

# TEF NEWS RELEASE

## TAXPAYER EDUCATION FOUNDATION

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## **BENEFITS OF BIDEN’S \$2 TRILLION INFRASTRUCTURE PLAN WON’T OUTWEIGH \$2 TRILLION TAX INCREASE**

A March 31 report issued by the Washington-based nonpartisan Tax Foundation reveals that the benefits of the Biden-proposed \$2 trillion “infrastructure” plan won’t outweigh its \$2 trillion tax increase. The proposal is an eight-year, \$2 trillion infrastructure plan paid for by \$2 trillion in tax increases on U.S. corporations spread out over 15 years.

This outcome was confirmed by a study by the Congressional Budget Office (CBO).

CBO determined in a June 2016 report, *The Macroeconomic and Budgetary Effects of Federal Investment*, that:

- Federal investments deliver only half the economic returns as private sector investments, 5 percent versus 10 percent.
- A dollar of federal spending results in only \$0.67 worth of actual investment because state, local, and private sector entities reduce their spending in response to the federal dollars.
- Federal investment financed by debt or taxes could do more economic harm than good because federal borrowing and taxes crowd out private investment. To avoid harming the economy, federal investments should be financed by cuts in other discretionary programs.

“This wild spending proposed by Uncle Joe Biden and his handlers is a good way to crush the U.S. economy’s recovery from the doldrums of the coronavirus pandemic,” said Jim Tobin, economist and president of the Taxpayer Education Foundation (TEF). “Hopefully, enough Republicans joined by Democrats with stout hearts will kill this horrible spending binge in the U.S. Senate.”

Source: [Biden Infrastructure Plan: American Jobs Plan | Tax Foundation](#)