

Index

Page numbers in italics indicate tables.

```
accelerated cost recovery system, 116, 118,
    119, 123, 124, 137. See also depreciation
    schedules
AFDC. See Aid to Families with Dependent
    Children (AFDC)
Afghanistan war, 197, 210, 211, 216, 223,
    225, 256
Agricultural Adjustment Act, 36
Aid to Families with Dependent Children
    (AFDC)
  benefit expansions, 90, 128, 148, 149
  block grant funding, 179, 180n59, 186
  program reductions, 147-148, 178
  proposed replacements, 97, 109
Air Quality Act of 1967, 89
alternative minimum tax (AMT)
  under Bush II, 202, 203, 204, 207, 208,
    217, 218
  under Clinton, 172, 180, 189
  under Obama, 229, 230, 235, 236
American Recovery and Reinvestment Act of
    2009 (ARRA), 230. See also stimulus
Anti-Federalists, 7
Appalachian Regional Development Act of
    1965, 89
Appropriations Committee
  House, 21, 22, 34, 51, 87, 170, 182, 229
  Senate, 22, 34, 61, 170, 182
Archer, Bill, 190, 192
```

```
Arrears of Pension Act, 23
Articles of Confederation, 4, 5, 6, 7-8
Balanced Budget Act of 1997, 189-190, 193
balanced-budget amendment
  in 1990s, 157, 174, 175-177, 186
  and 2011 debt-limit agreement, 240,
Balanced Budget and Emergency Deficit
    Control Act of 1985, 132. See also
    Gramm-Rudman-Hollings (GRH)
balanced-budget principle, 31, 39
  in the 1970s, 77, 103, 110, 247
  and the Democratic Party, 35-36, 57, 158
  in the nineteenth century, 1, 9, 11, 14, 18
  post-World War II, 41, 57, 62, 244, 246
  and Reagan, 111, 112, 113, 155
Banking Act of 1935, 48
Bank of the United States, 14, 16
Biden, Joseph R., Jr., 239
block grants, 94, 96, 145, 146, 179, 186, 238
Boehner, John A., 184, 185n73, 231, 238
borrowing, 4, 8, 30
  nineteenth century, 14, 16, 18, 19
  World War II, 41, 47-49
Bowles, Erskine, 235
Bradley, Bill, 131
Brown, Scott P., 233
Btu tax, 168, 170-171
```

```
Budget Act (1974), 113, 252. See also budget
                                                  and the Obama administration, 228,
    reforms (1974); Congressional Budget
                                                    235-237
    and Impoundment Control Act of 1974
                                                business taxes
                                                  under Bush II, 202, 204, 205-206, 208, 219
Budget and Accounting Act of 1921, 34
Budget Committee
                                                  under Carter, 104, 105-106, 109
                                                  under Clinton, 171, 178, 186, 189,
  House, 104, 123, 144, 169, 170, 199
  Senate, 122, 178, 200, 205
                                                  in the nineteenth century, 21, 26
Budget Control Act of 2011, 240-242,
    255n28, 256
                                                  under Nixon, 101
budget reconciliation, 123, 154, 157, 160
                                                  under Obama, 230, 237
  and Bush II tax cuts, 197, 200, 205, 218
                                                  under Reagan, 116-117, 118, 120, 123,
  defined, 113
                                                     125, 131-133
  FY 1996, 158, 174, 179-181, 183-184, 186
  FY 1998, 187, 189
                                                capital gains taxes, 37, 85, 100, 106
  and healthcare reform, 231, 233
                                                  under Bush I, 160, 167
                                                  under Bush II, 202, 204, 205, 206, 207,
 and Reagan entitlement cuts, 113, 144, 145.
    See also Balanced Budget Act of 1997;
                                                     217, 218, 219n65
    Omnibus Budget Reconciliation Act of
                                                  under Clinton, 174, 178, 180, 188, 189, 192
    1987 (OBRA 1987); Omnibus Budget
                                                  under Reagan, 119, 128, 131, 132, 133,
    Reconciliation Act of 1990 (OBRA 1990);
                                                     134, 269
    Omnibus Budget Reconciliation Act of
                                                Carlucci, Frank C., 140
    1993 (OBRA 1993); Taxpayer Relief Act
                                                Carter, Jimmy
                                                  conflict with congressional Democrats,
    of 1997
budget reforms (1974), 93, 121. See also
                                                     103-104
    Budget Act (1974); Congressional Budget
                                                  defense and domestic spending, 107-109,
    and Impoundment Control Act of 1974
                                                     110, 111, 252n16
Bureau of the Budget, 34
                                                  tax policy, 104-106, 115, 248
Bush, George H. W.
                                                Chase, Salmon P., 18-19, 20
  deficit reduction, 122, 157, 159-164, 250
                                                Cheney, Dick, 200113, 205, 206, 221, 251
 spending policy, 165–166
                                                Child Nutrition Act of 1967, 91
  on taxes, 159, 166-167. See also Omnibus
                                                Children's Health Insurance Program (CHIP),
    Budget Reconciliation Act of 1990
                                                     233, 260n44. See also State Children's
    (OBRA 1990)
                                                    Health Insurance Program (SCHIP)
Bush, George W.
                                                child tax credit
                                                  and Bush II tax cuts, 198, 199, 201, 202,
  budget programs of, 196, 204, 209,
    211-212
                                                     203, 204, 207, 208
  defense spending, 209-212, 213, 223, 224
                                                  under Clinton, 178, 180, 188
 deficit reduction, 208, 216, 220, 223
                                                  under Obama, 230, 237
  discretionary domestic spending, 209,
                                                Civil War, 1, 18-20
    211-213, 221, 223-227
                                                Clay, Henry, 15, 16
                                                Clean Water Restoration Act of 1966, 89
 entitlements, 209, 213-216, 220-223
 prescription drug benefit, 213-215
                                                Clinton, Bill
                                                  budget programs of, 168, 227
  Social Security, 197, 215, 220, 262-263
  Troubled Asset Relief Program (TARP),
                                                  defense spending, 158, 167, 168, 169
    226, 229. See also Bush tax cuts
                                                  deficit reduction, 167, 168, 177, 182, 187
Bush tax cuts
                                                  discretionary domestic spending, 177, 178,
 of 2001, 198-202, 203, 204, 216, 257
                                                     181, 185, 189, 191, 195
                                                  entitlements, 189-190, 193
 of 2003, 204-208, 217, 236
 of 2004, 208, 211
                                                  government shutdowns, 158, 174-175
 of 2005, 217-218
                                                  impeachment, 191
 costs of, 198n7, 206, 209, 218, 258
                                                  prescription drug benefit, 214
 extensions of, 208, 217, 222, 236
                                                  surplus under, 190, 193
```

Index 275

vetoes by, 158, 174, 181-182, 183-184, Democratic Party 186, 192-193. See also Omnibus Budget on balanced budgets, 35-36, 57, 158 Reconciliation Act of 1993 (OBRA 1993); and Clinton 1993 tax increase, 158, 168, Taxpayer Relief Act of 170, 174, 195 congressional leaders' conflict with Carter, Cold War, 40, 52, 61, 68, 158, 246 Comprehensive Employment and Training Act 103-109 (CETA) of 1973, 96, 144 and the debt-limit increase, 239-240 Confederation Congress, 2, 5-6, 7 Economic Recovery Tax Act opposition, Congressional Budget and Impoundment 116-118, 122, 126, 129, 131 Control Act of 1974, 94-95. See also and Eisenhower tax agenda, 65-66 Budget Act (1974); budget reforms (1974) healthcare reform, 228, 231-233 Conrad, Kent, 222 Omnibus Budget Reconciliation Act of Continental Congress, 4-5 1990, 162-165, 167 Contract with America, 174, 175 and tariffs, 21, 24, 25, 28 Current Tax Payment Act of 1943, 45 and taxation, 251, 258, 262, 268 and Truman domestic agenda, 52-55 Danforth, John C., 134 Demonstration Cities and Metropolitan Darman, Richard G., 161 Development Act of 1966, 91 Daschle, Tom, 182, 201 dependency ratios, 265 debt limit, 47, 99, 142, 176n51 Dependent Pension Act (1890), 25 depreciation schedules, 65, 78, 101 and the 1995-1996 budget battle, 183-184, under Bush II, 206, 219 under Obama, 185n73, 232, 234-235, 237, under Johnson, 84, 85 under Reagan, 116, 117, 119, 131, 137. See 239-241 defense spending also accelerated cost recovery system Bush II, 209–212, 213, 223, 224 Dingley Tariff Act of 1897, 26 Carter, 107-109, 110, 111, 252n16 direct taxes, 1, 8, 10, 18, 19, 26 Clinton, 158, 167, 168, 169 discretionary domestic spending, 95, 226, 230, Eisenhower, 40, 63, 68-71, 246 Johnson, 82, 88, 91, 92 Bush I, 159, 161, 164, 166 Nixon-Ford, 92, 93, 95 Bush II, 209, 211-213, 221, 223-227 Reagan, 140-143, 252n16 Carter, 107, 108 Truman, 56, 60-61 Clinton, 177, 178, 181, 185, 189, 191, 195 during World War II, 41. See also Korean and deficit reduction, 256-257 War; Vietnam War; World War I; World Johnson, 82, 88-89, 91, 92 War II Nixon-Ford, 92-93, 95 deficit reduction, 236, 266 Reagan, 139, 143-146, 147, 213. See also Bush I, 157, 161, 162-163, 250, 254 defense spending; mandatory spending Bush II, 216, 220 dividend income, 36, 85 Clinton, 167, 168, 177, 182, 187 and Bush II, 204, 205, 206, 207, 217, 218 credit and exclusion, 66, 78, 80 Obama, 235, 236, 237, 238 Reagan, 122, 125–126, 127–128, 130, 132, in the nineteenth century, 19, 20, 25 and Reagan, 123, 124 141. See also Budget Control Act of 2011; fiscal consolidation programs; Dole, Robert J., 121, 122, 130, 174, 175, 176, Gramm-Rudman-Hollings (GRH); Omnibus Budget Reconciliation Act of Domenici, Pete V., 123, 130, 134, 178 1990 (OBRA 1990); Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) earned-income tax credit (EITC) expansions of, 106, 128, 149, 155, 167, Deficit Reduction Act of 1984 (DEFRA), 127-128 171, 173, 216, 230 Deficit Reduction Omnibus Reconciliation Act reduction plans for, 178, 180, 181, 186 of 2005, 221 Eccles, Marriner S., 48

276 Index

Economic Growth and Tax Relief and the Great Depression, 35 under Johnson, 83, 84, 85, 86, 87, 88, 211, Reconciliation Act of 2001 (EGTRRA), 199, 202, 203, 257 Economic Opportunity Act of 1964, 91 under Kennedy, 77, 78 Economic Recovery Tax Act of 1981 (ERTA) Korean War, 58, 59 effects of, 114-115, 118, 121, 128, 138 in the nineteenth century, 12, 14, 21, 24, 26 provisions of, 112, 116-120, 123, 126, 131 under Nixon, 100, 101 Eisenhower, Dwight D. under Obama, 232, 234 and Prohibition, 33, 36 defense spending, 40, 63, 68-71, 246 domestic spending, 41, 71-74, 246 under Reagan, 121, 124, 127, 138, 146 World War I, 28, 29, 30, 31 Social Security expansion, 64, 72 tax policy, 62-68, 77, 246 World War II, 41, 46, 47, 53, 58. See also Elementary and Secondary Education Act of Payne-Aldrich Tariff Act Excise Tax Reduction Act 1965, 89, 91 Emergency Economic Stabilization Act of of 1954, 65 2008, 226 of 1965, 83 Emergency Revenue Act of 1914, 29 Employment Act of 1946, 52 Family Assistance Plan (FAP), 97 Family Support Act of 1988, 149 entitlements and 1995 reconciliation plan, 177, 178, Farm Security and Rural Investment Act of 179, 180, 186 2002, 214 Federal-Aid Highway Act of 1944, 73 Bush I, 160, 161, 162, 163, 165, 166 Bush II, 209, 213-216, 220-223 Federalists, 1, 10. See also Hamilton, Clinton, 189-190, 193 Alexander Federal Reserve, 30, 48, 116, 249, 254 future costs of, 253, 255, 259, 260-261, 265 Federal Water Pollution Control Act Nixon-Ford, 97, 98, 100 Obama, 235, 237, 238, 240 Amendments of 1972, 94 Finance Committee (Senate), 22, 45, 87, 115, and the Omnibus Budget Reconciliation Act of 1993, 169, 170, 171, 173 160, 214, 232 Reagan, 113, 147-155. See also Medicare; Bush II tax cuts, 201, 206 Social Security; social welfare programs under Clinton, 170-171, 178, 179 estate taxes, 29, 36, 47, 56, 120 Kennedy tax plan, 77, 80 in the 1920s, 33, 35 Reagan tax plans, 117, 123, 131, 132-133 under Bush II, 198, 199, 201, 202, 203, Truman tax-cut bills, 53, 55 204, 217, 218 fiscal consolidation programs, 265-266 Foley, Thomas S., 174 under Clinton, 178, 188, 189, 192 Food Stamp Act of 1964, 91 under Obama, 234, 235, 236, 237 food stamp program, 91, 97, 109, 179 excess cost growth, 263-264 excess profits tax expansion of, 98, 148 under Eisenhower, 64-65 and the Omnibus Budget Reconciliation Act Korean War, 58-59, 60 of 1981, 147, 148 World War I, 29, 30, 31, 32 and welfare reform, 180n59, 186, 190 World War II, 41, 44, 50–51. See also war Ford, Gerald, 92-93, 95, 96-97, 98, 99, 100, profits tax Excess Profits Tax Act of 1950, 58-59 Fordney-McCumber Tariff Act of 1922, 33 excise taxes Foreign Investors Tax Act of 1966, 85 under Bush I, 160, 164 Gallatin, Albert, 12-14 and Civil War financing, 18, 19, 20 General Accounting Office, 34 under Clinton, 173, 189, 193 and the Constitution, 7, 8 Gephardt, Richard A., 131

in the eighteenth century, 1, 2, 5, 9, 10

under Eisenhower, 64, 65, 66, 67

GI Bill of Rights. See Servicemen's

Readjustment Act of 1944



```
gift taxes, 33, 56, 120
                                                  under Clinton, 158, 168, 170, 172-173,
  under Bush II, 199, 201, 202, 203, 217
                                                     180, 192
                                                  constitutional amendment, 27-28
  under Roosevelt, 36, 47
  in the Taxpayer Relief Act of 1997, 188, 189
                                                  under Eisenhower, 65, 66, 67
Gingrich, Newt, 122, 163, 174, 178, 181, 183,
                                                  and fairness, 31, 268-270
                                                  first peacetime, 25-26
    191
Glass, Carter, 32
                                                  under Hoover, 35
                                                  under Johnson, 83, 85-88, 90, 211
Gore, Al, 170, 171
government shutdown, 145, 158, 174-175,
                                                  under Kennedy, 78, 79-81
    184-185, 237-238
                                                  during the Korean War, 58-60
                                                  and the New Deal, 36-37
Gramm, Phil, 132
Gramm-Rudman-Hollings (GRH), 132, 142,
                                                  under Nixon-Ford, 100-102
                                                  under Obama, 230, 236-237
    158-159. See also deficit reduction
                                                  Reagan-era legislation, 116-119, 123-124,
Grassley, Charles E., 205
Great Depression, 35, 38
                                                    127, 134-135
                                                  Reagan policy, 113, 115, 120, 125, 129,
Great Recession, 197, 226, 242, 253, 254
Great Society
                                                     131-132
  in the 1970s, 92, 94, 98, 110, 143
                                                  reform challenges of, 269-270
  and Johnson, 82, 86, 88-91, 96, 97, 247,
                                                  under Truman, 50, 51-52, 55-56
                                                  during World War I, 28-31
  under Reagan, 144, 146, 157, 249
                                                  during World War II, 41-47. See also
GRH. See Gramm-Rudman-Hollings (GRH)
                                                     business taxes; Sixteenth Amendment; tax
                                                    cuts
Hamilton, Alexander, 6, 8-9, 9-10
                                                Individual Income Tax Act of 1944, 45
Hatfield, Mark O., 176, 177n53
                                                individual retirement accounts (IRAs), 102,
healthcare act (2010), 264. See also Patient
                                                     119, 133, 136, 180, 188, 203, 218
                                                inheritance taxes, 19, 21, 26, 27, 36, 106, 192
    Protection and Affordable Care Act of
                                                internal improvements, 12, 15, 17-18, 23, 25,
healthcare reform
  Clinton, 167, 231
                                                Internal Revenue Code of 1954, 65-66
  Obama, 228, 231–234, 235, 236
                                                internal taxes, 1, 9, 10, 12, 14, 15, 21
Higher Education Act of 1965, 91, 150
                                                investment tax credit, 106, 170
Highway Act of 1956, 73
                                                  under Johnson, 84-85
Highway Revenue Act of 1982, 125
                                                  under Kennedy, 77-78
Hollings, Ernest F., 132
                                                  under Nixon, 100, 101
Housing and Community Development Act of
                                                  under Reagan, 119, 124, 131, 133, 134,
    1974, 96
                                                     137, 269
Housing and Economic Recovery Act of 2008,
                                                Iraq war, 197, 210, 211, 216, 223, 224, 225
Housing and Urban Development Act of 1968,
                                                Jackson, Andrew, 15-16
                                                Jeffersonian Republicans, 1, 9, 12, 13, 14
Houston, David F., 32
                                                Jefferson, Thomas, 1, 9-10, 11-12, 14
                                                Jeffords, James M., 201
import duties, 2, 4, 12
                                                Job Creation and Worker Assistance Act of
impoundments, 93, 94
income taxes
                                                Jobs and Growth Tax Relief Reconciliation
  in the 1920s, 31-33
                                                    Act of 2003 (JGTRRA), 206-208, 211,
  under Bush I, 158, 163-164
                                                Jobs Creation Act, 209
  Bush II corporate cuts, 207, 218, 219
  Bush II individual cuts, 199, 202-208, 217
                                                Johnson, Lyndon B.
  under Carter, 105-106
                                                  discretionary domestic spending, 82, 88-89,
  during the Civil War, 18-21
                                                    91, 92
```

278

Cambridge University Press 978-1-107-01727-6 - Deficits, Debt, and the New Politics of Tax Policy Dennis S. Ippolito Index More information

Johnson, Lyndon B. (cont.) Medicaid and the Great Society, 82, 86, 88-91, 96, under Bush II, 206-207, 220-221, 222 under Clinton, 177, 178, 179, 181, 184, 97, 247, 270 social welfare programs, 88, 89-91 186, 189, 195 spending cuts, 81-82 creation of, 90 Vietnam War finance, 77, 82-88. See also expansion of, 98, 128, 149 Revenue Act of 1964; Revenue and long-term costs of, 263-265 Expenditure Control Act of 1968; under Obama, 233, 234, 238, 242 Vietnam War prescription drug benefit, 215, 216 Joint Select Committee on Deficit Reduction, spending, 91, 97, 109, 148, 155, 260, 261. See also State Children's Health Insurance 241, 242. See also Supercommittee Program (SCHIP) Kemp, Jack F., 116, 131 Medicare, 90, 233, 242 Kennedy, Edward M., 109, 229n99 and 1995-1996 budget battle, 177, 178, Kennedy, John F, 71, 82, 247 179, 181, 183, 184, 186 tax policy, 76-81, 246 and the Balanced Budget Act of 1997, 189, Knutson, Harold, 52, 53 Korean War, 57-60 catastrophic coverage, 154-155, 161 cost controls, 99-100, 109 legal-tender acts, 19 expansion of, 99, 124 and healthcare reform, 233-234 legislative budget, 53-54, 56 Legislative Reorganization Act (1946), 54 long-term costs of, 263-265 Lewis, Jerry, 229 and the Omnibus Budget Reconciliation Act Lincoln, Abraham, 19 of 1993, 170-171, 172, 173 Livingston, Robert L., 181, 191n89 Part B premium changes in, 128, 153, 154, Lott, Trent, 200 169, 221 payroll taxes, 90, 163, 164, 168, 172, 173, Madison, James, 6, 14, 15 Mahon, George H., 61 prescription drug benefit, 209, 213, mandatory spending, 227, 230, 257, 259 214-215, 216, 233 in the 1970s, 92, 96-97, 100 private insurance reform, 179, 238–239 in the 1990s, 166, 173, 177, 186, 189, 195, and Reagan entitlement reforms, 147, 150, 250, 266 151-152, 153-155 under Reagan, 139, 249. See also reimbursement changes in, 128, 153, 154, discretionary domestic spending 169, 173, 221, 222, 223, 235 marginal rates, 28, 30, 33, 35, 36, 168, 238, spending, 109, 155, 255, 260, 261 Medicare Advantage, 223, 234 248 under Bush I, 163, 164 Medicare Catastrophic Coverage Act of 1988, and Bush II tax cuts, 198, 199, 201, 202, 154 203, 207 Medicare Improvements for Patients and and Carter tax plan, 105-106 Providers Act of 2008, 223 and economic growth, 155, 267 Medicare Prescription Drug, Improvement, and the Economic Recovery Tax Act of and Modernization Act of 2003, 215. See 1981, 118, 119, 128 also prescription drug benefit and Kennedy tax program, 79-80, 81 Mellon, Andrew W., 31, 32 and Reagan tax plans, 116, 131-134 Mexican-American War, 16, 18 under Truman, 50, 51, 56 Michel, Robert H., 168 during World War II, 42, 43, 44, 46 Middle Income Assistance Act, 150 marriage penalty, 119, 178, 192, 198, 199, Mills, Wilbur D., 83, 86-87, 103 missile gap, 71 201, 202, 204, 208 McCain, John, 201 Mitchell, George J., 133

Modern Republicanism, 68, 71

McKinley Tariff Act of 1890, 25

Index 279

Mondale, Walter F., 129, 249 payroll taxes, 10, 268 Morgenthau, Henry, Jr., 41, 47-48 1970s rise in, 103, 105, 106 increases under Reagan, 121, 126, 127, 153 National Industrial Recovery Tax Act, 36 Medicare taxes, 90, 163, 164, 168, 172, New Deal and Eisenhower, 64, 71-72, 73, 246 Social Security program financing, 37, and Roosevelt, 37-39, 48, 49 261-262, 263 and Truman, 41, 51, 52, 57, 63, 246 Social Security taxes, 47, 105, 126, 153, New Federalism, 95, 145-146, 148 237, 243 New Look, 68-69, 70 peace dividend, 92, 166 Nickles, Don, 206 peg, the, 48 Nixon, Richard M. Pelosi, Nancy, 229 defense and domestic spending, 92-96 Personal Responsibility and Work Opportunity Reconciliation Act, 180n59. social welfare spending, 96-100 See also welfare reform law (1996) tax policy, 100-102 NSC-68, 61, 70 Pollock v. Farmers' Loan and Trust Co., 26, 27 Obama, Barack, 220 poll taxes, 2-3, 8 prescription drug benefit, 154-155, 193, 209, debt-limit/deficit reduction negotiations, 213, 214-215, 216, 233 239-241 healthcare reform, 228, 231-234 Presidential Election Campaign Fund Act stimulus plan, 227, 228-230 (1966), 86 tax-cut agreement, 236-237. See also President's Fiscal Commission, 236, 270. See President's Fiscal Commission also Simpson-Bowles Fiscal Commission Obamacare, 231, 234. See also healthcare Program for Better Jobs and Income, 109 reform: Obama Prohibition, 33, 36 property taxes, 2-3, 14 Obey, David R., 229 Office of Economic Opportunity, 91, 144 protectionism, 1, 15, 16, 21, 33 Omnibus Budget Reconciliation Act of 1981 public assistance programs (OBRA 1981) in the 1950s, 73, 74 effects of, 114-115, 144, 146 under Bush II, 215 and entitlement programs, 127, 147, 150, under Clinton, 177, 178, 179, 186, 190, 193 under Johnson, 90, 91 151, 152, 153 Omnibus Budget Reconciliation Act of 1987 under Nixon, 97, 98 (OBRA 1987), 138 under Reagan, 139, 147-150, 155 Omnibus Budget Reconciliation Act of 1990 public lands sales, 1, 12, 14, 15, 16 Public Works and Development Act of 1965, (OBRA 1990), 157, 164-165, 171, 173, 239 Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) Railroad Retirement Revenue Act of 1983, 127 passage of, 170-171, 250 Randolph, Edmund, 7 policy effects of, 171-174 Reagan, Ronald provisions of, 157, 172, 239, 263 and the balanced-budget principle, 111, O'Neill, Thomas P., Jr., 104, 117, 130 112, 113, 155 budget programs of, 114, 122, 139, 143, Packwood, Robert W., 132, 133, 134 paper currency, 2, 4, 19-20 defense spending, 140-143, 249 Part D. See prescription drug benefit deficit reduction, 122, 125-126, 127-128, Patient Protection and Affordable Care Act of 130, 132, 141

Payne-Aldrich Tariff Act of 1909, 27

2010, 233, 255 Paul, Randolph, 57 discretionary domestic spending, 113, 139,

143-146, 147, 213

entitlements, 113, 147-155

```
Reagan, Ronald (cont.)
                                                  of 1950, 58
  Social Security reforms, 126-127, 151,
                                                  of 1951, 58, 59-60, 63
                                                  of 1962, 78
    152-153
  social welfare programs, 113, 139, 145,
                                                  of 1964, 79-81, 83, 246
    146-147, 155, 158. See also Deficit
                                                  of 1971, 101
    Reduction Act of 1984 (DEFRA);
                                                  of 1978, 106
    Economic Recovery Tax Act of 1981
                                                Revenue and Expenditure Control Act of
    (ERTA); Omnibus Budget Reconciliation
                                                     1968, 83, 85–88, 92, 102, 252
    Act of 1981 (OBRA 1981); Tax Equity
                                                Revolutionary War, 2, 4-5
    and Fiscal Responsibility Act (TEFRA);
                                                Roosevelt, Franklin D.
                                                  on balanced budgets, 35-36
    Tax Reform Act of 1986 (TRA 1986);
    Treasury I; Treasury II
                                                  income tax policy, 36-38
                                                  and the New Deal, 37-39, 48, 49
recession, 27, 66, 78, 167
                                                  World War II finance, 41-42, 43-45, 47
  under Bush II, 197, 202, 227
  under Reagan, 114, 118, 121, 124. See also
                                                Roosevelt, Theodore, 27
    Great Recession
                                                Rostenkowski, Daniel D., 117, 132
reconciliation. See budget reconciliation
                                                Roth, William V., 116
Reconciliation Act of 2010, 233
                                                Rubin, Robert E., 183
                                                Rudman, Warren B., 132
Reed, Daniel A., 63-64
Reid, Harry, 232, 240
                                                Ryan, Paul D., 238, 241
Republican Party
  and balanced-budget amendment in 1990s,
                                                sales tax, 45, 46, 47, 105, 133, 134, 135, 270
                                                Second Revenue Act of 1940, 41
    157, 174, 175–177, 186
 on balanced budgets, 31, 57, 113, 248
                                                Servicemen's Readjustment Act of 1944,
  and Bush I House revolt, 122, 163-164
                                                     49-50
                                                Shays' Rebellion, 6
 and Clinton 1993 tax increase, 169,
    170-171, 174
                                                Simpson, Alan K., 235
  and Clinton 1995-1996 budget battles,
                                                Simpson-Bowles Fiscal Commission, 242, 257,
                                                     269. See also President's Fiscal
  and Clinton balanced-budget agreement,
                                                     Commission
                                                Sixteenth Amendment, 8, 28, 45
    158, 187-189
  and Clinton tax cuts, 190-192
                                                Smoot-Hawley Tariff Act of 1930, 33
  and debt-limit increase, 239-241
                                                Social Security
  and Eisenhower tax cuts, 63-64
                                                  and the balanced-budget amendment,
 and health reform, 228, 231-234
                                                     175-177
  and Obama stimulus opposition, 228-230
                                                  under Bush II, 197, 215, 220
 and protectionism, 24, 25, 33
                                                  under Carter, 104-105, 109-110
  and taxation, 129, 249, 250, 266-267
                                                  under Clinton, 170, 171, 172, 174, 186,
  and Truman tax cuts, 41, 50, 51-56. See
                                                     190, 192
    also Modern Republicanism; Tea Party
                                                  under Eisenhower, 64, 66, 67, 72
requisition system, 4, 5, 7, 8
                                                  under Ford, 99, 102
Revenue Act
                                                  long-term costs of, 261-263
  of 1916, 29
                                                  under Nixon, 98–99, 100, 101
 of 1921, 32
                                                  under Obama, 237, 242, 243
 of 1926, 32
                                                  privatization proposals, 193, 262-263
 of 1934, 36
                                                  under Reagan, 126-127, 130, 147, 151,
 of 1940, 41, 43
                                                     152-153
 of 1941, 42
                                                  spending, 61, 72, 90, 96, 155, 260, 261
 of 1942, 43-44
                                                  trust funds, 98, 104, 126, 151, 194, 247,
 of 1943, 44
                                                     248, 261
                                                  and the unified budget, 153, 247. See also
 of 1945, 50-51
 of 1948, 55-56
                                                    Medicare; Social Security Act of 1935
```



Social Security Act Amendments	in the nineteenth century, 14, 15, 16, 20, 21,
of 1954, 72	25-26
of 1965, 90	in the twentieth century, 27, 29, 31, 33
of 1972, 97	Tax Adjustment Act of 1966, 84
of 1983, 126	tax cuts
Social Security Act of 1935, 37, 72, 97	19208, 32-33, 53
social welfare programs	Carter, 104, 115
under Carter, 109	Clinton opposition to, 190, 192
under Eisenhower, 63, 68, 71, 72-73, 74	and economic growth, 78-79, 81, 115, 196,
under Johnson, 88, 89–91	246, 249, 266–267
under Nixon-Ford, 96–97	Eisenhower, 63-65, 246
under Reagan, 113, 139, 145, 146-147,	Ford, 102
155, 158	Johnson, 80, 81, 83
under Truman, 50, 62	Kennedy, 79, 81, 246
Soviet Union, 61, 69, 70–71, 108, 140–141,	Truman, 50-55, 60, 62, 246. See also Bush
166	tax cuts; Economic Recovery Tax Act of
Spanish-American War, 26	1981 (ERTA); Taxpayer Relief Act of
SSI. See Supplemental Security Income (SSI)	1997
Stamp Act of 1765, 3-4	Tax Equity and Fiscal Responsibility Act
stamp taxes, 7, 19, 26, 30	(TEFRA), 121–125, 128, 148
State and Local Fiscal Assistance Act, 95	tax expenditures, 269. See also tax
State Children's Health Insurance Program	preferences
(SCHIP), 190, 222. See also Children's	Tax Increase Prevention and Reconciliation
Health Insurance Program (CHIP)	Act of 2005 (TIPRA 2005), 218
stimulus, 101, 102, 104, 253	Taxpayer Refund and Relief Act of 1999, 192
Bush II, 204, 219	Taxpayer Relief Act of 1997, 188-189, 190
Clinton, 168, 169, 227	tax preferences, 36, 65, 81, 100, 101, 102,
deficits and, 38, 41, 246	127, 160
Obama, 197, 227, 228–230, 234, 235, 236	in the 1920s, 32, 33
Stockman, David A., 130, 144, 145	under Bush II, 208, 209, 218, 219
student loans, 150–151, 178, 180, 220, 221	under Carter, 105–106
Sugar Act of 1764, 3	under Clinton, 171, 180, 186, 188, 193
sunset provision, 192, 200, 206, 207	and the Economic Tax Recovery Act of
Supercommittee, 242, 243. See also Joint	1981, 117, 118
Select Committee on Deficit Reduction	under Kennedy, 78, 79, 80
Supplemental Security Income (SSI), 109,	in Korean War tax bills, 58, 59–60
152	proliferation of, 76, 244
expansion of, 97–98, 99, 128	under Reagan, 120, 131, 132, 133
reduction plans for, 178, 180n59, 186, 190	reform of, 269–270
supply-side theory, 115, 155, 266	revenue losses from, 258, 269
Supreme Court, 8, 10, 26, 27, 132, 185n75	and the Tax Equity and Fiscal Responsibility
Sustainable Growth Rate (SGR) payment	Act, 121, 123, 124
system, 255	and the Tax Reform Act of 1986, 134, 138,
	269
Taft-Hartley Labor-Management Relations	Tax Rate Extension Act
Act, 52	of 1961, 77
Taft, Robert A., 70	of 1962, 78
Taft, William Howard, 27	Tax Reduction and Simplification Act (1977),
Tariff of Abominations, 15	104
tariffs, 1, 5, 10, 12	Tax Reform Act
Civil War, 18, 19, 20	of 1969, 98, 100, 102
and the Constitution, 7, 8	of 1976, 106

282 Index

Tax Reform Act (cont.) World War I, 34-35 of 1986 (TRA 1986), 129, 134-138, 155, World War II, 49–50 173, 244, 249, 269. See also Treasury I; Victory Tax, 44 Vietnam War, 82-84, 88, 210, 211, 247, 252 Treasury II tax shelters, 102, 127, 138 Volcker, Paul A., 124 tax smoothing, 246 tax withholding, 42, 45 War of 1812, 1, 13-14, 18 Tea Party, 228, 236, 238, 241 War on Terror, 210, 241, 256. See also Temporary Assistance to Needy Families Afghanistan war; Iraq war (TANF), 186. See also Aid to Families war profits tax, 30, 42, 44, 45. See also excess with Dependent Children (AFDC) profits tax Treasury I, 130-131 War Revenue Act Treasury II, 131-132, 135-137 of 1917, 29-30 Treasury Department, 9, 14, 34, 65, 78, 100, of 1918, 30 war supertax, 43 TO6 Washington, George, 6, 271 and 2008 economic crisis, 225, 226 Civil War finance, 19, 21 Water Quality Act of 1965, 89 debt-limit increases, 183, 232, 239, 240, 241 Ways and Means Committee, 81, 105, 160, World War I finance, 29, 30 214, 229 World War II borrowing plan, 47-48. See and Appropriations Committee creation, also Chase, Salmon P.; Gallatin, Albert; 21-22 Glass, Carter; Hamilton, Alexander; Bush tax cuts, 199-200, 205-206 Houston, David F.; Mellon, Andrew W.; under Clinton, 170, 178, 179, 192 Morgenthau, Henry, Jr.; Wolcott, Oliver Eisenhower conflict with, 63–66 Troubled Asset Relief Program (TARP), 226, Kennedy tax plan, 77, 78, 80 post-World War II tax cuts, 51, 52-53, 55, 229, 236 Truman, Harry S. on balanced budgets, 41, 62, 245, 246 Reagan tax plans, 117, 123, 131-132 defense program, 40, 61, 69, 246 Vietnam War funding, 83, 86-87. See also domestic agenda of, 50, 52, 53, 57, 246 Mills, Wilbur D. Wealth Tax of 1935, 36 tax-cut vetoes by, 52-55, 62 tax program of, 51-52, 55, 56-57, 58-60, Weinberger, Caspar W., 140 246 welfare programs. See public assistance truth in budgeting, 175-176, 177 programs; social welfare programs welfare reform law (1996), 149, 180n59, 186, Underwood Tariff of 1913, 28 190, 216 Whiskey Rebellion, 10 unified budget, 100, 153, 247 Urban Mass Transportation Act of 1964, 88 Wilson-Gorman Tariff Act of 1894, 25-26 U.S. Constitution, 6-9. See also Sixteenth Wilson, Woodrow, 29-30, 32 Amendment; Supreme Court Wolcott, Oliver, 10 Work Incentive Program (WIN), 101 Van Buren, Martin, 16 Working Families Tax Relief Act of 2004, Vandenberg, Arthur H., 52 208, 211 veterans programs, 38, 72, 151, 180, 193 World War I, 28-31, 43 under Bush II, 215-216, 223, 224, 225 World War II, 41-47 in the nineteenth century, 15, 22, 23, 25 Wright, Jim, 160