



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 26, 1999

S. 1156 **Small Business Advocacy Review Panel** **Technical Amendments Act of 1999**

As ordered reported by the Senate Committee on Small Business on July 15, 1999

CBO estimates that implementing S. 1156 would cost between \$13 million and \$15 million a year over the 2000-2004 period, assuming appropriation of the necessary amounts. S. 1156 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

Under the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), the Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA) must convene panels, prior to publishing regulations, to analyze the potential impact of those regulations on small businesses. Panels consist of employees of the agency proposing the regulation, the Small Business Administration (SBA), and the Office of Management and Budget (OMB). Panels collect advice from representatives of the small businesses that would be affected and submit a report to the agency proposing the regulation.

S. 1156 would amend SBREFA to include the Internal Revenue Service (IRS), thus requiring that agency to convene panels to analyze the regulations it intends to issue, including interpretive rules involving U.S. internal revenue laws. The bill also would change the panel process by allowing small business representatives to make oral presentations to panels, extending the period of review, requiring agencies to print reports by panels in the Federal Register, and making agencies provide more information.

Based on the number of regulations the IRS expects to issue each year and the experiences of EPA and OSHA, CBO estimates that implementing S. 1156 would cost the IRS about \$13 million in 2000, and similar amounts in subsequent years. Annual costs would rise gradually to about \$15 million by 2004. We expect that the bill would apply to about 50 IRS regulations each year. In addition, CBO estimates that implementing the changes to the panel review process would cost EPA, OSHA, OMB, and SBA less than \$500,000 a year.

On May 28, 1999, CBO transmitted an estimate for H.R. 1882, the Small Business Review Panel Technical Amendments Act of 1999, as ordered reported by the House Committee on Small Business on May 25, 1999. CBO estimated that bill would cost about \$2 million each year over the 2000-2004 period. H.R. 1882 would not apply to interpretive rules issued by the IRS; therefore, CBO expects that it would apply to fewer than 10 regulations each year.

The CBO staff contacts are Mark Hadley and Cynthia Dudzinski. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.