



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 22, 2015

**H.R. 2940
Educator Tax Relief Act of 2015**

As ordered reported by the House Committee on Ways and Means on September 17, 2015

H.R. 2940 would amend the Internal Revenue Code to permanently extend and expand the tax deduction of up to \$250 that is allowed for certain classroom expenses of teachers. Under current law the deduction is unavailable for taxable years after 2014, and H.R. 2940 would permanently extend the deduction. The bill would also expand eligible expenses to include those for professional development and index the maximum deduction for inflation.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 2940 would reduce revenues, thus increasing federal deficits, by about \$3 billion over the 2016-2025 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting H.R. 2940 would result in revenue losses in each year beginning in 2016. The estimated increases in the deficit are shown in the following table.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Peter Huether. The estimate was approved by David Weiner, Assistant Director for Tax Analysis.

CBO Estimate Of Pay-As-You-Go Effects for H.R. 2940, as ordered reported by the House Committee on Ways and Means on September 17, 2015.

	By Fiscal Year, in Millions of Dollars											2016-	2016-	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025		
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Effects	269	236	241	260	302	306	311	319	332	335	1,307	2,909		

Source: Staff of the Joint Committee on Taxation.

Note: Components do not sum to totals because of rounding.