Congressional Budget Office
Cost Estimate

July 16, 2026

H.R. 4171, SEED Act of 2025

As reported by the House Committee on Financial Services on March 25, 2026

By Fiscal Year, Millions of Dollars	2026	2026-2031	2026-2036
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2037?	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 2037?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold

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

H.R. 4171 would exempt companies that issue no more than $500,000 in securities over a 12-month period from the requirement to register their securities with the Securities and Exchange Commission (SEC) and from filing certain disclosures required under current law. The bill would direct the SEC to adjust that limit for inflation every five years.

CBO expects that exempting certain issuers from that registration requirement would reduce the number of companies that pay fees imposed on the registration of securities. Those fees are recorded in the budget as revenues. Because the SEC is required to collect those fees equal to an annual statutory target ($888 million in fiscal year 2026, adjusted annually for inflation), CBO expects that the commission would adjust its rates such that the net change in collections of those fees would be negligible over the 2026-2036 period.

CBO estimates that implementing H.R. 4171 would cost the SEC less than $500,000 over the 2026-2031 period. Because the SEC is authorized to collect transaction fees each year to offset its annual appropriation, CBO expects that the net effect on discretionary spending over that period would be negligible, assuming appropriation actions consistent with that authority.

H.R. 4171 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the cost to comply with those mandates would not exceed the thresholds established in UMRA ($107 million and $214 million in 2026, respectively, adjusted annually for inflation).

The bill would expand an existing preemption of state regulations governing exemptions for offerings of small securities. Although the preemption would limit the application of state laws and regulations, it would impose no duty on state governments that would result in additional spending or loss of revenues.

If the SEC increases transaction fees to offset the costs associated with implementing the bill, H.R. 4171 would increase the cost of an existing mandate on private entities required to pay those assessments. CBO estimates that the incremental cost of the mandate would be small.

The CBO staff contacts for this estimate are Sean Christensen (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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