

Estimated Budgetary Effects of H.R. 4521, the America COMPETES Act of 2022, as Passed by the House of Representatives on February 4, 2022

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Increases or Decreases (-) in Direct Spending												
Division A. Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Fund												
Budget Authority	24,500	7,500	6,800	6,600	7,300	0	0	0	0	0	52,700	52,700
Estimated Outlays	20	2,457	5,652	7,798	9,073	7,878	6,227	4,914	3,745	2,772	25,000	50,536
Division B. Research and Innovation^a												
Estimated Budget Authority	0	52	150	500	800	0	0	0	0	0	1,502	1,502
Estimated Outlays	0	2	10	40	100	210	330	340	260	110	152	1,402
Division C. Energy and Commerce												
Budget Authority	1,750	0	0	0	0	0	0	0	0	0	1,750	1,750
Estimated Outlays	4	168	212	274	256	226	150	140	120	100	914	1,650
Division D. Committee on Foreign Affairs												
Estimated Budget Authority	0	1,056	812	1,119	25	32	-14	-56	-199	-191	3,012	2,584
Estimated Outlays	0	531	887	1,144	275	157	21	-41	-199	-191	2,837	2,584
Division G. Committee on Financial Services												
Estimated Budget Authority	*	*	1	-1	-1	*	*	1	1	1	-1	2
Estimated Outlays	*	*	1	-1	-1	*	*	1	1	1	-1	2
Division H. Committee on Natural Resources												
Estimated Budget Authority	3	9	9	10	-15	-15	-15	-15	-15	-15	16	-58
Estimated Outlays	*	6	7	7	-18	-17	-17	-17	-17	-17	2	-82
Division I. Committee on the Judiciary												
Estimated Budget Authority	5	88	223	294	310	382	468	575	679	772	920	3,796
Estimated Outlays	5	88	223	294	310	382	468	575	679	772	920	3,796
<i>On-Budget Outlays</i>	5	88	222	293	308	379	462	565	665	753	916	3,740
<i>Off-Budget Outlays</i>	0	0	1	1	2	3	6	10	14	19	4	56
Division J. Committee on Education and Labor												
Estimated Budget Authority	*	*	14	9	10	10	11	11	12	12	33	89
Estimated Outlays	*	*	4	10	14	10	10	11	12	12	28	83
Division K. Matters Relating to Trade												
Estimated Budget Authority	286	775	964	1,038	1,100	1,139	1,131	1,158	1,202	1,291	4,163	10,083
Estimated Outlays	27	303	597	866	991	1,041	1,080	1,113	1,139	1,218	2,784	8,374



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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
Total Changes in Direct Spending												
Estimated Budget Authority	26,544	9,480	8,973	9,569	9,529	1,548	1,581	1,674	1,680	1,870	64,095	72,448
Estimated Outlays	56	3,555	7,593	10,432	11,000	9,887	8,269	7,036	5,740	4,777	32,636	68,345
<i>On-Budget Outlays</i>	56	3,555	7,592	10,431	10,998	9,884	8,263	7,026	5,726	4,758	32,632	68,289
<i>Off-Budget Outlays</i>	0	0	1	1	2	3	6	10	14	19	4	56
	Increases or Decreases (-) in Revenues											
Division D. Committee on Foreign Affairs^b												
<i>On-Budget Revenues</i>	-1	5	5	3	3	4	2	1	0	-1	15	21
<i>Off-Budget Revenues</i>	0	4	5	5	4	3	3	2	2	2	18	30
Division G. Committee on Financial Services	6	-1	*	*	*	*	*	*	-1	-1	5	3
Division H. Committee on Natural Resources	0	*	*	*	*	1	1	1	1	1	1	4
Division I. Committee on the Judiciary^c	0	94	44	66	85	103	99	97	92	84	289	764
Division K. Matters Relating to Trade	-835	-1,256	-181	464	678	687	703	720	735	752	-1,129	2,467
Total Changes in Revenues	-830	-1,154	-127	538	770	798	808	821	829	837	-801	3,289
<i>On-Budget Revenues</i>	-830	-1,158	-132	533	766	795	805	819	827	835	-819	3,259
<i>Off-Budget Revenues</i>	0	4	5	5	4	3	3	2	2	2	18	30
	Net Increases or Decreases (-) in the Deficit											
	From Changes in Direct Spending and Revenues											
Estimated Effect on the Deficit	886	4,709	7,720	9,894	10,230	9,089	7,461	6,215	4,911	3,940	33,437	65,056
<i>On-Budget Deficit</i>	886	4,713	7,724	9,898	10,232	9,089	7,458	6,207	4,899	3,923	33,451	65,030
<i>Off-Budget Deficit</i>	0	-4	-4	-4	-2	0	3	8	12	17	-14	26

See the Notes tab for additional details.

Estimated Budgetary Effects of H.R. 4521, the America COMPETES Act of 2022, as Passed by the House of Representatives on February 4, 2022**Notes**

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

On March 11, 2022, CBO replaced the estimate that was transmitted on March 4, 2022. The previous version overestimated the costs in division J, section 90305, by \$10 million, because of an incorrectly identified effective date for those provisions. Thus, the updated estimated cost of division J and the estimated deficit were reduced by that amount.

Components may not sum to totals because of rounding; * = between -\$500,000 and \$500,000.

The Budget Control Act of 2011 (BCA) requires the annual sequestration of nonexempt mandatory spending programs. The Office of Management and Budget determines which accounts are subject to reductions under the BCA. Some accounts affected by H.R. 4521 are subject to sequestration; this estimate reflects the effects of sequestration on those accounts.

The bill would specifically authorize the appropriation of at least \$335 billion over the 2022-2031 period, mainly for provisions that involve research and manufacturing in the United States.

The costs of H.R. 4521 fall within budget functions 050 (national defense), 150 (international affairs), 250 (general science, space, and technology), 270 (energy), 300 (natural resources and environment), 370 (commerce and housing credit), 500 (education, training, employment, and social services), 550 (health), 570 (Medicare), 600 (income security), 650 (Social Security), 750 (administration of justice), 800 (general government), 900 (net interest), and 950 (undistributed offsetting receipts).

Other divisions in H.R. 4521 would have insignificant effects on direct spending and revenues.

Mandates

H.R. 4521 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the aggregate cost would exceed the annual thresholds established in UMRA for intergovernmental and private-sector mandates of \$85 million and \$170 million, respectively, in 2021, adjusted annually for inflation.

The bill would impose more than 30 private-sector mandates. The most significant of those mandates include:

- Requiring online marketplaces to collect, verify, secure, and disclose certain information from high-volume sellers;
- Prohibiting trash and recycling companies from exporting or reexporting electronic waste;
- Prohibiting the importation and interstate transport of certain non-native, wild animal species;
- Prohibiting the possession, purchase, transport, and sale of American mink raised in captivity for fur production;
- Increasing premerger filing fees for high-value mergers; and
- Requiring vessel companies to provide transportation companies with reasonable access to equipment used to move cargo.

The bill would impose intergovernmental and private-sector mandates by establishing new regulations for marine terminals and vessel companies. For example, those entities would have to adhere to new reasonable-billing rules, which would include limits on port fees, and to certain practices for moving and storing containers. The bill also would expand reporting requirements for U.S. public and private universities that receive funds from other nations. Finally, H.R. 4521 would impose intergovernmental mandates by restricting certain rights of action available to states concerning online marketplaces and by requiring states to consider energy storage systems' cost effectiveness.

CBO has not reviewed titles IX and X of division F for mandates. Section 4 of UMRA excludes from the application of that act any legislative provisions that are necessary for national security. CBO has determined that the provisions of the Defense Production Act of 1950, as amended by titles IX and X, would fall under that exclusion.

Footnotes

- a. Section 10110 would authorize, through 2026, the Department of Energy (DOE) to enter into lease-purchase agreements for research facilities and infrastructure throughout its 17 National Laboratories. Under such agreements, the federal government pays annual rent to a third party and assumes ownership of an asset when the lease ends. Under the legislation, DOE would enter into commitments in advance of appropriations for the full cost of an asset. In CBO's view, the costs of such transactions would be direct spending and the full cost of long-term commitments that obligate the government to make payments in future years should be recorded up-front in the budget. CBO estimates that, through 2026, DOE would use the authority provided under section 10110 to finance the construction of facilities, valued at \$1.5 billion. Based on historical spending patterns for construction, CBO estimates that enacting the section would increase direct spending by \$1.4 billion over the 2022-2031 period.



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- b. Section 30403 would impose new penalties for certain criminal violations that would increase net revenues by \$185 million over the 2022-2031 period, CBO estimates. That provision requires the new penalties to be classified as discretionary offsetting collections rather than as revenues. At the direction of the House Committee on the Budget, this estimate incorporates that treatment; thus, the amounts shown exclude the net increase in revenues from the collection of those new penalties that otherwise would be included. Treated as discretionary offsetting collections, the estimated amounts would reduce the need for future appropriations.
 - c. Sections 80302 and 80303 would create surcharges on certain immigration applications that would increase net revenues by \$341 million over the 2022-2031 period, CBO estimates. Those provisions require the surcharges to be classified as discretionary offsetting collections rather than as revenues. At the direction of the House Committee on the Budget, this estimate incorporates that treatment; thus, the amounts shown in this estimate exclude net revenues from those surcharges that otherwise would be included. Treated as discretionary offsetting collections, the estimated amounts would reduce the need for future appropriations.
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