



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

July 13, 2016

**H.R. 5523  
Clyde-Hirsch-Sowers RESPECT Act**

*As ordered reported by the House Committee on Ways and Means on July 7, 2016*

Current law requires that banks and other financial institutions report to the Treasury any financial transaction that involves more than \$10,000 in cash. People who circumvent that requirement by conducting a series of smaller transactions instead of a single transaction are subject to both civil and criminal penalties. H.R. 5523 would prohibit the Internal Revenue Service (IRS) from seizing money from people who circumvent those reporting requirements unless the agency proves that the money was connected to a crime. In addition, the bill would exempt from federal income tax any interest that the Treasury pays on seized funds that are returned.

Based on information from the Department of Treasury and the IRS, CBO estimates that implementing the legislation would have no significant administrative cost over the next five years because most provisions would codify existing IRS policy and practice. The staff of the Joint Committee on Taxation (JCT) estimate that enacting the bill would decrease revenues by a negligible amount over the 2017-2026 period; therefore, pay-as-you-go procedures apply. Enacting H.R. 5523 would not affect direct spending.

CBO estimates that enacting H.R. 5523 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

CBO and JCT have determined that H.R. 5523 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.