

**Congressional Budget Office**  
Cost Estimate

**H.R. 3884, the MORE Act of 2020, as passed by the House of Representatives on December 4, 2020**  
**Estimated Budgetary Effects**

December 4, 2020

	By Fiscal Year, Millions of Dollars										2021-2025	2021-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
<b>Increases in Direct Spending</b>												
Federal Benefit Programs												
Estimated Outlays <sup>a</sup>												
Medicaid	88	81	55	44	38	32	28	25	23	24	306	439
Social Security (off-budget)	6	7	6	5	5	4	4	4	4	3	28	47
Exchange Subsidies	4	4	4	4	4	5	5	5	5	5	21	44
Medicare	2	3	2	2	2	2	2	2	2	2	11	19
Supplemental Security Income	7	8	5	4	4	4	4	3	3	3	28	45
SNAP	6	7	5	4	4	4	3	3	3	3	26	42
Sub-total	113	110	77	63	57	51	46	42	40	40	420	636
Opportunity Trust Fund												
Estimated Budget Authority	123	462	588	694	801	888	917	940	971	1,005	2,668	7,389
Estimated Outlays	35	149	268	423	576	708	797	869	920	959	1,450	5,704
Total Increases in Direct Spending												
Estimated Budget Authority <sup>a</sup>	236	572	665	757	858	939	963	982	1,011	1,045	3,088	8,025
Estimated Outlays	148	259	345	486	632	759	842	910	960	998	1,870	6,340
<b>Increases or Decreases (-) in Revenues</b>												
Cannabis Products Net Excise Tax	97	363	461	544	627	681	695	713	736	762	2,091	5,677
Other Revenues	-55	-53	80	293	694	1,180	1,442	1,463	1,475	1,494	958	8,013
Exchange Subsidies	*	*	*	*	*	*	*	*	*	*	-2	-4
Total Changes in Revenues	41	309	540	836	1,320	1,860	2,136	2,176	2,211	2,256	3,046	13,684
<b>Net Increase or Decrease (-) in the Deficit</b>												
<b>From Changes in Direct Spending and Revenues</b>												
Effect on the Deficit	107	-49	-195	-350	-688	-1,101	-1,293	-1,266	-1,251	-1,258	-1,175	-7,344
On-Budget	101	-56	-201	-355	-693	-1,105	-1,297	-1,270	-1,255	-1,261	-1,203	-7,391
Off-Budget	6	7	6	5	5	4	4	4	4	3	28	47

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Sources: 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 March 2020 baseline.

SNAP = Supplemental Nutrition Assistance Program; \* = between -\$500,000 and \$500,000.

a. For federal benefits programs, budget authority is equal to outlays.

H.R. 3884 would federally decriminalize cannabis (marijuana), expunge the records of people convicted of federal cannabis offenses, and require resentencing of some federal prisoners. As a result, CBO estimates, thousands of current inmates would be released earlier than under current law. In the future, decriminalization also would reduce the number of people in federal prisons and the amount of time federal inmates serve. In total, over the 2021-2030 period, CBO estimates that H.R. 3884 would reduce time served by 73,000 person-years, among existing and future inmates. CBO's analysis accounts for time served by offenders convicted of cannabis-only crimes and by those convicted of another crime in addition to a cannabis offense.

Federal prisoners generally are not eligible for federal benefit programs. By reducing the prison population, CBO estimates, H.R. 3884 would increase the number of federal beneficiaries, compared with current law, and thus increase direct spending for federal benefit programs by \$636 million over the 2021-2030 period.

CBO and the staff of the Joint Committee on Taxation estimate that H.R. 3884 would increase revenues, on net, by about \$13.7 billion over the 2021-2030 period by creating business income, compliance, and occupational taxes; those increases would be partially offset by allowing certain deductions for business expenses associated with trafficking controlled substances.

H.R. 3884 also would impose an excise tax on cannabis products manufactured or imported into the United States, which would be deposited into the Opportunity Trust Fund established by the act. CBO estimates that the Department of Justice would spend about \$3.0 billion from the fund over the same period to provide job training and legal aid, among other services, to people harmed by the "war on drugs." The Small Business Administration would spend about \$2.7 billion over the ten-year period for state and local grants to make loans to cannabis-related small businesses that operate in the cannabis industry and help governments develop cannabis-licensing rules.

Finally, the act would reduce the Bureau of Prisons' costs to house inmates by reducing both the number of inmates in federal facilities and the aggregate time they serve. CBO estimates that provision would result in net savings of about \$1 billion over the 2021-2030 period, assuming appropriation actions consistent with anticipated changes in prison populations.