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CBO Projects Lower Deficit *Democrat Tax and Spend Policies Endanger Growth*

WASHINGTON, D.C. – Congressman Jeb Hensarling (R-TX), Chairman of the Republican Study Committee, noted that data released today by the Congressional Budget Office (CBO) makes clear that the tax relief previously passed by the Republican controlled Congress has resulted in a far lower deficit projections. According to CBO's projections, the deficit will shrink over \$90 billion dollars (from \$248 billion in FY06 to \$158 billion in FY07) because of increased tax receipts.

Hensarling issued the following statement:

“American families deserve to keep more of their hard earned money and this report reinforces the fact while over-spending causes a deficit, tax relief is one of its cures. When Republicans lowered taxes for all Americans, Democrat leaders cried doom and predicted that tax relief would cause massive deficits. They were wrong. Lower taxes do not cause deficits, spending does.”

“Unfortunately, since taking control of Congress in January, Democrats have placed America on a dangerous and fiscally irresponsible path. In the past eight months, Democrats have passed over \$1 trillion in new spending, fueled by legislation that would raise taxes by over \$400 billion over the next five years. Republicans will continue to vigorously defend American families from the reckless Democrat tax-and-spend onslaught.

“The Democrat majority has a choice – they can show their commitment to fiscal responsibility by working with the President and Republicans in Congress to thoughtfully hold the line on spending and reform Social Security, Medicare and Medicaid (which are on a path toward bankruptcy) – or they can continue to deny reality and threaten the fiscal security of each and every American by standing in the way of common-sense improvement.”

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*Congressman Jeb Hensarling is Chairman of the Republican Study Committee (RSC).
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