CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 22, 2015

H.R. 765
Restaurant and Retail Jobs and Growth Act of 2015

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

H.R. 765 would amend the Internal Revenue Code to permanently provide a 15-year recovery period for depreciating certain restaurant, retail improvement, and leasehold improvement property, effective for such property placed in service after December 31, 2014. Under current law that 15-year recovery period expired on December 31, 2014, causing qualified property placed in service after that date to be depreciated over 39 years.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 765 would reduce revenues, thus increasing federal budget deficits, by about $28.4 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 and revenues. Enacting H.R. 765 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. 765, as ordered reported by the House Committee on Ways and Means on September 17, 2015.

	By Fiscal Year, in Millions of Dollars											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
					NET INCREASE IN THE DEFICIT							
Statutory Pay-As-You-Go Effects	585	960	1,481	2,020	2,550	3,078	3,627	4,180	4,739	5,207	7,596	28,427

Source: Staff of the Joint Committee on Taxation.