The Heritage Foundation’s Budget Blueprint for Fiscal Year 2022 is a comprehensive proposal to right-size the federal government so that freedom, opportunity, prosperity, and civil society can flourish.

OVERVIEW

- Includes more than 200 specific policy reforms to roll back excessive government spending, prioritize taxpayer dollars, reform major entitlement programs, restore federalism, promote opportunity for all, and protect rights and American values.

- Reduces government spending by $12.3 trillion during the FY 2022–FY 2031 period, compared to current law.

- Ensures the federal budget is sustainable, reducing the size, scope, and reach of the government to focus on its proper roles.

- Rejects efforts to expand harmful spending, tax, and regulatory burdens, and rolls back unwarranted and destructive programs.

STRENGTHENING SOCIAL SECURITY

- Strengthens Social Security, allowing for higher incomes and more opportunity for all Americans.

- Ensures that Social Security fulfils its original purpose as a program to prevent poverty in old age, increasing benefits for low-income retirees, and gradually reducing benefits for new high-income recipients.

- Without reform, the Social Security Trust Fund would be depleted in 2033.

MODERNIZING MEDICARE

- Modernizes Medicare to achieve better outcomes for program beneficiaries.

- Implements a premium support system for more choices, more competition, and lower costs.

- Updates Medicare premiums and reduces taxpayer subsidies for wealthy recipients.

- Without reform, the Medicare Hospital Insurance Trust Fund would be exhausted in 2026.

PHASING OUT OBAMACARE AND REFORMING MEDICAID

- Phases out and eliminates the Obamacare insurance subsidies and reduces the Obamacare Medicaid expansion federal match rate down to the same rate that applies to other beneficiaries.

- Ends the open-ended financing of Medicaid that fuels higher spending and encourages cost shifting.
PROTECTING NATIONAL SECURITY
• Provides important resources for America’s national security and focuses the Department of Defense on its mission to protect the homeland from attack and to protect the United States’ interests abroad, including responding to challenges from China.

• Increases defense budget resources to $764.64 billion in FY 2022, growing to $965.98 billion by FY 2031 in order to meet the need for great power competition.

• Proposes a net total of $97 billion in additional specific investments for the Army, Navy, Air Force, and Defense-wide during the FY 2022–FY 2031 period.

FEDERALISM FOR INFRASTRUCTURE
• Significantly reduces spending from the Highway Trust Fund and cuts the federal gas tax.

• Eliminates aviation subsidies and the airline ticket tax.

• Eliminates subsidies for Amtrak, mass transit, small airports, and more.

• Eliminates regulations and ineffective programs that hinder the development of ports, harbors, and inland waterways.

WELFARE TO PROMOTE WORK AND FAMILIES
• Refocuses means-tested welfare programs to promote the dignity of work and remove marriage penalties.

• Enforces and strengthens work requirements for Food Stamps.

• Returns responsibility for housing programs to the states.

PRO-GROWTH TAX REFORM
• Creates a fairer, pro-growth tax code.

• Prevents tax increases by preventing the expiration of the Tax Cuts and Jobs Act.

• Makes full and immediate expensing permanent and extends neutral cost recovery to investments in structures.

• Reduces the corporate tax rate to 17 percent and increases the deduction for passthrough businesses, allowing for higher wages for workers.

• Allows Universal Savings Accounts for all Americans.

• Indexes capital gains to inflation and ends the Death Tax.

• Eliminates dozens of harmful and distortive tax credits, including the State and Local Tax Deduction, tax credits for energy, and corporate welfare.

BETTER RESULTS FOR EDUCATION
• Winds down the federal Department of Education, eliminating unnecessary programs and transferring retained functions to appropriate agencies.

• Expands the D.C. Opportunity Scholarship Program and expands school choice opportunities for the families of the Armed Services.
• Reduces total revenues by $2 trillion during the FY 2022–FY 2031 period compared to current law.

PROTECTING AMERICAN VALUES
• Rolls back taxpayer funding for those that promote anti-American values and the institutions of the professional Left, such as the education establishment, public sector unions, Planned Parenthood, the United Nations Population Fund, and others.

• Retains vital pro-life and conscience protection provisions of federal law.

• Redirects federal funding to health centers that do not provide abortions.