



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 9, 2002

H.R. 5193 **Back to School Tax Relief Act of 2002**

As ordered reported by the House Committee on Ways and Means on September 5, 2002

SUMMARY

H.R. 5193 would provide individual taxpayers with a deduction for certain education expenses through tax year 2005. The deduction would be “above the line.” Such deductions are statutorily allowed subtractions from gross income that are used to compute adjusted gross income (AGI) and may be taken by both taxpayers who itemize their deductions and those who do not. Eligible single taxpayers whose AGI is no greater than \$20,000 (no greater than \$40,000 for joint filers) would be allowed to deduct up to \$3,000 of qualified elementary and secondary education expenditures.

The Joint Committee on Taxation (JCT) estimates that enacting H.R. 5193 would reduce revenues by \$1.2 billion in 2003 and by \$4.9 billion over the 2003-2007 period. Because the bill would affect receipts, pay-as-you-go procedures would apply. JCT has determined that the bill 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. 5193 is shown in the following table. All revenue estimates of H.R. 5193 were provided by JCT.

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN REVENUES					
Estimated Revenues	-1,189	-1,622	-1,672	-421	0

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 governmental receipts that are subject to pay-as-you-go procedures are shown in the following table.

	By Fiscal Year, in Millions of Dollars										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Changes in outlays	0	-1,189	-1,622	-1,672	-421	0	0	0	0	0	0
Changes in receipts	Not applicable										

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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