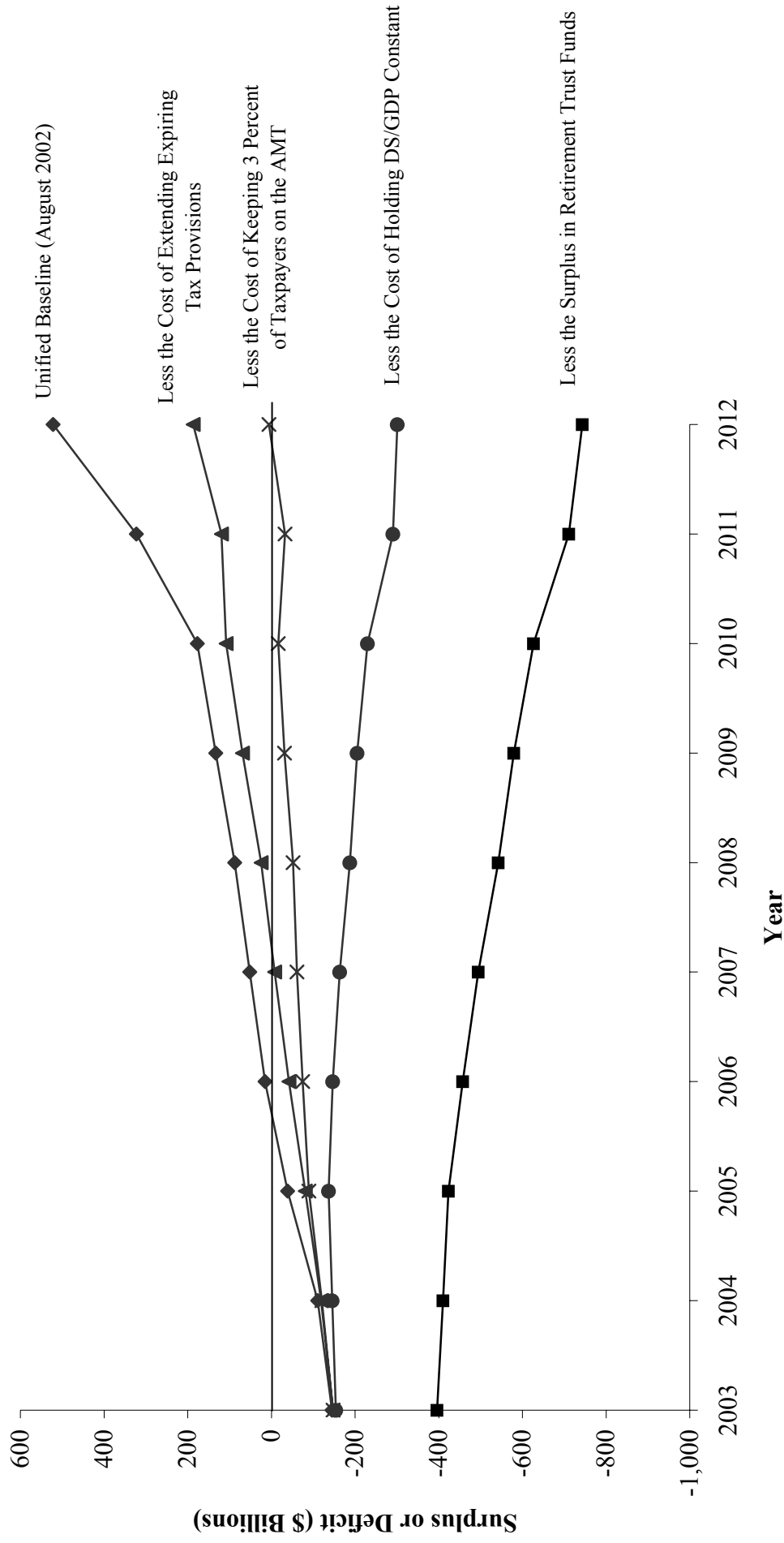
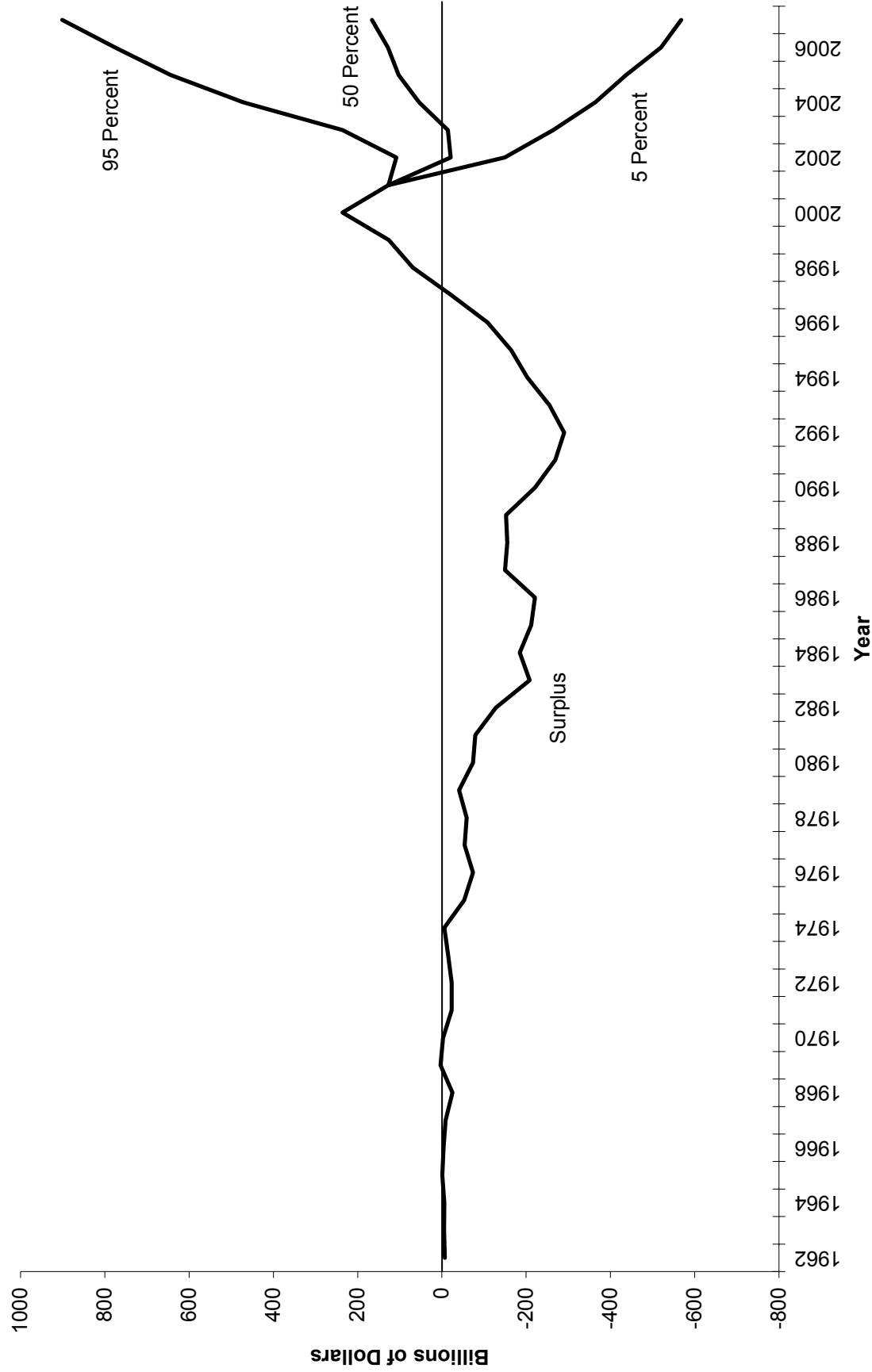


Figure 3
Uncertainty in CBO's Projection of the Unified Budget Surplus Under Current Policies



Source: Congressional Budget Office, January 2002. "Uncertainties in Projecting Budget Surpluses: A Discussion of Data and Methods." Table 6. And CBO, January 2002. "The Budget and Economic Outlook." Table F-11.

Appendix Table 1

**Changing Budget Projections
(Surplus in \$ Billions)¹**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Unified Budget</u>												
August 2002 ²	127	-157	-145	-111	-39	15	52	88	133	177	323	522
January 2002 ³	127	-21	-14	54	103	128	166	202	250	294	439	641
August 2001 ⁴	153	176	172	201	244	289	340	389	450	507	628	
January 2001 ⁵	281	313	359	397	433	505	573	635	710	796	889	
<u>Non-Social Security Budget</u>												
August 2002 ²	-36	-317	-316	-299	-245	-209	-190	-174	-147	-122	4	185
January 2002 ³	-36	-184	-193	-141	-108	-99	-76	-56	-24	4	132	319
August 2001 ⁴	-10	0	-18	-3	20	47	78	106	147	184	283	
January 2001 ⁵	124	141	171	195	212	267	316	359	416	484	558	
<u>Non-Social Security, Non-Medicare Budget</u>												
August 2002 ²	-65	-346	-344	-332	-280	-249	-230	-216	-191	-167	-41	136
January 2002 ³	-65	-217	-229	-179	-146	-141	-117	-96	-63	-34	95	278
August 2001 ⁴	-39	-38	-59	-45	-22	2	35	63	105	145	252	
January 2001 ⁵	95	105	132	154	172	223	275	318	377	447	524	

¹Due to rounding, annual data from Appendix Table 1 may not sum to the CBO totals listed in Table 1.

²Congressional Budget Office. "The Budget and Economic Outlook: An Update." August 2002. Table 1-1 and Table 1-1 supplement.

³Congressional Budget Office. "The Budget and Economic Outlook: Fiscal Years 2003-2012." January 2002. Tables 1-1 and 1-6.

⁴Congressional Budget Office. "The Budget and Economic Outlook: An Update." August 2001. Tables 1-1 and 1-9.

⁵Congressional Budget Office. "The Budget and Economic Outlook: Fiscal Years 2002-2011." January 2001. Tables 1-1 and 1-7.

Appendix Table 3

**Baseline and Adjusted Budget Outcomes for 2003-2012
August 2002 Projections
(Surplus in \$ Billions)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
CBO Unified Surplus ¹	-145	-111	-39	15	52	88	133	177	323	522
-Adjustment for Expiring Tax Provisions										
EGTRRA Provisions ²	-1	-1	-5	-15	-20	-25	-29	-33	-157	-265
Economic Stimulus ²	-1	-6	-35	-43	-38	-34	-30	-28	-26	-25
Other Provisions ²	0	-1	-5	-9	-14	-18	-20	-22	-25	-27
Adjustment for Extension of AMT Exemption ³	0.0	0.0	3.7	11.2	15.6	19.9	24.0	26.7	23.3	14.9
Adjustment for Extension of Use of Personal Nonrefundable Credits ⁴	0.0	0.3	1.6	3.2	3.9	4.5	5.1	5.5	5.9	6.4
Interest ⁵	0	0	-2	-4	-7	-11	-14	-18	-25	-39
Subtotal	-2	-8	-42	-57	-60	-64	-64	-69	-204	-335
=Unified Surplus, Adjusted for Expiring Tax Provisions	-147	-119	-81	-42	-8	24	69	108	119	187
-Adjustment for AMT										
Hold Share of Taxpayers on AMT Constant at 3 percent ⁶	0	-2	-9	-32	-50	-69	-89	-107	-127	-147
Interest ⁵	0	0	0	-1	-4	-7	-12	-18	-25	-34
Subtotal	0	-2	-9	-33	-54	-76	-101	-125	-152	-181
=Unified Surplus, Adjusted for Expiring Tax Provisions and AMT	-147	-120	-90	-75	-61	-51	-31	-16	-33	6
-Adjustment for Discretionary Spending/GDP Constant										
Outlays ⁶	-7	-24	-44	-66	-91	-119	-148	-178	-210	-244
Interest ⁵	0	-1	-3	-6	-11	-17	-25	-36	-48	-63
Subtotal	-7	-25	-47	-72	-102	-136	-173	-214	-258	-307
=Unified Surplus, Adjusted for Expiring Tax Provisions and AMT with DS/GDP Constant	-154	-145	-137	-147	-163	-187	-205	-230	-291	-301
-Adjustment for Retirement Funds										
Social Security ¹	-171	-188	-206	-224	-242	-262	-280	-299	-319	-337
Medicare ⁷	-28	-33	-35	-40	-40	-42	-43	-45	-45	-49
Government Pensions ⁸	-43	-44	-46	-47	-49	-51	-52	-53	-56	-56
Subtotal	-242	-265	-287	-311	-331	-355	-375	-397	-420	-442
=Surplus, Adjusted for Expiring Tax Provisions, AMT with DS/GDP Constant, and Retirement Funds	-396	-410	-424	-458	-494	-542	-580	-627	-711	-743

¹Congressional Budget Office. "The Budget and Economic Outlook: An Update." August 2002. Table 1-1.

²Congressional Budget Office. "The Budget and Economic Outlook: An Update." August 2002. Box 1-1.

³Congressional Budget Office. "The Budget and Economic Outlook." January 2002. Table 3-12.

⁴Authors' calculations using the Urban-Brookings Tax Policy Center Microsimulation Model.

⁵CBO debt service matrix, August 2002.

⁶The Budget and Economic Outlook: An Update." August 2002. Table 1-3.

⁷Congressional Budget Office. "The Budget and Economic Outlook: An Update." August 2002. Table 1-1 supplement.

⁸Congressional Budget Office. "CBO Baseline Projections of Trust Fund Balances." August 2002.