



U.S. Presidential Candidate Spending Analysis – Ron Paul

Total Net Spending Agenda: -\$1.221 trillion (savings)

Economy, Transportation, and Infrastructure: -\$4.565 billion (savings)

A. Establish “Sound Money”:

“As President, Ron Paul will lead the way out of this crisis by ... [l]egalizing sound money, so the government is forced to get serious about the dollar’s value.”

<http://www.ronpaul2012.com/the-issues/economy/>

Cost: Unknown.

Note: Congressman Paul is the sponsor of H.R. 1098 (112th Congress), a bill to repeal the legal tender laws, to prohibit taxation on certain coins and bullion, and to repeal superfluous sections related to coinage. A current cost estimate is not available.

B. Enact Regulatory Reform:

“Ron Paul’s ‘Restore America’ plan ... [r]epeals ObamaCare, Dodd-Frank, and Sarbanes-Oxley.”

<http://www.ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america/>

Cost: -\$4.565 billion (first year savings of -\$256 million, plus -\$21.5 billion over five years)

- Repeal Dodd-Frank Act: -\$4.3 billion (-\$21.5 billion over five years).

Source: Statement by Douglas W. Elmendorf, Director, Congressional Budget Office, before the Subcommittee on Oversight and Investigations, Committee on Financial Services, U.S. House of Representatives, March 30, 2011.

<http://www.cbo.gov/ftpdocs/121xx/doc12120/03-29-Dodd-Frank.pdf>

- Repeal Sarbanes-Oxley Act: -\$265 million (first-year savings).

Source: *Budget of the U.S. Government, Fiscal Year 2013, Appendix*, page 1406, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/oia.pdf>

Note: The Sarbanes-Oxley Act was passed in the 107th Congress. The bill created the Standard-Setting Body and the Public Company Accounting Oversight Board to establish and regulate, respectively, national standards for the accounting industry. The President’s Budget requests \$265 million in Fiscal Year (FY) 2013 for these entities.

Congressman Paul’s call to repeal ObamaCare is addressed in the section on health care.

Energy, Agriculture, and the Environment: -\$5.953 billion (savings)

A. Expand Offshore Drilling:

“As President, Ron Paul will lead the way out of this crisis by ... [d]riving down gas prices by allowing offshore drilling”

<http://www.ronpaul2012.com/the-issues/economy/>

Cost: -\$66 million (-\$328 million over five years).

Source: Congressman Paul is a cosponsor of H.R. 1231 (112th Congress), a bill to amend the Outer Continental Shelf Lands Act to require that each five-year offshore oil and gas leasing program offer leasing in the areas with the most prospective oil and gas resources, to establish a domestic oil and natural gas production goal, and for other purposes. A CBO cost estimate is available.

<http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/121xx/doc12175/hr1231.pdf>

B. Increase Coal and Nuclear Power Production:

“As President, Ron Paul will lead the fight to ... [l]ift government roadblocks to the use of coal and nuclear power.”

<http://www.ronpaul2012.com/the-issues/energy/>

Cost: Unknown.

C. Eliminate the Environmental Protection Agency (EPA):

“As President, Ron Paul will lead the fight to ... [e]liminate the ineffective EPA. Polluters should answer directly to property owners in court for the damages they create – not to Washington.”

<http://www.ronpaul2012.com/the-issues/energy/>

Cost: -\$5.887 billion (-\$23.548 billion over four years).

Source: Congressman Paul’s “Plan to Restore America” reduces EPA funding to \$5.887 billion each year for Fiscal Years 2013 through 2016.

<http://www.ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america/>

Federal Government Reform: -\$1.173 trillion (savings)

A. Audit the Federal Reserve:

“As President, Ron Paul will lead the way out of this crisis by ... [f]ighting to fully audit (and then end) the Federal Reserve System, which has enabled the over 95% reduction of what our dollar can buy and continues to create money out of thin air to finance future debt.”

<http://www.ronpaul2012.com/the-issues/economy/>

Cost: Unknown.

Note: Congressman Paul is the sponsor of H.R. 459 (112th Congress), the Federal Reserve Transparency Act of 2011. The bill would require the Government Accountability Office to conduct a full audit of the Federal Reserve. A current cost estimate is not available.

B. Balance the Budget:

“Ron Paul’s ‘Restore America’ plan ... [c]uts \$1 trillion in spending during the first year of Ron Paul’s presidency, eliminating five cabinet departments (Energy, HUD, Commerce, Interior, and Education), abolishing the Transportation Security Administration and returning responsibility for security to private property owners, abolishing corporate subsidies, stopping foreign aid, ending foreign wars, and returning most other spending to 2006 levels....

“Block grants Medicaid and other welfare programs to allow States the flexibility and ingenuity they need to solve their own unique problems without harming those currently relying on the programs....

“Makes a 10% reduction in the federal workforce, slashes Congressional pay and perks, and curbs excessive federal travel.”

<http://www.ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america/>

Cost: -\$1.078 trillion (-\$4.311 trillion over four years).

Source: Data taken from tables contained in Congressman’s Paul’s “Restore America” plan – exceptions are noted below – were compared to projected outlays contained in the President’s Fiscal Year 2013 Budget.

<http://www.ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america/>

Budget of the U.S. Government, Fiscal Year 2013, page 205.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

Note: Congressman Paul’s “Restore America Plan” contains 9 miscellaneous savings provisions. The campaign estimates that these proposals would generate \$50.1 billion in savings in FY 2013 and \$111.2 billion in FY 2016. After examining the proposed cuts, NTUF made the following changes to the campaign’s estimate for miscellaneous savings: NTUF substituted its own (and higher) savings estimate for the repeal of Davis-Bacon requirements; the item listed as “ban union projects” was eliminated since NTUF was not able to determine what this item encompassed; the savings associated with payment errors was also eliminated since such savings are determined, in part, by the amount of resources committed to that effort and are somewhat speculative; and, the sale of equity positions in auto companies and financial institutions was also eliminated due to the uncertainty and difficulty of liquidating those positions. CBO has recently discussed the latter topic. <http://blogs.wsj.com/economics/2012/01/31/cbo-tarp-spending-will-be-61-billion-more-in-fiscal-2012/>. After NTUF’s adjustment, Congressman Paul’s

miscellaneous savings proposals would reduce spending by \$26.9 billion in FY 2013 and \$47.6 billion in FY 2016.

C. Adopt Regulations from the Executive in Need of Scrutiny (REINS) Act:

“Ron Paul’s ‘Restore America’ plan ... [m]andates REINS-style requirements for thorough congressional review and authorization before implementing any new regulations issued by bureaucrats.”

<http://www.ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america/>

Cost: Unknown.

Note: Related legislation has been introduced in the form of H.R. 10 (112th Congress), the Regulations from the Executive in Need of Scrutiny Act of 2011. According to CBO’s cost estimate for H.R. 10, “About 80 major rules have been issued per year, on average, over the past five years. Major rules vary greatly in their nature and scope. CBO and the staff of the Joint Committee on Taxation (JCT) cannot determine the budgetary effects of preventing all future major rules from going into effect, but we expect that enacting H.R. 10 would have effects on both direct spending and revenues.”

<http://www.cbo.gov/ftpdocs/125xx/doc12552/hr10.pdf>

D. Adopt Liberty Amendment:

“As President, Ron Paul will support a Liberty Amendment to the Constitution to abolish the income and death taxes. And he will be proud to be the one who finally turns off the lights at the IRS for good.”

<http://www.ronpaul2012.com/the-issues/taxes/>

Cost: -\$95.412 billion (first-year savings).

Source: Congressman Paul is the sponsor of H.J Res. 50 (112th Congress), a resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the United States Government from engaging in business in competition with its citizens. The amendment would repeal the 16th Amendment to the Constitution and prevent Congress from levying any income, estate, or gift taxes. Additionally, the amendment would prevent the federal government from owning or engaging in business or commercial activities not specified in the Constitution. Government-owned entities in violation of this ban would have to be sold within a period of three years after ratification of the amendment.

- Abolish income and death taxes: -\$82.646 (first-year savings).

Source: NTUF estimate of FY 2012 outlays for various tax credits that are refundable for personal income tax purposes.

Budget of the U.S. Government, Fiscal Year 2013, Appendix, pages 1103-1110.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

- Eliminate the IRS: -\$12.766 billion (first-year savings).

Source: *Budget of the U.S. Government, Fiscal Year 2013*, page 165 and 166.

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/budget.pdf>

- Sell business-type enterprises: Unknown.

Note: LibertyAmendment.com estimates that there are more than 900 entities that would have to be sold or liquidated under this amendment. NTUF is unable to determine, with any precision, which entities might be sold or liquidated and the possible savings that might accrue to taxpayers from that action.
<http://www.libertyamendment.com/>

Health Care: -\$40.235 billion (savings)

A. Repeal Patient Protection and Affordable Care Act:

“As President, Ron Paul ... will work with Congress to: [r]epeal ObamaCare and end its unconstitutional mandate that all Americans must carry only government-approved health insurance or answer to the IRS.”

<http://www.ronpaul2012.com/the-issues/health-care/>

Cost: -\$40.3 billion (-\$201.5 billion over five years).

Source: Related legislation has been introduced in the form of H.R. 2 (112th Congress), the Repealing the Job-Killing Health Care Law Act. A CBO cost estimate is available.
<http://www.cbo.gov/ftpdocs/120xx/doc12069/hr2.pdf>

B. Expand Tax Deductibility:

“As President, Ron Paul ... will work with Congress to: [p]rovide tax credits and deductions for all medical expenses.”

<http://www.ronpaul2012.com/the-issues/health-care/>

Cost: Unknown.

Note: The impact on outlays of this proposal would depend upon the extent to which subsidies or “refundable” (i.e., in excess of actual tax liability) credits for insurance are offered. Budgetary agencies classify the refundable portion of tax credits as outlays. In his Fiscal Year 2008 Budget, President George W. Bush offered a health insurance tax credit proposal that had a refundable component. At the time, NTUF estimated the potential cost at \$2.856 billion per year. However, NTUF is unable to estimate any costs here due to the lack of details in Congressman Paul’s proposal.

C. Purchase Insurance across State Lines:

“As President, Ron Paul ... will work with Congress to: [a]llow purchase of health insurance across state lines.”

<http://www.ronpaul2012.com/the-issues/health-care/>

Cost: \$65 million (\$326 million over five years).

Source: CBO cost estimate for H.R. 2355, the Health Care Choice Act of 2005 (109th Congress), a bill to amend the Public Health Service Act to provide for cooperative

governing of individual health insurance coverage offered in interstate commerce. CBO's initial cost estimate has been adjusted for inflation. The bill was reintroduced in the 112th Congress in the form of H.R. 346.

<http://www.cbo.gov/ftpdocs/66xx/doc6639/hr2355.pdf>

D. Health Savings Accounts (HSAs):

“As President, Ron Paul ... will work with Congress to: [m]ake all Americans eligible for Health Savings Accounts (HSAs) and remove government-imposed barriers to obtaining HSAs.”

<http://www.ronpaul2012.com/the-issues/health-care/>

Cost: Unknown.

Note: Congressman Paul is a cosponsor of H.R. 369 (112th Congress), a bill to amend the Internal Revenue Code of 1986 to improve access to health care by allowing a deduction for the health insurance costs of individuals, expanding health savings accounts, and for other purposes. He is the sponsor of H.R. 2262 (112th Congress), a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts distributed from tax-favored accounts during a period of unemployment. H.R. 2262 would exclude distributions from HSAs for the purposes of determining gross income when the taxpayer is unemployed. He is also the sponsor of H.R. 2614 (112th Congress), a bill to amend the Internal Revenue Code of 1986 to allow distributions from retirement accounts to start a business. The bill excludes distributions from HSAs that are used to acquire an ownership position in an active business or trade. None of these bills would be expected to alter federal spending unless they affect the refundability of other credits.

Homeland Security and Law Enforcement: Unknown

A. Enforce Border Security:

“If elected President, Ron Paul will work to ... [e]nforce [b]order [s]ecurity – America should be guarding her own borders and enforcing her own laws instead of policing the world and implementing UN mandates.”

<http://www.ronpaul2012.com/the-issues/immigration/>

Cost: Unknown.

Note: It not clear what additional measures Congressman Paul would take to further enhance border security. He has previously expressed a concern that a border fence might be used to keep people in the U.S. as well as to try and keep people out of the U.S.

<http://foxnewsinsider.com/2011/10/26/charles-krauthammer-challenges-ron-paul-on-border-fence-comment-during-special-report-do-you-think-the-u-s-is-a-prison/>

B. Abolish the Transportation Security Administration (TSA):

“That’s why, as Commander-in-Chief, Dr. Paul will lead the fight to ... [p]revent the TSA from forcing Americans to either be groped or ogled just to travel on an airplane and ultimately abolish the unconstitutional agency.”

<http://www.ronpaul2012.com/the-issues/immigration/>

Cost: See Government Reform section.

Note: Congressman Paul calls for privatizing the TSA in his “Plan to Restore America.” Any savings are contained in the Government Reform section of this analysis under the “Balance the Budget” item.

C. Abolish the Welfare State:

“If elected President, Ron Paul will work to ... [a]bolish the Welfare State – [t]axpayers cannot continue to pay the high costs to sustain this powerful incentive for illegal immigration.”

<http://www.ronpaul2012.com/the-issues/immigration/>

Cost: Unknown.

Note: NTUF assumes that Congressman Paul means that he would reform or eliminate various mandatory spending programs. In his “Plan to Restore America,” Congressman Paul freezes spending for Medicaid, SCHIP, food stamps, family support, and child nutrition programs and then turns them into discretionary block grants. Any savings from those initiatives are contained in the Government Reform section of this analysis under the “Balance the Budget” item. It is unclear what additional steps Congressman Paul might take to fulfill this promise.

D. Protect Lawful Immigrants:

“As President, Ron Paul will encourage legal immigration by streamlining the entry process without rewarding lawbreakers.”

<http://www.ronpaul2012.com/the-issues/immigration/>

Cost: Unknown.

Note: This proposal could have administrative cost savings or could require additional funding, depending upon how it is structured. NTUF is unable to provide a cost estimate due to the lack of specificity in Congressman Paul’s proposal.

National Security and International Relations: Unknown

A. End Nation-Building:

“That’s why, as Commander-in-Chief, Dr. Paul will lead the fight to ... [e]nd the nation-building that is draining troop morale, increasing our debt, and sacrificing lives with no end in sight.”

<http://www.ronpaul2012.com/the-issues/national-defense/>

Cost: Unknown.

Note: Congressman Paul's "Plan to Restore America" reduces Department of Defense spending by 15 percent and eliminates all war funding. Any savings are contained in the Government Reform section of this analysis under the "Balance the Budget" item. It is unclear what additional steps Congressman Paul might take to fulfill this promise.

B. Cut Foreign Aid:

"That's why, as Commander-in-Chief, Dr. Paul will lead the fight to ... [s]top taking money from the middle class and the poor to give to rich dictators through foreign aid."

<http://www.ronpaul2012.com/the-issues/national-defense/>

Cost: Unknown.

Note: Congressman Paul calls for stopping foreign aid in his "Plan to Restore America." Any savings are contained in the Government Reform section of this analysis under the "Balance the Budget" item.

C. Eliminate Wasteful Spending:

"That's why, as Commander-in-Chief, Dr. Paul will lead the fight to ... [r]evitalize the military for the 21st century by eliminating waste in a trillion-dollar military budget."

<http://www.ronpaul2012.com/the-issues/national-defense/>

Cost: Unknown.

Note: It is not clear what programs and practices Congressman Paul might eliminate under this proposal.

Veterans: \$2.704 billion

A. Veterans Care and Benefits:

"That's why, as Commander-in-Chief, Dr. Paul will lead the fight to ... [e]nsure our veterans receive the care, benefits, and honors they have earned when they return."

<http://www.ronpaul2012.com/the-issues/national-defense/>

Cost: \$2.704 billion (\$13.518 billion over five years).

Source: Congressman Paul is a cosponsor of H.R. 303 (112th Congress), a bill to amend title 10, United States Code, to permit additional retired members of the Armed Forces who have a service-connected disability to receive both disability compensation from the Department of Veterans Affairs for their disability and either retired pay by reason of their years of military service or Combat-Related Special Compensation and to eliminate the phase-in period under current law with respect to such concurrent receipt. A CBO cost estimate is available.

<http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/103xx/doc10346/sprattlrrretirementlegislation.pdf>