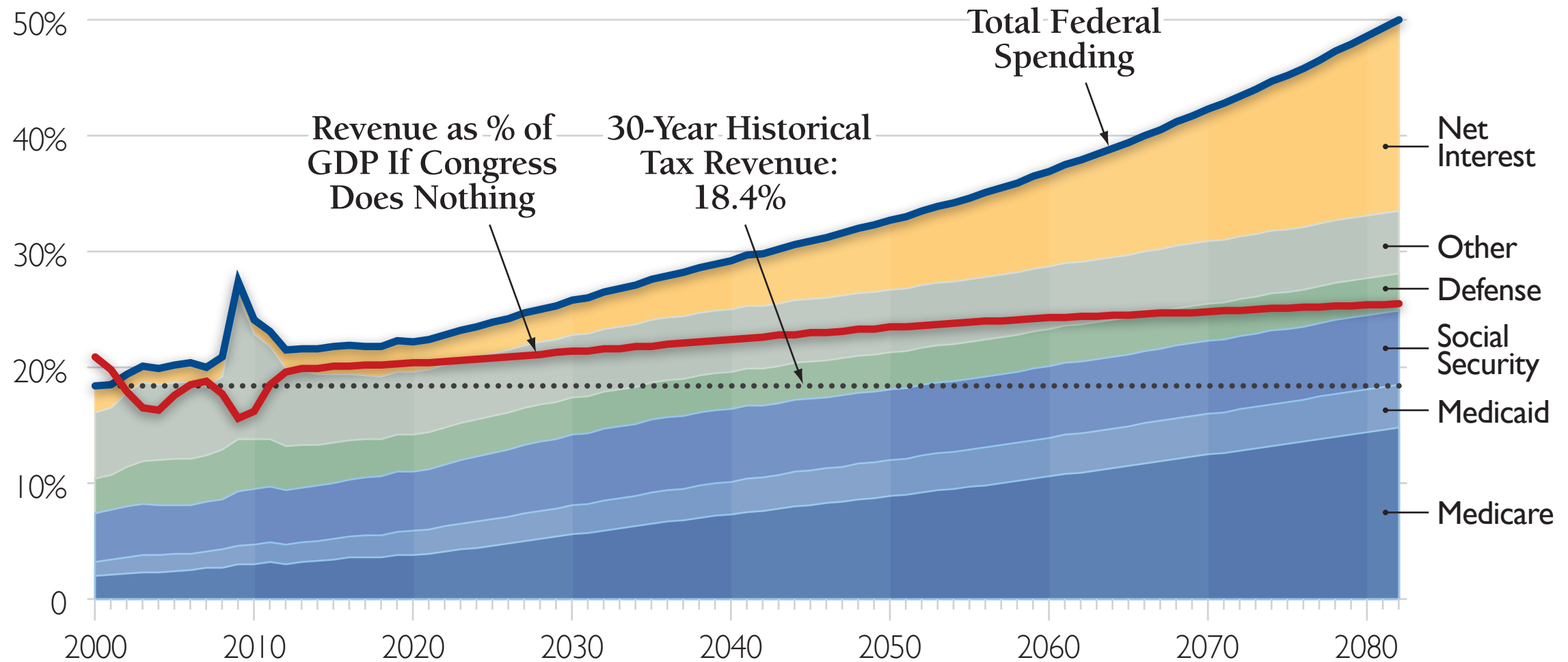


Repealing Tax Cuts and Not Fixing AMT Won't Balance the Budget

If the 2001 and 2003 tax cuts expire and the AMT is not fixed, taxes will soon grow to unprecedented levels. Even this massive increase in federal revenue will not solve the spending imbalance driven by Medicare, Medicaid, and Social Security.

Federal Spending as a Percentage of GDP Under the Extended Baseline Scenario



Source: Heritage Foundation calculations based on Congressional Budget Office data.