

Table 1. Budgetary Effects of H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2011, adjusted for the enactment of H.R. 3765, the Temporary Payroll Tax Cut Continuation Act of 2011

(Millions of dollars, by fiscal year)

1/6/2012

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012- 2021	2012- 2022
CHANGES IN REVENUES													
TOTAL CHANGES IN REVENUES^a	-114,893	-41,662	-11,299	13,266	40,544	13,687	9,295	3,496	11,916	7,373	7,249	-68,278	-61,028
<i>On-budget revenues</i>	<i>-39,295</i>	<i>-16,463</i>	<i>-11,294</i>	<i>13,277</i>	<i>40,562</i>	<i>13,708</i>	<i>9,318</i>	<i>3,521</i>	<i>11,942</i>	<i>7,401</i>	<i>7,279</i>	<i>32,676</i>	<i>39,956</i>
<i>Off-budget revenues^b</i>	<i>-75,598</i>	<i>-25,199</i>	<i>-5</i>	<i>-11</i>	<i>-18</i>	<i>-21</i>	<i>-23</i>	<i>-25</i>	<i>-26</i>	<i>-28</i>	<i>-30</i>	<i>-100,954</i>	<i>-100,984</i>
CHANGES IN DIRECT SPENDING													
TOTAL CHANGES IN DIRECT SPENDING	26,835	29,516	2,165	-9,020	-9,846	-12,351	-13,404	-13,623	-16,080	-23,518	-26,634	-39,326	-65,961
Estimated Budget Authority	26,835	29,516	2,165	-9,020	-9,846	-12,351	-13,404	-13,623	-16,080	-23,518	-26,634	-39,326	-65,961
Estimated Outlays ^c	26,695	29,516	2,170	-9,011	-9,796	-12,311	-13,383	-13,618	-16,184	-23,557	-26,526	-39,479	-66,006
<i>On-budget outlays^b</i>	<i>102,293</i>	<i>54,715</i>	<i>2,170</i>	<i>-8,799</i>	<i>-9,391</i>	<i>-11,774</i>	<i>-12,836</i>	<i>-13,101</i>	<i>-15,688</i>	<i>-23,081</i>	<i>-26,076</i>	<i>64,508</i>	<i>38,431</i>
<i>Off-budget outlays^b</i>	<i>-75,598</i>	<i>-25,199</i>	<i>0</i>	<i>-212</i>	<i>-405</i>	<i>-537</i>	<i>-547</i>	<i>-517</i>	<i>-496</i>	<i>-476</i>	<i>-450</i>	<i>-103,987</i>	<i>-104,437</i>
NET INCREASE OR DECREASE (-) IN DEFICITS FROM REVENUES AND DIRECT SPENDING													
NET CHANGES IN DEFICITS	141,588	71,178	13,469	-22,277	-50,339	-25,999	-22,679	-17,114	-28,100	-30,929	-33,776	28,799	-4,978
<i>On-budget deficit change</i>	<i>141,588</i>	<i>71,178</i>	<i>13,464</i>	<i>-22,076</i>	<i>-49,952</i>	<i>-25,483</i>	<i>-22,155</i>	<i>-16,622</i>	<i>-27,630</i>	<i>-30,481</i>	<i>-33,356</i>	<i>31,832</i>	<i>-1,525</i>
<i>Off-budget deficit change^b</i>	<i>0</i>	<i>0</i>	<i>5</i>	<i>-201</i>	<i>-387</i>	<i>-516</i>	<i>-524</i>	<i>-492</i>	<i>-470</i>	<i>-448</i>	<i>-420</i>	<i>-3,033</i>	<i>-3,453</i>
CHANGES IN SPENDING SUBJECT TO APPROPRIATION FROM CHANGES IN CAPS ON DISCRETIONARY FUNDING													
TOTAL CHANGES IN DISCRETIONARY SPENDING													
Estimated Authorization Level	0	-2,000	-3,000	-3,000	-3,000	-3,000	-3,000	-4,000	-4,000	-4,000	0	-29,000	-29,000
Estimated Outlays	0	-1,214	-2,279	-2,765	-2,992	-3,160	-3,276	-3,386	-3,506	-3,632	-1,760	-26,210	-27,970

Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Note: Some of the provisions of H.R. 3630 were enacted as part of H.R. 3765 on December 23, 2011. H.R. 3765 extended certain expiring provisions such as the payroll-tax holiday for two months and increased guarantee fees charged by Fannie Mae and Freddie Mac; Components may not sum to totals because of rounding.

- a. For revenues, positive numbers indicate a decrease in the deficit; negative numbers indicate an increase in the deficit.
- b. The bill would modify and extend the payroll-tax holiday for the rest of 2012, causing a reduction in off-budget revenues credited to the Social Security trust funds. The bill also would transfer from the Treasury to the Social Security trust funds an amount equal to that off-budget revenue loss. The off-budget receipt would offset the lost revenue and, thus, section 2001 would have no net off-budget effect. (Other sections in the bill would have an off-budget effect.)
- c. Title III of the bill would raise premiums for certain subsidized flood insurance policies, increasing net income to the National Flood Insurance Program by \$4.9 billion. However, because many policies would continue to be subsidized and the program would continue to face significant interest costs for borrowing over the past decade, CBO expects that additional receipts collected under this legislation would be spent to cover future program shortfalls, resulting in no net effect on the budget over the 2012-2021 period.

Table 2. Effects on Revenues and Direct Spending of H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2011, adjusted for the enactment of H.R. 3765, the Temporary Payroll Tax Cut Continuation Act of 2011

(Millions of dollars, by fiscal year)

1/6/2012

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2021	2012-2022
CHANGES IN REVENUES													
Extension of 100 Percent Expensing	-38,299	-17,648	15,174	10,730	8,430	6,564	4,181	2,523	1,397	944	883	-6,005	-5,122
Election to Accelerate AMT Credits	-1,526	-801	32	32	42	58	64	64	66	69	70	-1,899	-1,828
Extension of Payroll Tax Reduction (On-budget)	767	559	0	0	0	0	0	0	0	0	0	1,326	1,326
Extension of Payroll Tax Reduction (Off-budget)	-75,598	-25,199	0	0	0	0	0	0	0	0	0	-100,797	-100,797
Unemployment Compensation	0	16	53	53	38	12	6	-8	-12	-12	-12	146	134
Tax on Unemployment Benefits for High Earners	-2	-6	-8	-11	-13	-13	-14	-14	-13	-14	-14	-107	-122
Federal Employee Retirement Contributions	0	1,182	2,366	3,497	4,007	4,338	4,701	5,101	5,511	5,950	5,865	36,652	42,518
Health Care Provisions (on-budget)	0	0	82	172	278	340	380	410	438	464	487	2,563	3,050
Health Care Provisions (off-budget)	0	0	-5	-11	-18	-21	-23	-25	-26	-28	-30	-157	-187
Repeal of Corporate Tax Timing Shift	-235	235	-28,993	-1,196	27,780	2,409	0	-4,555	4,555	0	0	0	0
Total Changes in Revenues^a	-114,893	-41,662	-11,299	13,266	40,544	13,687	9,295	3,496	11,916	7,373	7,249	-68,278	-61,028
<i>On-budget revenues</i>	-39,295	-16,463	-11,294	13,277	40,562	13,708	9,318	3,521	11,942	7,401	7,279	32,676	39,956
<i>Off-budget revenues^b</i>	-75,598	-25,199	-5	-11	-18	-21	-23	-25	-26	-28	-30	-100,954	-100,984
CHANGES IN DIRECT SPENDING (Outlays)													
Title II - Extension of Certain Expiring Provisions and Related Measures													
Extension of Payroll Tax Reduction (On-budget) ^b	75,598	25,199	0	0	0	0	0	0	0	0	0	100,797	100,797
Extension of Payroll Tax Reduction (Off-budget) ^b	-75,598	-25,199	0	0	0	0	0	0	0	0	0	-100,797	-100,797
Unemployment Compensation	15,525	10,705	-15	-15	-15	-15	-15	-15	-15	-15	-15	26,110	26,095
Physician Payment Update	8,480	19,360	5,740	-1,400	-80	640	870	790	540	280	120	35,220	35,340
Other Medicare Extensions and Health Provisions	1,135	958	-2,035	-3,405	-4,379	-4,760	-5,078	-5,397	-5,686	-10,086	-10,470	-38,733	-49,203
Subtotal, Title II	25,140	31,023	3,690	-4,820	-4,474	-4,135	-4,223	-4,622	-5,161	-9,821	-10,365	22,597	12,232
Title III - Flood Insurance Reform^c	0	-70	-150	220	0	0	0	0	0	0	0	0	0
Title IV - Auction and Use of Spectrum	1,420	1,460	-445	-3,231	-3,895	-4,395	-3,444	-2,590	-726	-641	-232	-16,487	-16,719
Title V - Offsets													
Fannie Mae and Freddie Mac Guarantee Fees ^d	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Security Provisions Related to Noncovered Employment (off-budget)	0	0	0	-212	-405	-537	-547	-517	-496	-476	-450	-3,190	-3,640
Require Social Security Number for Child Tax Credit	0	-2,606	-823	-820	-832	-848	-856	-864	-872	-872	-880	-9,393	-10,273
Ending Unemployment Compensation and Supplemental Nutrition Assistance for Millionaires	-15	-14	-12	-12	-12	-12	-12	-12	-13	-13	-14	-127	-142
Federal Civilian Employees	0	-25	-90	-136	-178	-214	-243	-267	-300	-340	-391	-1,793	-2,184
Health Care Provisions	0	0	0	0	0	-2,170	-4,058	-4,746	-8,616	-11,394	-14,194	-30,984	-45,178
Subtotal, Title V	-15	-2,645	-925	-1,180	-1,427	-3,781	-5,716	-6,406	-10,297	-13,095	-15,929	-45,487	-61,417
Title VI - Miscellaneous Provisions (Repeal Timing Shift for Merchandise Processing Fees)													
	150	-252	0	0	0	0	0	0	0	0	0	-102	-102
Total Changes in Direct Spending	26,695	29,516	2,170	-9,011	-9,796	-12,311	-13,383	-13,618	-16,184	-23,557	-26,526	-39,479	-66,006
<i>On-budget outlays</i>	102,293	54,715	2,170	-8,799	-9,391	-11,774	-12,836	-13,101	-15,688	-23,081	-26,076	64,508	38,431
<i>Off-budget outlays</i>	-75,598	-25,199	0	-212	-405	-537	-547	-517	-496	-476	-450	-103,987	-104,437

Sources: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Note: AMT = Alternative Minimum Tax; components may not sum to totals because of rounding.

- For revenues, positive numbers indicate a decrease in the deficit; negative numbers indicate an increase in the deficit.
- The bill would modify and extend the payroll-tax holiday for the rest of 2012, causing a reduction in off-budget revenues credited to the Social Security trust funds. The bill also would transfer from the Treasury to the Social Security trust funds an amount equal to that off-budget revenue loss. The off-budget receipt would offset the lost revenue and, thus, section 2001 would have no net off-budget effect. (Other sections in the bill would have an off-budget effect.)
- Title III would raise premiums for certain subsidized flood insurance policies, increasing net income to the National Flood Insurance Program by \$4.9 billion. However, because many policies would continue to be subsidized and the program would continue to face significant interest costs for borrowing over the past decade, CBO expects that additional receipts collected under this legislation would be spent to cover future program shortfalls, resulting in no net effect on the budget over the 2012-2022 period.
- The provision increasing fees for Fannie Mae and Freddie Mac was enacted as part of H.R. 3765, and thus, there would be no additional impact from enacting H.R. 3630.