



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

February 26, 2008

Honorable John M. Spratt Jr.
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office and the Joint Committee on Taxation (JCT) have reviewed the provisions of H.R. 5351, the Renewable Energy and Energy Conservation Tax Act of 2008, as introduced in the House of Representatives on February 12, 2008. Among the provisions, the legislation would extend and modify existing renewable energy tax credits, create new tax credits for the production of certain renewable energy sources, and reduce a deduction from taxable income allowed for oil and gas producers. It also would shift some corporate income tax receipts from 2014 into 2013.

JCT estimates that the legislation would increase revenues by \$1.5 billion over the 2009-2013 period and by \$2.4 billion over the 2009-2018 period. JCT estimates that a provision providing funding to the city and state of New York for transportation infrastructure would increase direct spending by \$0.9 billion over the 2009-2013 period and by \$1.8 billion over the 2009-2018 period. The estimated impact of the bill on revenues and direct spending is shown in the attached table.

Sincerely,

for Robert A. Sunshine

Peter R. Orszag

Enclosure

cc: Honorable Paul Ryan
Ranking Member

February 26, 2008

ESTIMATED CHANGES IN DIRECT SPENDING AND REVENUES UNDER H.R. 5351, THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2008

	By Fiscal Year, in Millions of Dollars												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-2013	2009-2018
CHANGES IN REVENUES													
Title I: Production Incentives	-240	-434	-498	-624	-834	-946	-986	-966	-934	-981	-1,020	-3,336	-8,222
Title II: Conservation Provisions	-221	-1,029	-1,223	-512	-594	-649	-702	-692	-573	-537	-504	-4,007	-7,017
Title III: Revenue-Raising Provisions	27	753	1,347	1,568	1,660	3,522	98	1,974	1,992	2,221	2,483	8,850	17,618
Title IV: Other Provisions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Estimated Changes in Revenues	-434	-710	-374	432	232	1,927	-1,590	316	485	703	959	1,507	2,379
CHANGES IN DIRECT SPENDING													
Title II: Funding for New York's Transportation Infrastructure													
Estimated Budget Authority	100	238	0	338	169	169	169	169	169	169	169	914	1,759
Estimated Outlays	100	238	0	338	169	169	169	169	169	169	169	914	1,759
NET CHANGE IN THE BUDGET DEFICIT OR SURPLUS													
Net Change in the Deficit or Surplus ^a	534	948	374	-94	-63	-1,758	1,759	-147	-316	-534	-790	-593	-620

SOURCE: Joint Committee on Taxation.

NOTES: Components may not add to totals because of rounding.

a. Negative numbers indicate decreases in deficits (or increases in surpluses); positive numbers indicate increases in deficits (or decreases in surpluses).
