

Estimated Budgetary Effects of H.R. 23, the Family and Small Business Taxpayer Protection Act, as Posted on the Website of the Clerk of the House of Representatives on January 9, 2023 as an Item That May Be Considered Pursuant to a Rule

<http://docs.house.gov/billsthisweek/20230102/BILLS-118HRPIH-IRS-repeal.pdf>

	By Fiscal Year, Millions of Dollars										2023-2027	2023-2032	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
Decreases (-) in Direct Spending													
Total Changes in Direct Spending													
Budget Authority	-71,473	0	0	0	0	0	0	0	0	0	0	-71,473	-71,473
Outlays	-2,359	-2,835	-4,124	-5,589	-7,252	-9,249	-11,423	-14,027	-14,605	0	0	-22,159	-71,463
Decreases (-) in Revenues													
Total Changes in Revenues	-1,645	-6,186	-12,506	-17,394	-21,574	-25,416	-28,983	-31,441	-31,879	-8,814		-59,305	-185,838
Net Increase or Decrease (-) in the Deficit From Changes In Direct Spending and Revenues													
Net Effect on the Deficit	-714	3,351	8,382	11,805	14,322	16,167	17,560	17,414	17,274	8,814		37,146	114,375

Source: Congressional Budget Office.

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 procedures are shown above.

The Congressional Budget Office adheres to laws and Congressional rules concerning the federal budget and to a set of principles (called the Scorekeeping Guidelines) created by the Congress. Those principles guide how the House and Senate Budget Committees, the Congressional Budget Office, and the Office of Management and Budget attribute budgetary effects to legislation, with the goal of promoting consistent treatment of estimated effects among those agencies. (For more information on those guidelines, see Congressional Budget Office, *CBO Explains Budgetary Scorekeeping Guidelines*, January 2021, www.cbo.gov/publication/56507.)

When a provision in an authorization bill provides funding for administrative or program management activities, such as when the IRS receives additional funding for administrative activities, spending of those amounts can result in increases in receipts. Guideline 14, however, directs scorekeepers to exclude those increases when estimating the budgetary effects of proposals that would provide additional mandatory funding for such activities.

Guideline 14 was adopted in part to avert cases in which possible, but uncertain, receipts were used to offset near-term increases in spending resulting from the same bill. That guideline is asymmetrical, however. That is, even though increased receipts cannot be credited to a bill that would increase administrative funding, estimated receipt losses that might result from a decrease in such funding are included in the estimated budgetary effects.

H.R. 23 would rescind unobligated funds provided by paragraphs (1)(A)(ii), (1)(A)(iii), (1)(B), (2), (3), (4), and (5) of section 10301 of Public Law 117–169. CBO estimates that the bill would decrease outlays by \$71 billion and decrease receipts by \$186 billion over the 2023-2032 period. Both of those effects are included in accordance with Guideline 14.