



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 1, 2017

H.R. 2581 **Verify First Act**

As ordered reported by the House Committee on Ways and Means on May 24, 2017

H.R. 2581 would amend the Internal Revenue Code related to advance payments of health-related tax credits, contingent upon enactment of the American Health Care Act of 2017. Under that contingency, H.R. 2581 would add additional verification procedures before the Department of Treasury could make payments of certain tax credits in advance to health insurers on behalf of enrollees. Specifically, the bill would require that no advance payments could be made unless the Secretary of the Treasury has received confirmation from the Secretary of Health and Human Services that either the Commissioner of Social Security or the Secretary of Homeland Security has verified the individual's status either as a U.S. citizen or national or as an alien lawfully present in the country. The verification process would need to include information related to citizenship or immigration status, such as Social Security numbers. The requirements would apply through 2017 to the premium assistance credits that exist under current law and after 2017 to the new credits that would be established by enactment of the American Health Care Act of 2017.

Because the effects of the bill would be contingent upon enactment of subsequent legislation, the staff of the Joint Committee on Taxation estimates that the bill would in isolation have no effect on revenues or direct spending relative to current law. As a result, pay-as-you-go procedures do not apply. However, if the American Health Care Act of 2017 was enacted prior to this legislation, then relative to the new law the enactment of this bill could affect revenues or direct spending and, as a result, subsequent estimates of the effects of this legislation could change.

CBO and JCT estimate that enacting the bill would not increase on-budget deficits or net direct spending by more than \$5 billion in any of the four 10-year periods beginning in 2028.

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 Mark Booth. The estimate was approved by John McClelland, Assistant Director for Tax Analysis.