



Legislative Bulletin.....February 2, 2012

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H.R. 3582—Pro-Growth Budgeting Act

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Order of Business: The bill is scheduled to be considered today and tomorrow (February 2nd and 3rd), under a structured rule that makes in order the amendments described below. All amendments are debatable for ten minutes.

Summary: The legislation requires the Congressional Budget Office (CBO) to project the ten-year macroeconomic impact analysis of the budgetary effects of legislation reported out of a committee (except for the Appropriations Committee). This analysis is to include the impact of the legislation on:

- gross domestic product (GDP);
- business investment;
- the capital stock;
- employment; and
- labor supply.

The analysis is also required to include the impact on revenue of the change in GDP resulting from the legislation.

The legislation’s requirement would apply to any bill that has a budgetary impact in excess of one-quarter of one percent of GDP in any year of the ten-year budget window (\$39 billion in 2012, according to the committee). The committee says that 6 bills last year would have triggered this requirement.

The legislation also requires the Congressional Budget Office (CBO) to make two other reports to the Budget Committee:

Report on No Tax Increase Revenue Baseline: The legislation requires CBO to provide projections of ten-year revenue estimates assuming extension of the 2001 and 2003 tax cuts, extension of the Alternative Minimum Tax (AMT) patch, and extension of the lower death tax and gift tax (per Title III of the Tax Relief, Unemployment, Insurance Reauthorization, and Job Creation Act of 2010).

Annual Report on Long-Term Budget Outlook: The legislation requires CBO to provide *annual* reports (by July 1 of each year) on the nation’s long-term budget outlook (“long-term” being defined as covering at least the next forty years). An example of such a report may be found [here](#).

Amendments Made in Order Under Rule:

1. ***Cicilline (D-RI)***. Amendment in the Nature of a Substitute. The amendment strikes all of the underlying bill and inserts a requirement that CBO provide estimates of the number of jobs which would be created, sustained, or lost from enactment of a bill (and “to extent practicable,” state and regional estimates of this information).
2. ***Connolly (D-VA)***. The underlying bill exempts the Appropriations Committee from the provisions of the legislation. This amendment would apply the provisions of the legislation to the Appropriations Committee.
3. ***Flake (R-AZ)***. The provisions of the underlying bill apply only to legislation that has a budget impact in any year of one-quarter of one percent of GDP or more in a year (approximately \$39 billion). According to the committee, six bills last year would meet that standard. This amendment would lower the threshold to a budget impact of \$5 billion or more in a year, broadening the number of bills for which this information would be required from CBO.
4. ***Fudge (D-OH)***. The amendment requires the CBO economic analysis of legislation to include the impact on “income inequality.”
5. ***Jackson Lee (D-TX)***. The amendment requires the CBO economic analysis of legislation to include the “estimates of the potential impact, if any, on HuBZones...”
6. ***Peters (D-MI)***. The amendment adds a series of findings to the bill criticizing the 2001 and 2003 tax cuts. The text of the findings is available [here](#).
7. ***Quigley (D-IL)***. The amendment requires CBO to create and maintain a website at www.TaxpayerReceipt.gov that includes a calculator intended to show taxpayers how much of their tax money was used to pay for major legislation, as well as how much money they may have received from major legislation.
8. ***Walz (D-MI)***. The amendment requires the CBO economic analysis of legislation to include the impact on interest rates.

Committee Action: The legislation was reported out of the Budget Committee on January 30, 2012.

Administration Position: No Statement of Administration Policy (SAP) is available at press time.

Cost to Taxpayers: Implementing the legislation would increase costs to CBO by \$2 million over the FY 2012-FY 2017 period.

Does the Bill Expand the Size and Scope of the Federal Government?: No. The legislation will give more accurate information on the benefits of reducing the size of the federal government.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: The legislation contains no earmarks.

Constitutional Authority: The sponsor states: “Congress has the power to enact this legislation pursuant to the following: Article I, Section 9, Clause 7.”

That portion of the Constitution reads: “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

RSC Staff Contact: Brad Watson, brad.watson@mail.house.gov, (202) 226-9719