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## JOINT STATEMENT OPPOSING POTENTIAL BUDGET GIMMICK

Congress is contemplating a gimmick that would circumvent existing budget enforcement rules in the Senate and increase long-term deficits.

House and Senate conferees on the reconciliation tax bill are considering a proposal to offset part of the short-term revenue loss (in 2011 through 2015) from one tax cut by enacting another tax cut. The proposal would induce taxpayers to move savings from traditional IRAs to Roth IRAs, which would generate additional revenues in the short run, but would reduce revenues and increase deficits after 2015. This maneuver is an effort to circumvent the Senate rule prohibiting budget reconciliation from increasing long-term deficits by including tax cuts or entitlement spending increases that are not offset in years beyond the budget window. It would undermine respect for, and the effectiveness of, budget procedures intended to promote long-term fiscal responsibility.

The four groups issuing this statement strongly urge the conferees on the tax-cut reconciliation bill to reject this gimmick.