



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 6, 2016

**H.R. 5053
Preventing IRS Abuse and Protecting Free Speech Act**

As ordered reported by the House Committee on Ways and Means on April 28, 2016

H.R. 5053 would amend the Internal Revenue Code to limit the information that a tax-exempt organization must report about its contributors on its annual information return. Under current law, some organizations that are tax-exempt under section 501(c) of the Internal Revenue Code must report to the Internal Revenue Service the names and addresses or other identifying information of contributors of \$5,000 or more. The bill would limit the Secretary of the Treasury from requiring the name, address, or other identifying information of any contributor regardless of the nature or size of the contribution with two exceptions. The Secretary may still require the information relating to prohibited tax shelter transactions and for contributions of \$5,000 or more by officers, directors, or certain highly-paid employees of the organization.

The staff of the Joint Committee on Taxation (JCT) estimates that the legislation would reduce revenues by \$7 million over the 2016-2021 period and by \$16 million over the 2016-2026 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 5053 would result in a reduction in revenues in each year beginning in 2017. The estimated increases in the deficit are shown in the following table.

CBO and JCT estimate that enacting the bill would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

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. 5053, as ordered reported by the House Committee on Ways and Means on April 28, 2016.

	By Fiscal Year, in Millions of Dollars												2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021	2026	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Impact	0	1	2	2	2	2	2	2	2	2	2	7	16	

Source: Staff of the Joint Committee on Taxation.

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