Congressional Budget Office
Cost Estimate

April 10, 2025

H.R. 1716, Taiwan Conflict Deterrence Act of 2025

As ordered reported by the House Committee on Financial Services on March 27, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2036?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between -$500,000 and $500,000.

H.R. 1716 would require the Department of the Treasury to publish a report listing estimated total funds held by certain Chinese leaders and the financial institutions where significant portions of the funds are held. The report would be due within 90 days of the Congress receiving a notice from the President concerning a threat to Taiwan by China. That list would be updated every three years unless the threat is deemed no longer present. The bill also would direct the department to prohibit the listed Chinese leaders or their families from using any U.S. financial services. That requirement would terminate either 30 days after the President deems that Taiwan is no longer under threat or 25 years after the department submits a final report.

The 1979 Taiwan Relations Act directs the President to promptly inform the Congress of any threat to the security or the social or economic systems of the people of Taiwan and of any danger to the interests of the United States that arises from that threat. CBO cannot determine when actions by China could result in the President providing such notice and thus invoking the bill's reporting requirements. In the event of such a notice, CBO estimates that the required report and other actions would cost less than $500,000 over the 2025-2030 period; any related spending would be subject to the availability of appropriated funds.

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

The Department of the Treasury would need information from the federal financial regulatory agencies, including the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, among others, to carry out the bill’s requirements. H.R. 1716 could affect direct spending by those agencies, some of which are allowed to use fees to cover their operating costs. CBO estimates that the net change in direct spending by federal financial regulatory agencies would be less than $500,000 over the 2025-2035 period.

Administrative costs incurred by the Federal Reserve, another federal financial regulatory agency, would reduce remittances to the Treasury; such remittances are recorded in the budget as revenues. CBO estimates that the cost to the Federal Reserve would be insignificant.

The bill also would establish civil and criminal penalties for failure to comply with the new authorities. Civil fines are recorded in the budget as revenues. Criminal fines are recorded as revenues, deposited in the Crime Victims Fund, and subsequently spent without further appropriation. CBO estimates that any additional collections and associated spending would be insignificant because of the relatively small number of additional cases likely to occur over the 2025-2035 period.

H.R. 1716 would impose a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA) on U.S. financial institutions if the Treasury prohibits transactions between them and certain Chinese leaders or their families. The cost of the mandate would include the forgone revenue that would be attributable to those transactions. Because the restriction would apply only in a small number of cases, CBO estimates that the cost of the mandate would not exceed the private-sector threshold established in UMRA ($206 million in 2025, adjusted annually for inflation).

The bill would not impose intergovernmental mandates.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs), Nathaniel Frentz (for the Federal Reserve), and Andrew Laughlin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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