



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 25, 1998

H.R. 4342 **Miscellaneous Trade and Technical Corrections Act of 1998**

As ordered reported by the Senate Committee on Finance on September 10, 1998

SUMMARY

HR. 4342, the Miscellaneous Trade and Tariff Act of 1998, would make technical corrections to certain trade laws and impose duty suspensions on various imports. Included in H.R. 4342 are provisions that would make 13.5 inch televisions duty-free by reclassifying them as 13 inch televisions, suspend duties on approximately 138 intermediary products and chemicals imported into the United States, re-liquidate certain customs entries, allow the personal effects of athletes for the Winter Olympics and various other international athletic competitions to enter duty free, extend the United States insular possession trade program, and extend the zones for duty-free sales enterprises. With the exception of the reclassification of 13 inch televisions, the Congressional Budget Office (CBO) estimates that all the provisions in H.R. 4342 would reduce governmental receipts by less than \$500,000 each year, net of payroll and income tax offsets, and therefore would not have a significant impact on the budget. CBO estimates that the reclassification of 13 inch televisions would cost \$57 million over the 1999-2003 period, net of payroll and income tax offsets. Because enacting H.R. 4342 would affect receipts, pay-as-you-go procedures would apply.

BASIS OF ESTIMATE

The estimate for the reclassification of 13 inch televisions is based on an estimate provided by the U.S. International Trade Commission (ITC). CBO adjusted that estimate to account for a narrower range of products covered in the H.R. 4342 and assumed the revenue loss would grow at the rate of CBO total non-petroleum import projections. The estimates of the remaining provisions in H.R. 4342 are based on estimates provided by the ITC and the U.S. Customs Service and CBO estimates based on recent data on customs duty collections and information from various industries.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars												
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
Changes in outlays					not applicable								
Changes in receipts	0	-17	-9	-10	-10	-11	-12	-12	-13	-14	-14		

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

This bill would impose no new intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Hester Grippando

Impact on State, Local, and Tribal Governments: Pepper Santalucia

Impact on the Private Sector: Leslie Frymier

ESTIMATE APPROVED BY:

Frank Sammartino

Assistant Director for Tax Analysis (Acting)