

**Rules Committee Print 116-51, the Protecting American Lungs and Reversing the Youth Tobacco Epidemic Act of 2020, as amended by amendment number 17 (Pallone)**

**Estimated Budget Effects**

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
<b>Increases or Decreases (-) in Direct Spending Outlays</b>													
<b>TITLE I—Food and Drug Administration</b>													
103. Reducing child and adolescent nicotine addiction <sup>a,b</sup>													
Estimated Budget Authority	0	-1	-2	-4	-5	-6	-7	-7	-8	-9	-14	-17	-63
Estimated Outlays	0	-1	-2	-4	-5	-6	-7	-7	-8	-9	-14	-17	-63
109. Public education													
Budget Authority	0	5	5	5	5	5	0	0	0	0	0	25	25
Estimated Outlays	0	1	3	5	6	5	3	3	1	0	0	19	25
<b>TITLE III—Public Health Programs</b>													
301. Outreach to medically underserved communities													
Budget Authority	0	75	75	75	75	75	0	0	0	0	0	375	375
Estimated Outlays	0	27	62	71	73	75	48	14	4	2	0	308	375
302. Demonstration grant program to develop strategies for smoking cessation in medically underserved communities													
Budget Authority	0	75	75	75	75	75	0	0	0	0	0	375	375
Estimated Outlays	0	27	62	71	73	75	48	14	4	2	0	308	375
303. Public awareness, education, and prevention campaign													
Budget Authority	0	45	45	45	45	45	0	0	0	0	0	225	225
Estimated Outlays	0	16	37	43	44	45	29	8	2	1	0	185	225
304. Tobacco cessation treatment grants to health centers													
Budget Authority	0	125	125	125	125	125	0	0	0	0	0	625	625
Estimated Outlays	0	45	103	119	122	125	80	23	6	3	0	513	625
305. Grants for research													
Budget Authority	0	75	75	75	75	75	0	0	0	0	0	375	375
Estimated Outlays	0	27	62	71	73	75	48	14	4	2	0	308	375
<b>TITLE VI—Further Health Investments</b>													
601. Waiving Medicare coinsurance for colorectal cancer screening tests													
Estimated Budget Authority	0	0	0	0	190	330	350	380	430	410	400	520	2,490
Estimated Outlays	0	0	0	0	190	330	350	380	430	410	400	520	2,490
<b>Total Changes in Direct Spending</b>													
Estimated Budget Authority	0	399	398	396	585	724	343	373	422	401	386	2,503	4,427
Estimated Outlays	0	141	324	377	576	724	599	446	442	410	386	2,143	4,427

Rules Committee Print 116-51, the Protecting American Lungs and Reversing the Youth Tobacco Epidemic Act of 2020, as amended by amendment number 17 (Pallone)

Estimated Budget Effects, continued

	By Fiscal Year, Millions of Dollars											2020-2025	2020-2030	
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030			
<b>Increases or Decreases (-) in Revenues</b>														
<b>TITLE I—Food and Drug Administration</b>														
103. Reducing child and adolescent nicotine addiction <sup>a,c</sup>	0	-12	-101	-144	-161	-167	-167	-169	-172	-177	-180	-585	-1,450	
104. Prohibition against remote retail sales	0	0	-1	-2	-2	-2	-2	-2	-2	-1	-1	-7	-15	
105. Fees applicable to all tobacco products <sup>d</sup>	0	-7	-7	-8	-9	-10	-11	-12	-12	-13	-14	-41	-103	
108. Exemption from premarket approval of certain tobacco products	0	*	*	*	*	*	*	*	*	0	0	1	2	
<b>TITLE IV—Nicotine or Vaping Access Protection and Enforcement</b>														
401. Increasing civil penalties applicable to certain violations of restrictions on sale and distribution of tobacco products	0	2	2	2	2	2	3	3	3	3	3	10	25	
<b>TITLE V—Imposition of Tax on Nicotine for Use in Vaping, etc.</b>														
501. Imposition of tax on nicotine for use in vaping, etc.	0	769	914	936	895	850	790	738	695	674	655	4,364	7,917	
<b>TITLE VI—Further Health Investments</b>														
602. Safe harbor for high deductible health plans without deductible for certain inhalers	*	-68	-98	-129	-146	-157	-177	-189	-197	-206	-216	-598	-1,583	
Total Changes in Revenues	*	684	710	655	579	516	436	369	315	280	247	3,144	4,791	
Estimated On-Budget Revenues	*	684	709	654	578	516	435	368	314	280	246	3,141	4,785	
Estimated Off-Budget Revenues	0	*	*	1	1	1	1	1	1	1	*	3	6	
<b>Net Increase or Decrease (-) in the Deficit</b>														
<b>From Changes in Direct Spending and Revenues</b>														
Total Effect on the Deficit	*	-543	-386	-278	-3	208	164	77	127	130	139	-1,001	-364	
Effect on the On-Budget Deficit	*	-542	-385	-277	-2	209	164	78	127	131	140	-998	-358	
Effect on the Off-Budget Deficit	0	*	*	-1	-1	-1	-1	-1	-1	-1	*	-3	-6	

Source: Congressional Budget Office; staff of the Joint Committee on Taxation.

Components may not sum to totals because of rounding; Estimates are relative to CBO's January 2020 baseline.

HSA = health savings account; \* = between -\$500,000 and \$500,000.

- a. Proposal would affect direct spending and revenues, which are shown separately.
- b. CBO and JCT estimate that the projected reduction in tobacco consumption would lead to improvements in health and to a corresponding reduction in health care spending. The estimated effect on direct spending is the result of lower Medicaid outlays and lower subsidies provided through the health insurance marketplaces established by the Affordable Care Act.
- c. Estimate includes a reduction in federal excise tax collections because of lower tobacco consumption, partially offset by an increase in revenues resulting from lower premiums for employment-based and nongroup insurance.
- d. Estimate of the revenue changes arising from the additional fees authorized by Rules Committee Print 116-51 (as amended), which are estimated to increase the price of tobacco products. The additional fee collections and offsetting spending are subject to future appropriations and are not shown.

Rules Committee Print 116-51 (as amended) would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) on tobacco manufacturers and retailers (including tribal entities that produce and sell such products) by banning remote sales, restricting the flavoring of tobacco products, imposing user fees, and establishing an excise tax. CBO and JCT estimate that the aggregate cost of the mandates on intergovernmental entities, mostly revenue forgone by tribes that sell tobacco products, would not exceed the annual intergovernmental threshold established in UMRA (\$84 million in 2020, adjusted annually for inflation). However, CBO and JCT estimate that the aggregate cost of the mandates on private-sector entities, in the form of forgone revenue and new fees, would greatly exceed the annual private-sector threshold established in UMRA (\$168 million in 2020, adjusted annually for inflation).

CBO and JCT estimate that the following sections of Rules Committee Print 116-51 (as amended) would not affect direct spending or revenues over the 2020-2030 period: 101, 102, 106, 107, 201, and 402.