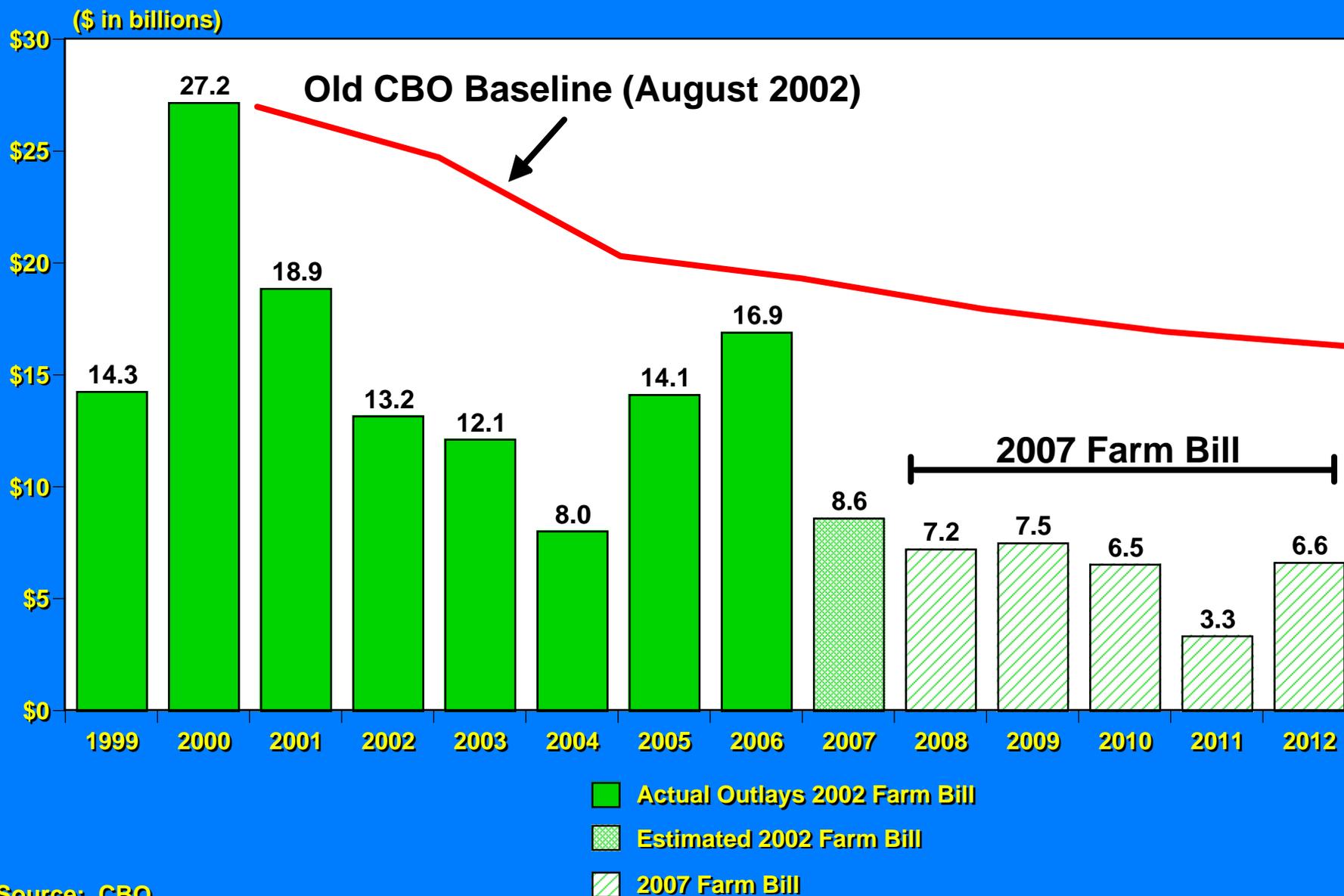


# **2007 Farm Bill - A Fiscally Responsible Plan**

- **A five-year reauthorization**
- **Fully paid for; complies with paygo**
- **Cuts commodity title payments by \$7.5 B over five years**
- **Tightens payment limitations and eliminates loopholes**

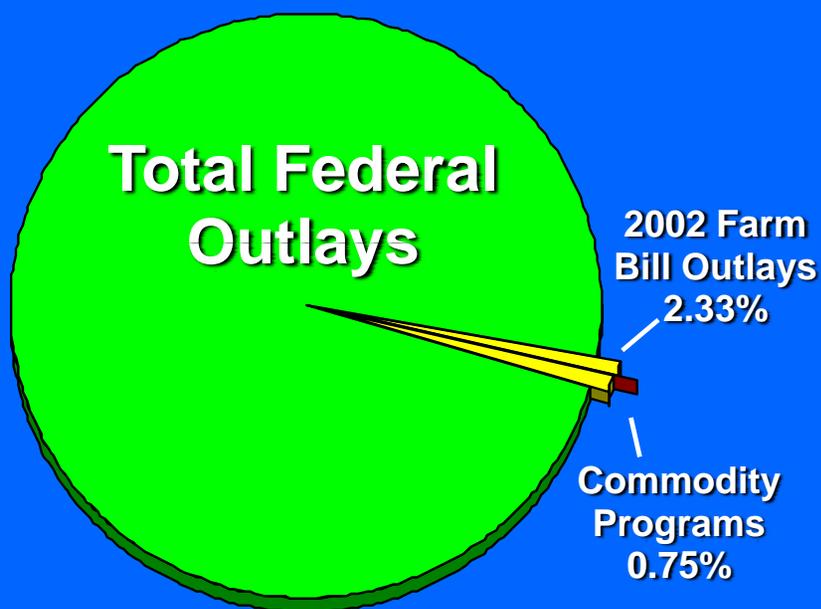
# Commodity Program Outlays



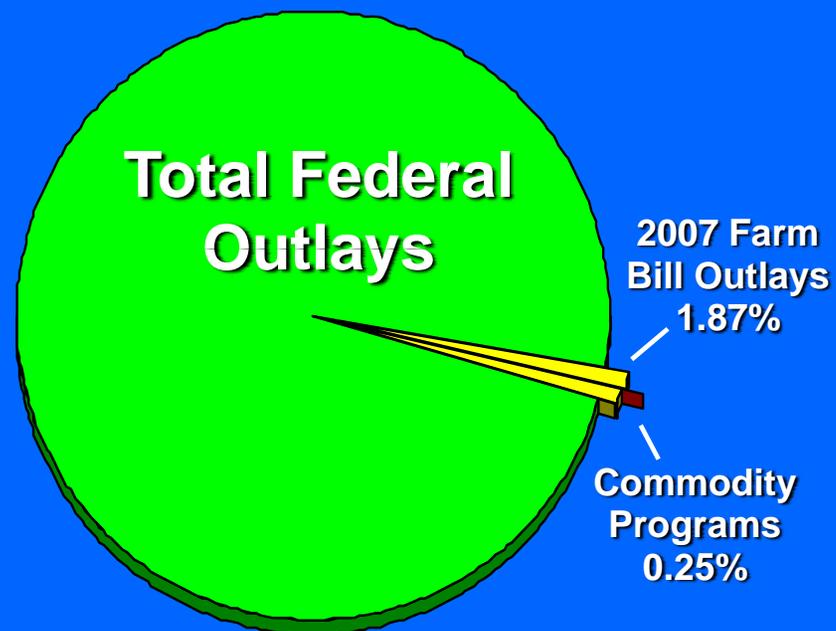
Source: CBO

# Estimated Farm Bill Outlays as Percent of Total Federal Outlays

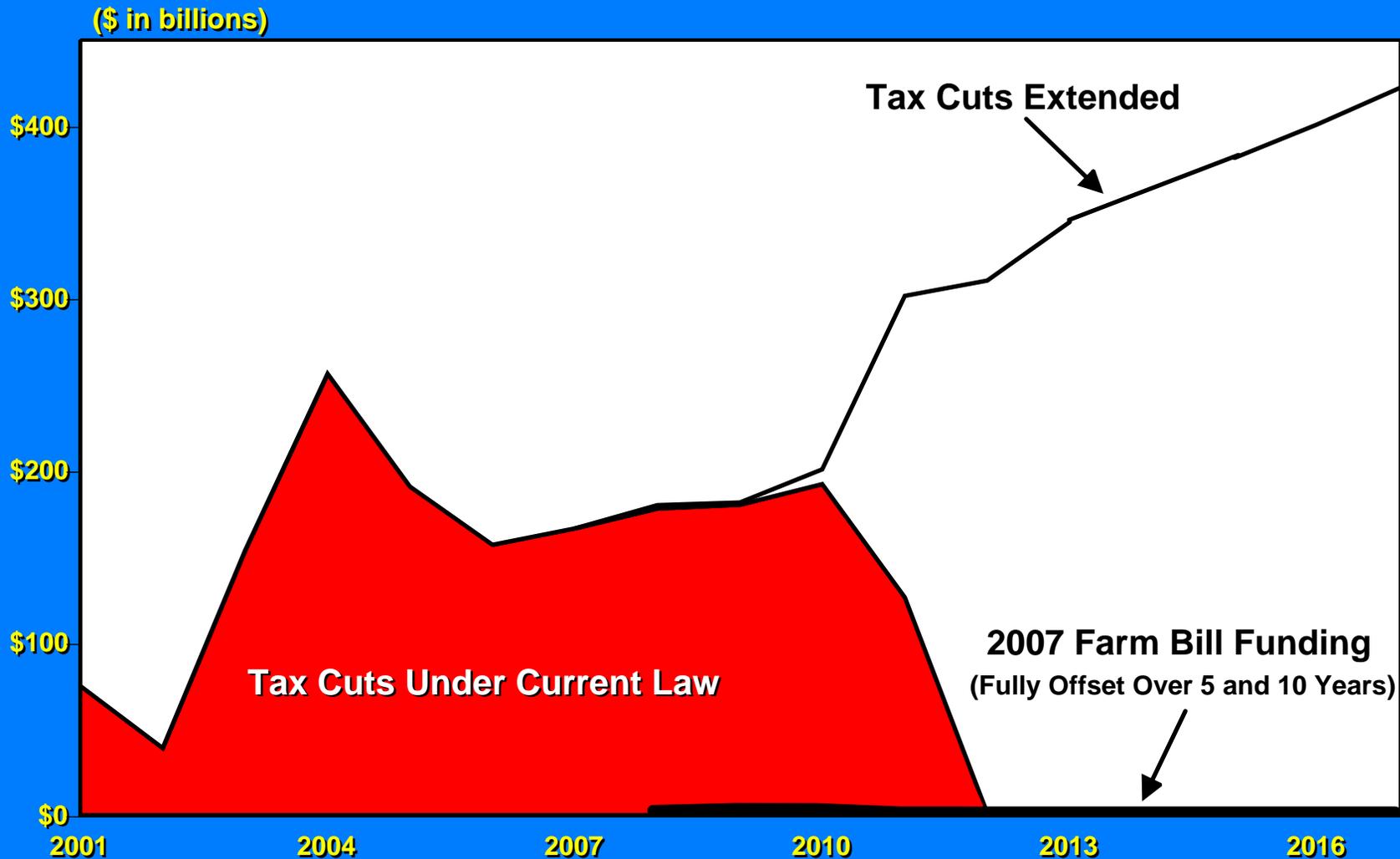
2002 Farm Bill  
(2002-2007)



2007 Farm Bill  
(2008-2012)



# Cost of Extending Tax Cuts Dwarfs Farm Bill Funding



Source: CBO and SBC

Note: Cost of extending 2001 and 2003 tax cuts includes interactive effect of extending AMT fix.

# H.R. 2419: Food and Energy Security Act of 2007 (Complete Substitute)

## UNIFIED-BUDGET EFFECTS

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016	Total 2008-12	Total 2008-17
<b>Direct Spending</b>													
Change In Budget Authority	0	3,624	2,184	1,840	-1,133	2,130	984	874	798	-857	-2,359	8,643	8,083
Change In Outlays	0	1,690	2,176	2,138	-611	-258	1,602	988	838	-836	-2,367	5,132	5,354
<b>Revenues</b>	0	2,788	18	-794	-658	3,841	-3,544	1,180	1,258	915	457	5,193	5,456
<b>Net Effect on Deficit (Unified)</b>	0	-1,098	2,158	2,932	47	-4,099	5,146	-192	-420	-1,751	-2,824	-61	-102

# **Farm Bill Includes No Tax Increases**

**Loophole-closers include:**

- Codify “economic substance” doctrine – prohibiting businesses from using certain tax-avoidance schemes**
- Revoke tax benefits for leasing foreign subways and sewers**
- Increase penalties for failure to file correct information returns**
- Deny deductions for certain fines and penalties**

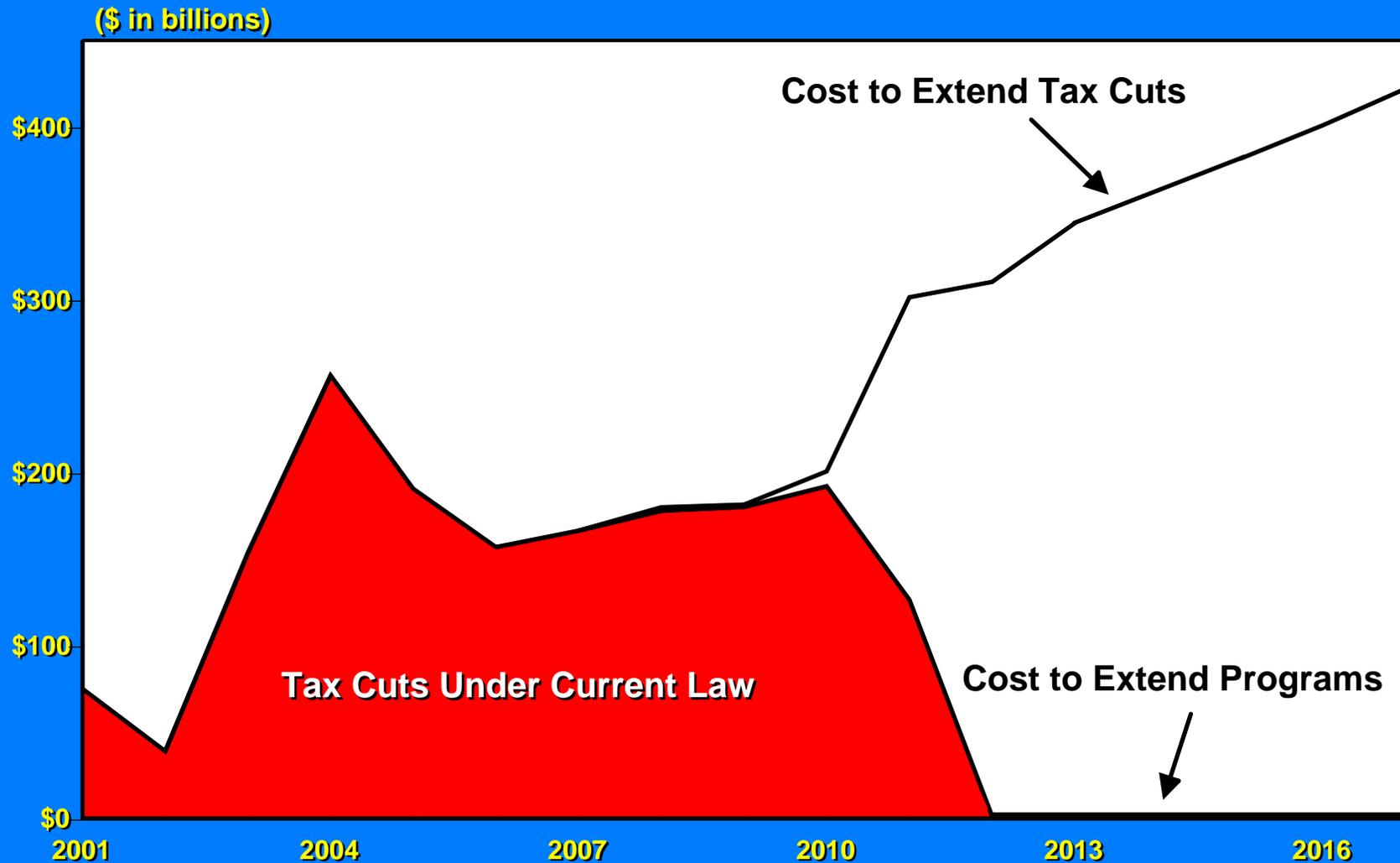


# Tax Cuts in Farm Bill

- **\$7.3 billion for conservation**
  - Including tax credit for farmland in conservation reserve program
- **\$2.5 billion for energy**
  - Including tax credit for small producers of cellulosic fuel
- **\$800 million for agriculture and rural areas**

Note: Estimates are for 10 years (2008-2017).

# Cost of Extending Tax Cuts Dwarfs Cost of Extending Farm Bill Programs



Source: CBO and SBC

Note: Cost of extending 2001 and 2003 tax cuts includes interactive effect of extending AMT fix.