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Another Decade of Bush Tax Cuts Will Cost More than Twice as Much as the First Decade

\$5.4 Trillion Cost Over 2013-2022 Period If Extended Another Decade

Ten years ago today, June 7, 2011, President George W. Bush signed into law the first of several tax cuts that would define his presidency and turn the budget surpluses achieved under President Clinton into budget deficits.

CTJ and others have noted that the cost of the Bush tax cuts from 2001 through 2010 was about two and a half trillion dollars.¹ The recent “compromise” that extended them for another two years, through the end of 2012, cost \$571.5 billion.²

But this is only the beginning. If Congress makes permanent the Bush tax cuts or extends them for another decade, the cost will be \$5.4 trillion.

(See CTJ’s national data and state-by-state data to see how taxpayers in different income groups would be affected by another extension of the tax cuts.)³

The tax cuts cost far more in future years than in the first decade because they were enacted piece-by-piece and slowly phased in during the first decade. Now that the tax cuts are fully phased in, any extension will naturally cost more revenue.

The table below illustrates the year-by-year cost of a ten-year extension of the Bush tax cuts. The Congressional Budget Office (citing the Joint Committee on Taxation) has published the cost from 2013 through 2021. Our calculations extend these estimates into 2022.

	CBO estimates										CTJ estimate	10 years
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022	
Extend Bush Income & Estate Tax Cuts and AMT relief												
Effect on the deficit	-223	-344	-386	-410	-435	-460	-487	-515	-546	-579	-4,386	
Debt service	-5	-15	-32	-53	-78	-106	-135	-168	-203	-246	-1,041	
Total Cost	-228	-359	-418	-464	-514	-566	-623	-683	-749	-825	-5,428	

Figures for 2013 through 2012 are from the Congressional Budget Office, Budget and Economic Outlook: Fiscal Years 2011 to 2021, Table 1-7. Figures for 2022 are estimates from Citizens for Tax Justice.

¹Citizens for Tax Justice, “The Bush Tax Cuts Cost Two and a Half Times as Much as the House Democrats’ Health Care Proposal,” September 8, 2009. <http://www.ctj.org/pdf/bushtaxcutsvshealthcare.pdf>

²Joint Committee on Taxation, December 10, 2010. For more, see Citizens for Tax Justice, “Compromise Tax Plan Tilts Heavily in Favor of the Well-Off,” December 9, 2010. <http://www.ctj.org/pdf/taxcompromise2010.pdf>

³Citizens for Tax Justice, “The Bush Tax Cuts After Ten Years,” June 2, 2011. <http://www.ctj.org/bushtaxcuts10yrs.php>