



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 19, 2002

S. 2541

Identity Theft Penalty Enhancement Act of 2002

As reported by the Senate Committee on the Judiciary on November 14, 2002

CBO estimates that implementing S. 2541 would have no significant effect on the federal budget. Enacting the bill could increase revenues and direct spending, but CBO estimates that any such impact would be negligible. S. 2541 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

S. 2541 would create new criminal penalties for knowingly possessing another person's means of identification and enhance the criminal fines for other acts of identity theft. Because the bill would establish a new federal crime, the government would be able to pursue cases that it otherwise would not be able to prosecute. However, we expect S. 2541 would apply to a relatively small number of offenders, so any increase in costs for law enforcement, court proceedings, or prison operations would not be significant. Any such costs would be subject to the availability of appropriated funds.

Collections of criminal penalties are recorded in the budget as governmental receipts (revenues). Under current law, those funds are deposited in the Crime Victims Fund and later spent. However, CBO expects that any additional revenues and direct spending would not be significant because of the relatively small number of cases involved.

The CBO staff contact for this estimate is Ken Johnson. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.