

**Table 1. Summary**
**Estimated Budgetary Effects of H.R. 4346, as Amended by the Senate and as Posted by the Senate Committee on Commerce, Science, and Transportation on July 20, 2022**
[www.commerce.senate.gov/services/files/CFC99CC6-CE84-4B1A-8BBF-8D2E84BD7965](http://www.commerce.senate.gov/services/files/CFC99CC6-CE84-4B1A-8BBF-8D2E84BD7965)

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
<b>Increases in Budget Authority and Outlays</b>													
<b>Division A. CHIPS Act of 2022</b>													
Budget Authority	24,150	8,875	6,825	6,650	7,150	550	0	0	0	0		53,650	54,200
Estimated Outlays	0	2,324	5,570	7,975	9,314	8,327	6,608	5,101	3,867	2,858		25,183	51,944
<b>Division B. Research and Innovation<sup>a</sup></b>													
Estimated Budget Authority	0	5	170	490	830	853	873	903	923	943		1,495	5,990
Estimated Outlays	0	1	13	47	119	250	442	632	773	853		180	3,130
<b>Division C. Supplemental Appropriations to Address Threats to the Supreme Court of the United States<sup>b</sup></b>													
Budget Authority	19	0	0	0	0	0	0	0	0	0		19	19
Estimated Outlays	0	17	2	0	0	0	0	0	0	0		19	19
<b>Total</b>													
Estimated Budget Authority	24,169	8,880	6,995	7,140	7,980	1,403	873	903	923	943		55,164	60,209
Estimated Outlays	0	2,342	5,585	8,022	9,433	8,577	7,050	5,733	4,640	3,711		25,382	55,093
<b>Increases or Decreases (-) in Revenues</b>													
<b>Division A. CHIPS Act of 2022</b>	0	-2,993	-5,616	-6,606	-6,908	-2,337	118	65	19	7		-22,123	-24,251
<b>Net Increase in the Deficit</b>													
<b>Effect on the Deficit</b>	0	5,335	11,201	14,628	16,341	10,914	6,932	5,668	4,621	3,704		47,505	79,344

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

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The bill would specifically authorize the appropriation of about \$200 billion over the 2022-2031 period, primarily for research activities.

The costs of the bill fall within budget functions 050 (national defense), 150 (international affairs), 250 (general science, space, and technology), 270 (energy), 370 (commerce and housing credit), and 750 (administration of justice).

Sections 102, 106, and 107 of division A and section 10003 of division B would specify requirements for the treatment of budgetary effects attributable to sections 102, 106, and 107 of division A and to division B. In keeping with those requirements, and at the direction of the Senate Committee on the Budget, sections 102, 106, and 107 of division A and all provisions of division B are considered authorizing legislation rather than appropriation legislation. As a result, the estimated budgetary effects of those provisions are subject to pay-as-you-go procedures. However, the legislation also requires the estimated budgetary effects stemming from provisions to be excluded from the pay-as-you-go scorecards maintained by the Senate and the Office of Management and Budget.

Section 10253 of division B would preempt state, local, and tribal laws governing the public disclosure of information and records. Specifically, supply chain information that a private entity submits to the database would be exempt from state, local, and tribal public disclosure laws if the statement notes an expectation of nondisclosure. That preemption would be an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). Although the preemption would limit the application of state, local, and tribal laws and regulations, CBO estimates that section 10253 would impose no duty on those governments that would result in additional spending or loss of revenue. Consequently, the cost of the mandate would not exceed the threshold established in UMRA for intergovernmental mandates (\$92 million in 2022, adjusted annually for inflation). The bill contains no private-sector mandates.

- a. Sections 10108 and 10761 of division B would permanently authorize the Department of Energy (DOE) to use alternative financing for research facilities and infrastructure throughout its National Laboratories. CBO assumes such financing to include lease-purchase agreements under which the federal government pays annual rent to a third party and takes ownership of an asset at the end of a lease. Under the legislation, DOE would enter into commitments in advance of appropriations for an asset's full cost. In CBO's view, the costs of such transactions would be classified as 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 over the 2022-2031 period DOE would use the authority provided under sections 10108 and 10761 to finance the construction of facilities with a total value of \$5.9 billion. Based on historical spending patterns, CBO estimates that enacting the sections would increase direct spending by \$3.1 billion over the 2022-2031 period.

Section 10862 would extend through December 31, 2032, the authority of the National Aeronautics and Space Administration to enter into enhanced-use lease agreements. Under current law, the authority to enter into the agreements is set to expire on December 31, 2022. Based on a review of the agency's recently executed agreements, CBO estimates that enacting the section would increase direct spending by \$80 million over the 2022-2031 period.

- b. Section 304 of division C would designate the budgetary effects of that division as emergency requirements in keeping with section 4001(a)(1) and section 4001(b) of S. Con. Res. 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022.

**Table 2. Estimated Budgetary Effects of Divisions A and B of H.R. 4346, as Amended by the Senate and as Posted by the Senate Committee on Commerce, Science, & Transportation on July 20, 2022**
[www.commerce.senate.gov/services/files/CFC99CC6-CE84-4B1A-8BBF-8D2E84BD7965](http://www.commerce.senate.gov/services/files/CFC99CC6-CE84-4B1A-8BBF-8D2E84BD7965)

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
<b>Increases in Direct Spending</b>												
<b>Division A. CHIPS Act of 2022</b>												
Section 102. Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Fund												
Budget Authority	24,000	7,525	6,825	6,650	7,150	550	0	0	0	0	52,150	52,700
Estimated Outlays	0	2,204	5,410	7,755	9,114	8,137	6,458	4,961	3,747	2,758	24,483	50,544
Section 106. Appropriations for Wireless Supply Chain Innovation												
Budget Authority	150	1,350	0	0	0	0	0	0	0	0	1,500	1,500
Estimated Outlays	0	120	160	220	200	190	150	140	120	100	700	1,400
<b>Division B. Research and Innovation<sup>a</sup></b>												
Section 10108. Science Laboratories Infrastructure Program												
<i>and</i>												
Section 10761. Applied Laboratories Infrastructure Restoration and Modernization												
Estimated Budget Authority	0	0	160	480	820	840	860	890	910	930	1,460	5,890
Estimated Outlays	0	0	10	40	110	240	430	620	760	840	160	3,050
Section 10862. Modification of Lease of Non-Excess Property												
Estimated Budget Authority	0	5	10	10	10	13	13	13	13	13	35	100
Estimated Outlays	0	1	3	7	9	10	12	12	13	13	20	80
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority	24,150	8,880	6,995	7,140	7,980	1,403	873	903	923	943	55,145	60,190
Estimated Outlays	0	2,325	5,583	8,022	9,433	8,577	7,050	5,733	4,640	3,711	25,363	55,074

See also CBO's Cost Estimates Explained, [www.cbo.gov/publication/54437](http://www.cbo.gov/publication/54437); How CBO Prepares Cost Estimates, [www.cbo.gov/publication/53519](http://www.cbo.gov/publication/53519); and Glossary, [www.cbo.gov/publication/42904](http://www.cbo.gov/publication/42904).

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	Increases or Decreases (-) in Revenues											
<b>Division A. CHIPS Act of 2022</b>												
Section 107. Advanced Manufacturing Investment Credit	0	-2,993	-5,616	-6,606	-6,908	-2,337	118	65	19	7	-22,123	-24,251
	<b>Net Increase in the Deficit</b>											
	<b>From Changes in Direct Spending and Revenues</b>											
<b>Effect on the Deficit</b>	0	5,318	11,199	14,628	16,341	10,914	6,932	5,668	4,621	3,704	47,486	79,325

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

The bill would specifically authorize the appropriation of about \$200 billion over the 2022-2031 period, primarily for research activities.

The costs of the bill fall within budget functions 050 (national defense), 150 (international affairs), 250 (general science, space, and technology), 270 (energy), 370 (commerce and housing credit), and 750 (administration of justice).

Other provisions in the bill would have insignificant effects on direct spending.

Sections 102, 106, and 107 of division A and section 10003 of division B would specify requirements for the treatment of budgetary effects attributable to sections 102, 106, and 107 of division A and to division B. In keeping with those requirements, and at the direction of the Senate Committee on the Budget, sections 102, 106, and 107 of division A and all provisions of division B are considered authorizing legislation rather than appropriation legislation. As a result, the estimated budgetary effects of those provisions are subject to pay-as-you-go procedures. However, the legislation also requires the estimated budgetary effects stemming from provisions to be excluded from the pay-as-you-go scorecards maintained by the Senate and the Office of Management and Budget.

Section 10253 of division B would preempt state, local, and tribal laws governing the public disclosure of information and records. Specifically, supply chain information that a private entity submits to the database would be exempt from state, local, and tribal public disclosure laws if the statement notes an expectation of nondisclosure. That preemption would be an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). Although the preemption would limit the application of state, local, and tribal laws and regulations, CBO estimates that section 10253 would impose no duty on those governments that would result in additional spending or loss of revenue. Consequently, the cost of the mandate would not exceed the threshold established in UMRA for intergovernmental mandates (\$92 million in 2022, adjusted annually for inflation). The bill contains no private-sector mandates.

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a. Sections 10108 and 10761 of division B would permanently authorize the Department of Energy (DOE) to use alternative financing for research facilities and infrastructure throughout its National Laboratories. CBO assumes such financing to include lease-purchase agreements under which the federal government pays annual rent to a third party and takes ownership of an asset at the end of a lease. Under the legislation, DOE would enter into commitments in advance of appropriations for an asset's full cost. In CBO's view, the costs of such transactions would be classified as 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 over the 2022-2031 period DOE would use the authority provided under sections 10108 and 10761 to finance the construction of facilities with a total value of \$5.9 billion. Based on historical spending patterns, CBO estimates that enacting the sections would increase direct spending by \$3.1 billion over the 2022-2031 period.

Section 10862 would extend through December 31, 2032, the authority of the National Aeronautics and Space Administration to enter into enhanced-use lease agreements. Under current law, the authority to enter into the agreements is set to expire on December 31, 2022. Based on a review of the agency's recently executed agreements, CBO estimates that enacting the section would increase direct spending by \$80 million over the 2022-2031 period.

**Table 3. Estimated Budgetary Effects of Division C of H.R. 4346, as Amended by the Senate and as Posted by the Senate Committee on Commerce, Science, & Transportation on July 20, 2022**
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	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
<b>Increases in Emergency-Designated Discretionary Spending</b>													
<b>Title I (Commerce, Justice, Science)</b>													
Salaries and Expenses, United States Marshals Service													
Budget Authority	10	0	0	0	0	0	0	0	0	0	10	10	
Estimated Outlays	0	9	1	0	0	0	0	0	0	0	10	10	
<b>Title II (Financial Services and General Government)</b>													
Salaries and Expenses, Supreme Court of the United States													
Budget Authority	9	0	0	0	0	0	0	0	0	0	9	9	
Estimated Outlays	0	8	1	0	0	0	0	0	0	0	9	9	
<b>Total Changes in Discretionary Spending</b>													
Budget Authority	19	0	0	0	0	0	0	0	0	0	19	19	
Estimated Outlays	0	17	2	0	0	0	0	0	0	0	19	19	

Source: Congressional Budget Office.

Division C would provide supplemental discretionary appropriations to address threats to the Supreme Court of the United States.

Section 304 of division C would designate the budgetary effects of that division as emergency requirements in keeping with section 4001(a)(1) and section 4001(b) of S. Con. Res. 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022.