

Statutory PAYGO Bill Passes the House of Representatives

Washington, D.C. - Congressman John Barrow (GA-12) voted today to restore fiscal discipline by putting the "pay-as-you-go" rule, also known as PAYGO, into law. Statutory PAYGO formally establishes the principle that our country should pay for what it buys. PAYGO is an essential tool for arresting America's steep fiscal decline.

"As the Blue Dogs and I have been saying for years, you've got to pay for what you buy," said Barrow. "That applies to families, to businesses, and it should apply to the government. In passing statutory PAYGO today, the House has taken a step in the right direction to putting us back on the path of fiscal responsibility. This isn't a cure-all for the deficits we face, but it's a big step, and an essential step, in the right direction."

Congressman Barrow is a member of the fiscally conservative Blue Dog Coalition, and reinstating statutory PAYGO has been a long-standing priority of theirs. It also has broad bipartisan support in Congress. PAYGO also has the strong support of President Obama, who asked Congressional leaders to take the House rule and enact it into law. PAYGO also has the bipartisan support of leaders like former presidential candidate Senator John McCain, who recently voiced his support for PAYGO legislation.

The PAYGO bill that passed the House today is similar to the statutory PAYGO law that was in place in the 1990s, which helped turn massive deficits into record surpluses. Congress allowed these rules to expire in 2002. Since then a projected surplus of \$5.6 trillion turned into projected deficits of more than \$11 trillion.

“With the Blue Dogs leading the charge, and Majority Leader Steny Hoyer and President Obama in our corner, this Congress is committed to fiscal responsibility,” said Barrow. “Restoring statutory PAYGO means that we have to make the same hard choices that families make every day to balance their own budgets.”

The statutory PAYGO bill requires Congress to pay for the costs of tax cuts or increases in entitlement spending with savings elsewhere in the budget. Exceptions can be made if a situation is deemed an emergency, so that Congress is always able to respond quickly if necessary. There are consequences for not paying for legislation, which will ensure that this new law is adhered to. If the net effect of all legislation enacted during a session of Congress increased the deficit, there would be an across-the-board reduction in certain mandatory programs, known as a sequester. Programs that help low-income Americans would be protected, as would Social Security, and the effect on Medicare would be limited.

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