



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

June 28, 2018

**H.R. 6124**  
**Tribal Social Security Fairness Act of 2018**

*As ordered reported by the House Committee on Ways and Means  
on June 21, 2018*

**SUMMARY**

H.R. 6124 would allow Indian tribes to enter into agreements with the Social Security Administration (SSA) to provide Social Security and Medicare Hospital Insurance coverage for members of tribal councils.

CBO and the staff of the Joint Committee on Taxation (JCT) estimate that enacting H.R. 6124 would increase revenues by \$13 million and would increase direct spending by an insignificant amount over the 2019-2028 period. Because enacting H.R. 6124 would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting H.R. 6124 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 2029.

CBO and the staff of JCT have not reviewed H.R. 6124 for intergovernmental or private-sector mandates. Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that relates to the old-age, survivors, and disability insurance program under title II of the Social Security Act (including taxes imposed by sections 3101(a) and 311(a) of the Internal Revenue Code of 1986). CBO and the staff of JCT have determined that H.R. 6124 falls within that exclusion.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effects of H.R. 6124 are shown in the following table. The costs of the legislation fall within budget function 650 (Social Security).

	By Fiscal Year, in Millions of Dollars													
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019-2023	2019-2028	
<b>INCREASES IN DIRECT SPENDING</b>														
Estimated Budget Authority	0	0	*	*	*	*	*	*	*	*	*	*	*	*
Estimated Outlays	0	0	*	*	*	*	*	*	*	*	*	*	*	*
<b>INCREASES IN REVENUES</b>														
Estimated Revenues	0	*	1	1	1	1	1	2	2	2	2	4	13	
On-budget	0	*	*	*	*	*	*	*	*	*	*	1	3	
Off-budget	0	*	1	1	1	1	1	1	1	2	2	3	10	
<b>NET DECREASE (-) IN THE DEFICIT</b>														
Effect on the Deficit	0	*	-1	-1	-1	-1	-1	-2	-2	-2	-2	-4	-13	
On-budget	0	*	*	*	*	*	*	*	*	*	*	-1	-3	
Off-budget	0	*	-1	-1	-1	-1	-1	-1	-1	-2	-2	-3	-10	

\* = between -\$500,000 and \$500,000.

## BASIS OF ESTIMATE

Under current law, the earnings of members of tribal councils of federally recognized Indian tribes are not subject to Social Security or Medicare payroll taxes under the Federal Insurance Contributions Act (FICA), and their earnings are not credited toward eligibility for Social Security or Medicare benefits.

H.R. 6124 would amend the Social Security Act to allow Indian tribal governments to enter into agreements with SSA to obtain Social Security and Medicare coverage for tribal council leaders and members. It also would amend the Internal Revenue Code to include tribal council members as employees for FICA tax purposes if they are covered by an agreement under the bill.

CBO and JCT expect that under the bill, by 2028, less than a tenth of eligible tribal members would choose to be covered, and an additional \$13 million in payroll tax revenues would be collected over the 2019-2028 period. Of that amount, \$3 million would consist of on-budget revenues from Medicare taxes and \$10 million would be off-budget revenues from Social Security taxes.

The additional coverage also would result in higher Social Security and Medicare outlays over the lifetime of the affected council members, although few of them would become eligible for Medicare or Social Security by 2028. CBO estimates that such outlays over the 10-year period would be insignificant.

## PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table. Only on-budget changes to outlays or revenues are subject to pay-as-you-go procedures.

**CBO Estimate of Pay-As-You-Go Effects for H.R. 6124 as Ordered Reported by the House Committee on Way and Means on June 21, 2018**

	By Fiscal Year, in Millions of Dollars											2018-	2018-
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2023	2028
<b>NET INCREASE OR DECREASE (-) IN THE ON-BUDGET DEFICIT</b>													
Statutory Pay-As-You-Go Effect	0	0	0	0	0	0	0	0	0	0	0	-1	-3
<b>Memorandum:</b>													
Changes in Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Changes in Revenues	0	0	0	0	0	0	0	0	0	0	0	1	3

## INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 6124 would not increase net direct spending by more than \$2.5 billion or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

## MANDATES

CBO and the staff of JCT have not reviewed H.R. 6124 for intergovernmental or private-sector mandates. Section 4 of UMRA excludes from the application of that act any legislative provisions that relates to the old-age, survivors, and disability insurance program under title II of the Social Security Act (including taxes imposed by

sections 3101(a) and 311(a) of the Internal Revenue Code of 1986). CBO and the staff of JCT have determined that H.R. 6124 falls within that exclusion.

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