



Legislative Bulletin.....April 4, 2014

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H.R. 1874 — Pro-Growth Budgeting Act of 2013 (Price, R-GA)

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Order of Business: H.R. 1874 is expected to be considered pursuant to a rule on April 4, 2014. The rule provides for one hour of debate and makes in order five amendments.

Summary: H.R. 1874 would require the Congressional Budget Office (CBO) to produce a supplemental macroeconomic impact analysis for major legislation.

Major legislation is defined as legislation that is estimated to have an impact of one-quarter of one percent of gross domestic product (GDP) (currently equal to about 43 billion) on revenues, outlays, deficits, or debt within the budget window.

The CBO would be required to report on the long and short term impact of legislation on business investment, the capital stock, employment, labor supply, and real Gross Domestic Product (GDP).

Because changes in these key economic variables can have significant impacts on federal revenues, the CBO would be required to report on estimated revenue increases or decreases resulting from the legislation. This is often called a “dynamic score.”

Additional Background: Under current law, the CBO is required to provide lawmakers with a static score on the fiscal impact of legislation, but there is no requirement that it analyze the economic impact of legislation. Because of this, lawmakers do not always have the most accurate information regarding the true impact of legislation they are voting on.

The CBO has the capability and expertise to preform macroeconomic analysis, and occasionally provides reports on an ad hoc basis (for instance, the CBO produced economic impact analysis on the [Senate’s immigration reform](#) legislation and the [President’s 2013 budget](#)).

The House approved similar legislation, [H.R. 3582](#), in the 112th Congress by a [242 – 179](#) vote.

Committee Action: H.R. 1874 was introduced on May 8, 2013 and referred to the Committee on the Budget as well as the Committee on Rules. The Budget Committee marked up H.R. 1874 on June 19, 2013 and reported the legislation by a 22-11 vote. The Committee Report can be read [here](#). The Rules Committee discharged the H.R. 1874 on June 19, 2013. The measure has 49 cosponsors.

Amendments:

1. Connolly (D-VA): Subjects Appropriations bills to dynamic scoring and lowers the threshold that would require CBO to produce a macroeconomic analysis to \$1 billion (from one-quarter of one percent of GDP, currently equal to about 43 billion)
2. Israel (D-NY): Requires the CBO to also analyze legislation’s impact on state and local governments.
3. Cicilline (D-RI): Requires the CBO to include a short-term jobs impact statement as a part of its macroeconomic impact statement.
4. Bishop (D-NY): Requires the CBO to report on the accuracy of its analyses five years after the enactment of a major law for which an analysis was completed.
5. Jackson-Lee (D-TX): Requires the CBO to include an estimate of the impact on [SBA Historically Underutilized Business \(HUB\) Zones](#).

Outside Groups: The following individuals signed [a letter](#) in support of H.R. 1874:

Grover Norquist, Americans for Tax Reform
Mike Needham, Heritage Action for America
Brandon Arnold, National Taxpayers Union
William Gardner, Americans for Prosperity
Larry Hart, American Conservative Union
Tom Schatz, Council for Citizens Against Government Waste
Jim Martin, 60 Plus Association
David Williams, Taxpayers Protection Alliance
Gregory T. Angelo, Log Cabin Republicans
Tim Lee, Center for Individual Freedom
Andrew Moylan, R Street
Wayne Crews, Competitive Enterprise Institute
Phil Kerpen, American Commitment
Palmer Schoening, Family Business Coalition
Chuck Muth, Citizens Outreach
Mario Lopez, Hispanic Leadership Fund
Jeff Kropf, Oregon Taxpayers Coalition

Stephen DeMaura, Americans for Job Security
Roseann Siderits, COAST

Conservative Support: Conservatives have long understood that pro-growth policies that help grow the economy are some of the best ways to reduce the deficit and bring down the national debt. This legislation would require the CBO to acknowledge this fact and give Congress a more accurate picture of the true fiscal impact of legislation.

Cost to Taxpayers: The [CBO](#) estimates that this legislation would cost about \$2 million over the 2014-2018 period, assuming the appropriation of necessary amounts.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

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

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No, according to the Committee Report.

Constitutional Authority: “Congress has the power to enact this legislation pursuant to the following: Article I, section 9, clause 7 of the United States Constitution which provides that, “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.””

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