

112TH CONGRESS
2^D SESSION

H. R. 3582

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 2012

Received; read twice and referred to the Committee on the Budget

AN ACT

To amend the Congressional Budget Act of 1974 to provide
for macroeconomic analysis of the impact of legislation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Pro-Growth Budgeting
3 Act of 2012”.

4 **SEC. 2. MACROECONOMIC IMPACT ANALYSES.**

5 (a) IN GENERAL.—Part A of title IV of the Congres-
6 sional Budget Act of 1974 is amended by adding at the
7 end the following new section:

8 “MACROECONOMIC IMPACT ANALYSIS OF MAJOR
9 LEGISLATION

10 “SEC. 407. (a) CONGRESSIONAL BUDGET OFFICE.—
11 The Congressional Budget Office shall, to the extent prac-
12 ticable, prepare for each major bill or resolution reported
13 by any committee of the House of Representatives or the
14 Senate (except the Committee on Appropriations of each
15 House), as a supplement to estimates prepared under sec-
16 tion 402, a macroeconomic impact analysis of the budg-
17 etary effects of such bill or resolution for the ten fiscal-
18 year period beginning with the first fiscal year for which
19 an estimate was prepared under section 402 and each of
20 the next three ten fiscal-year periods. Such estimate shall
21 be predicated upon the supplemental projection described
22 in section 202(e)(4). The Director shall submit to such
23 committee the macroeconomic impact analysis, together
24 with the basis for the analysis. As a supplement to esti-
25 mates prepared under section 402, all such information

1 so submitted shall be included in the report accompanying
2 such bill or resolution.

3 “(b) ECONOMIC IMPACT.—The analysis prepared
4 under subsection (a) shall describe the potential economic
5 impact of the applicable major bill or resolution on major
6 economic variables, including real gross domestic product,
7 business investment, the capital stock, employment, inter-
8 est rates, and labor supply. The analysis shall also de-
9 scribe the potential fiscal effects of the bill or resolution,
10 including any estimates of revenue increases or decreases
11 resulting from changes in gross domestic product. To the
12 extent practicable, the analysis should use a variety of eco-
13 nomic models in order to reflect the full range of possible
14 economic outcomes resulting from the bill or resolution.
15 The analysis (or a technical appendix to the analysis) shall
16 specify the economic and econometric models used, sources
17 of data, relevant data transformations, and shall include
18 such explanation as is necessary to make the models com-
19 prehensible to academic and public policy analysts.

20 “(c) DEFINITIONS.—As used in this section—

21 “(1) the term ‘macroeconomic impact analysis’
22 means—

23 “(A) an estimate of the changes in eco-
24 nomic output, employment, interest rates, cap-

1 ital stock, and tax revenues expected to result
2 from enactment of the proposal;

3 “(B) an estimate of revenue feedback ex-
4 pected to result from enactment of the proposal;
5 and

6 “(C) a statement identifying the critical
7 assumptions and the source of data underlying
8 that estimate;

9 “(2) the term ‘major bill or resolution’ means
10 any bill or resolution if the gross budgetary effects
11 of such bill or resolution for any fiscal year in the
12 period for which an estimate is prepared under sec-
13 tion 402 is estimated to be greater than .25 percent
14 of the current projected gross domestic product of
15 the United States for any such fiscal year;

16 “(3) the term ‘budgetary effect’, when applied
17 to a major bill or resolution, means the changes in
18 revenues, outlays, deficits, and debt resulting from
19 that measure; and

20 “(4) the term ‘revenue feedback’ means changes
21 in revenue resulting from changes in economic
22 growth as the result of the enactment of any major
23 bill or resolution.”.

24 (b) CONFORMING AMENDMENT.—The table of con-
25 tents set forth in section 1(b) of the Congressional Budget

1 Act of 1974 is amended by inserting after the item relat-
2 ing to section 406 the following new item:

“Sec. 407. Macroeconomic impact analysis of major legislation.”.

3 **SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-**
4 **TEES.**

5 Section 202(e) of the Congressional Budget Act of
6 1974 is amended by adding at the end the following new
7 paragraphs:

8 “(4)(A) After the President’s budget submis-
9 sion under section 1105(a) of title 31, United States
10 Code, in addition to the baseline projections, the Di-
11 rector shall submit to the Committees on the Budget
12 of the House of Representatives and the Senate a
13 supplemental projection assuming extension of cur-
14 rent tax policy for the fiscal year commencing on
15 October 1 of that year with a supplemental projec-
16 tion for the 10 fiscal-year period beginning with that
17 fiscal year, assuming the extension of current tax
18 policy.

19 “(B) For the purposes of this paragraph, the
20 term ‘current tax policy’ means the tax policy in
21 statute as of December 31 of the current year as-
22 suming—

23 “(i) the budgetary effects of measures ex-
24 tending the Economic Growth and Tax Relief
25 Reconciliation Act of 2001;

1 “(ii) the budgetary effects of measures ex-
2 tending the Jobs and Growth Tax Relief Rec-
3 onciliation Act of 2003;

4 “(iii) the continued application of the alter-
5 native minimum tax as in effect for taxable
6 years beginning in 2011 pursuant to title II of
7 the Tax Relief, Unemployment Insurance Reau-
8 thorization, and Job Creation Act of 2010, as-
9 suming that for taxable years beginning after
10 2011 the exemption amount shall equal—

11 “(I) the exemption amount for taxable
12 years beginning in 2011, as indexed for in-
13 flation; or

14 “(II) if a subsequent law modifies the
15 exemption amount for later taxable years,
16 the modified exemption amount, as indexed
17 for inflation; and

18 “(iv) the budgetary effects of extending the
19 estate, gift, and generation-skipping transfer
20 tax provisions of title III of the Tax Relief, Un-
21 employment Insurance Reauthorization, and
22 Job Creation Act of 2010.

23 “(5) On or before July 1 of each year, the Di-
24 rector shall submit to the Committees on the Budget
25 of the House of Representatives and the Senate, the

1 Long-Term Budget Outlook for the fiscal year com-
2 mencing on October 1 of that year and at least the
3 ensuing 40 fiscal years.”.

Passed the House of Representatives February 2,
2012.

Attest:

KAREN L. HAAS,

Clerk.