



Obama's Smoke And Mirrors Budget

Sifting Through The Gimmicks Of Obama's FY 2014 Budget

Obama Said That "There's Not A Lot Of Smoke And Mirrors" In His FY 2014 Budget. OBAMA: "That's what my budget does, that's why I'm so grateful for the great work that this team has done in shaping the budget. The numbers work, there's not a lot of smoke and mirrors in here." (President Barack Obama, [Remarks On The FY 2014 Budget](#), Washington, D.C., 4/10/13)

Obama's "Smoke And Mirrors" Comment Is "Almost Daring You To Look For The Sleight Of Hand." "When President Barack Obama unveiled his budget Wednesday morning in the Rose Garden he announced 'there's not a lot of smoke and mirrors in here' — almost daring you to look for the sleight of hand." (David Nather, "Obama's Budget Fantasyland," [Politico](#), 8/10/13)

OBAMA'S BUDGET IS A "FANTASYLAND"

Politico Headline: "Obama's Budget Fantasyland" (David Nather, "Obama's Budget Fantasyland," [Politico](#), 8/10/13)

- **"Just Like Most Budget Proposals, Which Reflect The World As Their Authors Would Like To See It, Obama's \$3.78 Trillion Proposal Relies On A Few Tricks To Make The Numbers Work."** (David Nather, "Obama's Budget Fantasyland," [Politico](#), 8/10/13)

Obama's Budget Uses An Accounting Trick To Masquerade The Sequester Replacement As Additional Deficit Reduction – When It's Not

"In Obama's Case, He Wishes The Sequester Didn't Happen, So — Poof — The Sequester Is Gone." "Budgets don't need to apply the laws of physics — or even the laws on the books. In Obama's case, he wishes the sequester didn't happen, so — poof — the sequester is gone." (David Nather, "Obama's Budget Fantasyland," [Politico](#), 8/10/13)

- **Obama "Wants To Repeal The Sequester That Is Providing The Only Spending Cuts In At Least A Decade."** "Even with this inflation change, federal spending would grow by more than if Mr. Obama simply let current law continue. This is because the President wants to eliminate the current caps on discretionary spending under the budget sequester that are set to save close to \$1 trillion over the next decade. He wants to repeal the sequester that is providing the only spending cuts in at least a decade." (Editorial, "The President's Priorities," [The Wall Street Journal](#), 4/10/13)

Given That The Sequester Is Replaced In Obama Budget Baseline, His Budget "Would Only Reduce The Deficit By About \$600 Billion Over 10 Years." "However, the baseline the administration uses to

calculate that figure assumes the sequester was never started. If the sequester is included in the baseline, the Obama budget would only reduce the deficit by about \$600 billion over 10 years.” (Erik Wasson, “Obama To Unveil \$1.058T Budget,” [The Hill's On The Money](#), 4/10/13)

- **“The Net Impact On The Deficit Is Savings Of Roughly \$600 Billion Over A Decade, Far Less Than The \$1.8 Trillion The White House Claimed.”** (David Espo, “Obama’s Budget Straddle,” [The Associated Press](#), 4/10/13)
- **“That Means The Deficit Would Drop Just \$600 Billion More Over 10 Years Than Under Current Law.”** “The White House said the budget would include \$1.8 trillion in deficit-reduction measures, but about \$1.2 trillion of it will be used to replace the across-the-board spending cuts that began March 1, known as the sequester. That means the deficit would drop just \$600 billion more over 10 years than under current law.” (Janet Hook and Colleen McCain Nelson, “Obama Budget Draws Fire,” [The Wall Street Journal](#), 4/5/13)

Obama Misled The American People On The True Tax Increase In His Budget

While Obama Advertised His Budget As One That Raised \$580 Billion In Taxes, The Actual Number Exceeds \$1 Trillion. “President Barack Obama’s budget plan would increase taxes by \$1 trillion over the next decade, including a new tax on cigarettes and familiar proposals to increase taxes on the wealthy and some corporations. The president said his plan includes \$580 billion in tax increases to help reduce government borrowing. But the tax hikes don’t stop there. Obama’s budget proposal would also impose an additional \$400 billion in tax increases. Much of it would be used to pay for more spending.” (Stephen Ohlemacher, “Obama Proposes \$1 Trillion In New Taxes Over Next Decade, Including New 94-Cent Cigarette Tax,” [The Associated Press](#), 4/10/13)

- **Obama Is “Seeking \$1 Trillion In Higher Taxes Over A Decade.”** “He proposed slowing the growth of federal deficits without eliminating them, and is seeking \$1 trillion in higher taxes over a decade.” (David Espo, “Obama’s Budget Straddle,” [The Associated Press](#), 4/10/13)
- **Much Of The \$1 Trillion “Would Come From Tax Increases He Is Proposing.”** “Under his plan – which covers the next 10 years – tax revenues would be nearly \$1 trillion higher than the baseline current-law forecast by the Congressional Budget Office. Much of that additional revenue would come from tax increases he is proposing.” (Tom Curry, “Higher Taxes For Some, Tax Breaks For Others In Obama Budget,” [NBC News](#), 4/10/13)
- **“Obama Already Got Congress To Increase Taxes By \$600 Billion In January. His Budget Would Add To Those Tax Hikes.”** (Stephen Ohlemacher, “Obama Proposes \$1 Trillion In New Taxes Over Next Decade, Including New 94-Cent Cigarette Tax,” [The Associated Press](#), 4/10/13)

OBAMA’S BUDGET UNDERWHELMS

Obama’s Much-Vaunted “Compromise” On Entitlement Reform In The Form Of Chained CPI Would Save A Mere \$230 Billion Over A Decade, “A Relatively Small Amount Of Savings” Compared To “Tens Of Trillions Of Dollars” In Overall Spending. “Over a decade, the president’s proposal to change the way the government calculates inflation — and therefore makes annual adjustments in benefits and income tax brackets — would produce savings estimated at \$230 billion. That’s a relatively small amount of savings in a decade, when overall spending will be counted in the tens of trillions of dollars.” (David Espo, “Obama’s Budget Straddle,” [The Associated Press](#), 4/10/13)

Obama “Isn’t Counting The Estimated \$1 Trillion In Tax Increases Over The Next Decade That Are Already Part Of Obamacare.” “In return for the Social Security savings, Mr. Obama is still insisting that

Republicans accept most of his tax increases totalling \$1.1 trillion over 10 years. This budget is said to be a 'balanced approach' with \$2 of spending cuts for every \$1 of new taxes, but over the next five years federal spending would actually rise by \$680 billion. So he is really referring to imaginary 'cuts' off of anticipated future spending increases. He also isn't counting the estimated \$1 trillion in tax increases over the next decade that are already part of ObamaCare." (Editorial, "The President's Priorities," [The Wall Street Journal](#), 4/10/13)

Obama's Proposed "Buffett Tax" Would Make The Combined Tax On U.S. Corporate Profits "One Of The Highest In The World." "Mr. Obama is reproposing the 'Buffett tax' on millionaires that would raise the levy on capital gains, dividends and other investment income to 30%. When Mr. Obama entered office the investment tax rate was 15% on capital gains and dividends. This year he raised the rate to 23.8% with the ObamaCare investment surtax. Now he wants 30%. This would raise the effective combined tax on corporate profits to close to 54%, one of the highest in the world." (Editorial, "The President's Priorities," [The Wall Street Journal](#), 4/10/13)

Obama's Plan For Corporate Tax Reform Is "More Symbolic Than Substantive." "Obama's budget would create a fund of about \$100 billion that would be used to finance lower corporate tax rates. The fund, however, is more symbolic than substantive because \$100 billion would only cover the cost of lowering the corporate income tax rate from 35 percent to 34 percent." (Stephen Ohlemacher, "Obama Proposes 94-Cent Tax Hike On Cigarettes," [The Associated Press](#), 4/10/13)

Obama's Budget Makes A \$50 Million Cut To NASA While Simultaneously Vowing To Send A Human Mission To Mars. ("Fiscal Years 2014 Budget Of The U.S. Government," [Office Of Management And Budget](#), 4/10/13)

- **"At A Time When The Space Shuttle Has Stopped Flying And Americans Can't Even Get Into Space Without Hitching A Ride From The Russians, Obama Might Face A Few Questions From Congress About How They're Going To Get To Mars On The Cheap."** "Want to slash spending but get more from an agency? Presidents can do it — on paper. Obama wants to cut NASA's budget. He also wants to send people to Mars someday. Got it? His plan would cut NASA's funding by \$50 million, or 0.3 percent. That's not a lot, but it's at the same time that he's trying to develop a new heavy-lift rocket and a new crew vehicle to lift astronauts out of Earth's orbit for the first time since 1972. The goal, his budget says, is a visit to an asteroid in the next decade, 'followed eventually by a human mission to Mars.' At a time when the space shuttle has stopped flying and Americans can't even get into space without hitching a ride from the Russians, Obama might face a few questions from Congress about how they're going to get to Mars on the cheap." (David Nather, "Obama's Budget Fantasyland," [Politico](#), 8/10/13)

CNN's John Berman Said Obama's Budget Has "Minus Infinity" Chances Of Passing. CNN's Christine Romans: "What are the chances of the budget being passed as it is written in those boxes?" CNN's John Berman: "Minus infinity." (CNN's [Newsroom](#), 4/10/13)

- **"The President's Previous Budgets Have Fallen Flat In Congress. Given The Initial Reaction, This Version Is Likely To Suffer A Quick Death, As Well, If It Is Ever Brought To The Floor For A Vote."** (John Parkinson, "Obama's Catch 22: Budget Blueprint Won't Please Many, If Any," [ABC News' The Note](#), 4/6/13)