



# AMERICANS FOR PROSPERITY®

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May 17, 2013

Dear Representative Price and Senator Ayotte:

On behalf of more than two million Americans for Prosperity activists in all 50 states, I applaud you for introducing the Pro-Growth Budgeting Act of 2013 (S.184, H.R.1874). Your bill would require the Congressional Budget Office (CBO) to include dynamic scoring in its reports. This will give Congress a more realistic estimate of the fiscal impact of federal legislation.

The CBO routinely provides estimates of the impact of legislative proposals on overall tax revenues and government spending, contributing significantly to the policy discussions on Capitol Hill. However, the CBO's reports fail to account for how the economy will react to new policies (for example, how American businesses will respond to higher tax rates). This leaves out an enormously-important part of the picture for any estimate of the true costs or benefits of any given proposal.

The result is, unfortunately, one that is regularly biased in favor of big-government policies. Under the current scoring regime, tax hikes look like they have less impact because the score ignores the resulting disincentives to work, save, and invest imposed on the economy. Similarly, deficit-financed "stimulus" spending tends to score with all positives for the economy because they ignore the full costs of a rising national debt down the road and the inefficiency of redistributing capital through government.

Your bill takes important steps forward in correcting this problem by requiring the CBO to perform a full "macroeconomic impact analysis" for major legislative proposals, known alternatively as "dynamic scoring." This means that for any bill with an estimated annual impact of .25 percent or GDP or more, there will finally be an official recognition that the federal government's tax and spending policies actually do affect the economy in important ways.

Americans for Prosperity is proud to support the dynamic scoring model and the Pro-Growth Budgeting Act of 2013 (S.184, H.R.1874). I urge your colleagues to support this legislation, and I look forward to working with you in the future.

Sincerely,

James Valvo  
Director of Policy  
Americans for Prosperity

*Americans for Prosperity® (AFP) is a nationwide organization of citizen leaders committed to advancing every individual's right to economic freedom and opportunity. AFP believes reducing the size and scope of government is the best safeguard to ensuring individual productivity and prosperity for all Americans. AFP educates and engages citizens in support of restraining state and federal government growth and returning government to its constitutional limits. AFP has more than 2 million members, including members in all 50 states, and 36 state chapters and affiliates. More than 90,000 Americans in all 50 states have made a financial investment in AFP or AFP Foundation. For more information, visit [www.americansforprosperity.org](http://www.americansforprosperity.org). Americans for Prosperity does not support or oppose candidates for public office.*

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