

H.R. 8341, COST ESTIMATES IMPROVEMENT ACT

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Each year, the Congressional Budget Office (CBO) publishes its long-term fiscal and economic outlook, outlining the anticipated interest costs that will be accrued in each year of the budget window. CBO projects that net interest on the debt will reach **\$870 billion in 2024** and **\$1.6 trillion by 2034**.

However, when producing cost estimates for legislation, ***CBO is currently not required to incorporate the associated interest costs*** that will incur as a result of the bill's implementation.

THE PROBLEM

Today, the costs of servicing the public debt ***are not included*** in cost estimates. This omission can lead to an ***incomplete assessment of a bill's financial impact***, underestimating the true long-term cost to taxpayers and the government's fiscal position.

THE SOLUTION: COST ESTIMATES IMPROVEMENT ACT

- ✓ **Enhances** fiscal transparency by incorporating debt servicing costs into legislative cost estimates, ensuring that lawmakers have a more complete understanding of the financial implications of proposed legislation.
- ✓ **Identifies** the true cost of legislation by amending the Congressional Budget Act of 1974 to require that all cost estimates prepared by the CBO and the Joint Committee on Taxation (JCT) include, where practicable, the costs associated with servicing the public debt.
- ✓ **Promotes** informed decision-making by providing a more fulsome and accurate estimate of the potential budgetary impacts, including long-term interest costs to taxpayers, and supports more informed decision-making.
- ✓ **Addresses** fiscal sustainability by including debt servicing costs in cost estimates, underscoring the importance of considering the nation's long-term fiscal health in the legislative process.