
BUDGET WEEK

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HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

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Summarizing budgetary issues in legislation
scheduled for the House floor

16 October 2001

Week of 16 October 2001

SUSPENSION CALENDAR

1) **Recognizing the historic significance of the fiftieth anniversary of the alliance between Australia and the United States under the ANZUS Treaty** (H.Con.Res. 217). 
This resolution has no budgetary implications.

2) **A bill to authorize the President to provide assistance to Pakistan and India through September 30, 2003** (S. 1465). 
The bill provides specific authority for the President to waive restrictions in current law and annual appropriations acts that would otherwise prohibit assistance to the Government of Pakistan. Assistance could be provided from the emergency response fund in Public Law 107-38, the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States. Because of the wide discretion this bill provides to the President to waive current-law restrictions, the Congressional Budget Office [CBO] cannot estimate what effect on spending might occur from this bill.

3) **Internet Tax Nondiscrimination Act** (H.R. 1552). 
This bill extends the moratorium enacted by the Internet Tax Freedom Act through 2006. It prohibits a State or political subdivision from imposing: 1) taxes on Internet access; and 2) during the period beginning on October 1, 1998, and ending on December 31, 2006, multiple or discriminatory taxes on electronic commerce. This bill will not increase direct spending or decrease revenue.

4) **Francis Bardanoue United States Post Office Building Act** (H.R. 2876). 
This bill has no budgetary implications.

5) **Earl T. Shinhoster Post Office Designation Act** (H.R. 2261). 
This bill has no budgetary implications.

6) **Congressman Julian C. Dixon Post Office Building Designation Act** (H.R. 2454). 
This bill has no budgetary implications.

7) **To make permanent the authority to redact financial disclosure statements of judicial employees and judicial officers** (H.R. 2336). 
This bill has no budgetary implications.

8) **Coral Reef and Coastal Marine Conservation Act of 2001** (H.R. 2272). 
The bill amends the Foreign Assistance Act of 1961 to establish in the Department of Treasury the Coral Reef and Other Coastal Marine Resources Facility. It authorizes the President to reduce the amount owed by certain countries to the United States as of 1 January 1999. It also authorizes the President to sell, reduce, or cancel such loans to facilitate a debt-for-nature swap or a debt buyback

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems.

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with a purchaser or country to support activities to conserve, maintain, and restore the country's coral reefs and other coastal resources. The bill authorizes the appropriation of \$10 million a year in 2002-2005 to cover the cost of modifying the debt. CBO estimates that implementing the bill would cost \$37 million over the 2002-2006 period, assuming appropriation of the authorized amounts. The bill would not affect direct spending or receipts and therefore would not be subject to spending-related points of order.

9) **Consequences for Juvenile Offenders Act of 2001** (H.R. 863).

This bill would authorize the appropriation of \$500 million for each of fiscal years 2002 through 2004 for the Attorney General to make grants to State, local, and tribal governments for strengthening the juvenile justice system. Assuming subsequent appropriation of the authorized amounts, CBO estimates that implementing H.R. 863 would cost \$1.5 billion over the 2002-2006 period. The bill would not affect direct spending or receipts.

10) **Homeless Veterans Assistance Act of 2001** (H.R. 2716).

This bill will not increase direct spending or decrease revenue.

LEGISLATION CONSIDERED UNDER A RULE

Bill: **Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2002 Conference Report** (H.R. 2217).

Committee: Appropriations

Summary: This appropriation bill provides budget authority for agencies in the Department of the Interior, conservation, and land management programs. It provides \$19.12 billion in budget authority for fiscal year 2002. Of this amount, \$400 million for wildland fire management is designated as emergency spending pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

Budget Act: After adjusting the suballocation for the \$400 million in emergency-designated funding, this appropriation bill will be below the most recently issued 302(b) allocation.

Bill: **Economic Security and Recovery Act of 2001** (H.R. 3090).

Committee: Ways and Means

Summary: The bill reduces or reforms a number of current tax provisions. Among the major items: a repeal of the Corporate Alternative Minimum Tax, a supplemental rebate for those who did not receive the full rebate enacted previously this year; accelerated implementation, to 2002, of the 25-percent rate bracket; a new Alternative Minimum Tax exemption for individuals; and an increase the deduction of capital losses and simplification of individual capital gains rates. It also would extend various expiring tax provisions.

Budget Act: The bill reduces projected revenue by \$99.5 billion in fiscal year 2002, and by \$195.4 billion over fiscal years 2002-2006. This exceeds the revenue reduction provided for by the current budget resolution both in the 1st year and over the 5-year period covered by the resolution. Section 311 of the Congressional Budget Act established a point of order against any bill reducing revenue more than the level provided for in the budget resolution in the 1st and 5-year period. The bill also increases direct spending by at least \$3 billion over the 5-year period by expanding certain health-related payments to the unemployed. The Ways and Means Committee has already exceeded the allocation of budget authority provided to it by the budget resolution, and this would cause a further breach and violate section 302(f) of the Budget Act. The legislation also violates section 401 of the Budget Act, which prohibits the consideration of legislation creating or expanding an entitlement in the same fiscal year it is brought to the floor. The violation occurs because the bill's health-related provisions would start in fiscal year 2002, which already has begun. [The Budget Committee is preparing a Legislative Update analysis of this bill as well.]