



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

June 16, 2000

**H.R. 3916**

**To amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communication services.**

*As ordered reported by the Senate Committee on Finance on June 14, 2000.*

**SUMMARY**

H.R. 3916 would repeal the federal telecommunications excise tax. The Joint Committee on Taxation (JCT) estimates that the bill would reduce federal revenues by \$125 million in fiscal year 2000, by \$24 billion over the 2000-2005 period, and by \$55 billion over the 2000-2010 period. Because the bill would affect receipts, pay-as-you-go procedures would apply.

H.R. 3916 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 3916 is shown in the following table.

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>CHANGES IN REVENUES</b>						
Estimated Revenues	-125	-4,328	-4,562	-4,799	-5,043	-5,303

**BASIS OF ESTIMATE**

The estimate for H.R. 3916 was provided by JCT.

## PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

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	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays											
Changes in receipts	-125	-4,328	-4,562	-4,799	-5,043	-5,303	-5,578	-5,868	-6,174	-6,502	-6,852

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## INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3916 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

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