

All PAYGO Exemptions Are Not Created Equal (As Democrats Will Claim)

1) TIMING

- Under Republicans, specific PAYGO exemptions were permitted until the passage of a concurrent resolution on the budget.
- As proposed by Democrats, their PAYGO exemptions would be permitted for the entirety of the Congress.

2) SCOPE

- Under Republicans, PAYGO exemptions were limited to seven specific legislative items (e.g. extending the Jobs and Growth Tax Relief Reconciliation Act of 2003; providing a 20 percent deduction in income to small businesses).
- As proposed by Democrats, their PAYGO exemptions are broad, all-encompassing policy areas (e.g. measures to prevent, prepare for, or respond to economic, environmental, or public health consequences resulting from climate change) which could be linked to almost any piece of legislation.

3) BUDGET NEUTRALITY

- Under Republicans, measures could only qualify for a PAYGO exemption if they did not: (1) increase the deficit over 10 years or (2) increase revenues over 10 years.
- As proposed by Democrats, there are no fiscal limits on what legislation would qualify for these exemptions.

4) TEMPORARY

- Republicans implemented this temporary rule change to allow its newly-elected majority the necessary time to pass a budget resolution.
- As proposed by Democrats, their PAYGO exemptions exist to allow its narrowed majority to continue to avoid passing a budget. *NOTE: The last time a Democratic majority debated and passed a budget in the House was April 29, 2009.*