

H.R. 6068, Clergy Act

As ordered reported by the House Committee on Ways and Means on November 2, 2023

By Fiscal Year, Millions of Dollars		2024	2024-2028	2024-2033
Direct Spending (Outlays)		0	*	2
Revenues		0	26	77
Increase or Decrease (-) in the Deficit		0	-26	-75
Spending Subject to Appropriation (Outlays)		*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$2.5 billion	Statutory pay-as-you-go procedures apply?		Yes
		Mandate Effects		
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	< \$5 billion	Contains intergovernmental mandate?		Excluded from UMRA
		Contains private-sector mandate?		Excluded from UMRA
* = between zero and \$500,000.				

H.R. 6068 would allow clergy to make a one-time decision during calendar years 2026 or 2027 to reverse a previous decision to exempt their ministerial earnings from self-employment taxes. Under current law, certain members of the clergy may make a one-time, irrevocable decision to exempt their ministerial earnings from self-employment taxes. If they elect to do so, they do not receive Social Security and Medicare benefits based on that income.

A similar provision was included in the Ticket to Work and Work Incentives Improvement Act of 1999. Based on the number of members of the clergy who elected coverage under that law, CBO and the staff of the Joint Committee on Taxation estimate that roughly 4,000 clergy members would reverse their decision, resulting in an increase of \$77 million in revenue over the 2024-2033 period. Of that, \$62 million is from additional Social Security payroll tax revenues, which are classified as off-budget, and \$15 million is from additional Medicare payroll taxes, which are on-budget.

Most of the additional benefits that would result from those decisions would be paid after 2033, but CBO estimates that Social Security and Medicare outlays would each increase by \$1 million over the 2024-2033 period. Social Security outlays are off-budget, and Medicare outlays are on-budget. CBO estimates that implementing the legislation would increase

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



administrative costs for the Internal Revenue Service by an insignificant amount. That spending would be subject to the availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget functions 570 (Medicare) and 650 (Social Security).

Table 1. Estimated Budgetary Effects of H.R. 6068												
	By Fiscal Year, Millions of Dollars										2024- 2028	2024- 2033
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
Increases in Direct Spending												
Estimated Budget Authority	0	0	*	*	*	*	*	*	*	2	*	2
Estimated Outlays	0	0	*	*	*	*	*	*	*	2	*	2
<i>On-budget</i>	0	0	*	*	*	*	*	*	*	1	*	1
<i>Off-budget</i>	0	0	*	*	*	*	*	*	*	1	*	1
Increases in Revenues												
Estimated Revenues	0	0	4	11	11	11	11	10	10	9	26	77
<i>On-budget</i>	0	0	1	2	2	2	2	2	2	2	5	15
<i>Off-budget</i>	0	0	3	9	9	9	9	8	8	7	21	62
Net Decrease (-) in the Deficit From Changes in Direct Spending and Revenues												
Effect on the Deficit	0	0	-4	-11	-11	-11	-11	-10	-10	-7	-26	-75
<i>On-budget</i>	0	0	-1	-2	-2	-2	-2	-2	-2	-1	-5	-14
<i>Off-budget</i>	0	0	-3	-9	-9	-9	-9	-8	-8	-6	-21	-61

Implementing the bill would increase costs for the Internal Revenue Service by less than \$500,000 over the 2024-2028 period. That spending would be subject to the availability of appropriated funds. * = between zero and \$500,000.

CBO has not reviewed H.R. 6068 for intergovernmental or private-sector mandates. Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act legislative provisions related to the Old-Age, Survivors, and Disability Insurance (OASDI) 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 has determined that H.R. 6068 falls within that exclusion because it concerns OASDI payments made to members of the clergy.

The CBO staff contacts for this estimate are Noah Meyerson (for Social Security) and Sarah Sajewski and Noah Zwiefel (for Medicare). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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