



May 10, 2024

Dear Chairman Arrington, Ranking Member Boyle, and members of the committee:

I write in strong support of the Cost Estimates Improvement Act. This bill would give Congress more honest and accurate estimates of the budgetary consequences of legislation by including interest effects.

Members of Congress rely on timely and complete cost estimates from the Congressional Budget Office and the Joint Committee on Taxation to guide legislative decisions. CBO and JCT's traditional practice of excluding interest effects from cost estimates is increasingly untenable. The federal debt burden is high and rising. It drags on economic opportunity while pushing inflation and interest rates higher.

Including interest effects would provide a more comprehensive account of legislation. It would highlight the dead weight of proposals with new borrowing that increasingly competes with other spending and revenue priorities.

This information is especially important for determining whether legislation is fully offset. In particular, giveaways now and purported takeaways later seldom match up after accounting for interest effects.

Working for a House member, I once raised this concern about a bill with a committee staffer. He dismissed it, saying "we don't count that." My boss decided based on facts, not scoring conventions. He voted against that not-fully-paid-for bill.

The CBO already provides an interactive tool for calculating interest effects on its website. Commenting on a related bill in 2015, a senior JCT staffer stated that it would be easy to produce such information.

Congress must grapple with reality. It should require the CBO and JCT to include interest effects in cost estimates. This would support Congress' vital role in managing all areas of the budget while helping members better understand new proposals.

We thank you for taking up the Cost Estimates Improvement Act. We urge all members of the House Budget Committee to support this legislation as another useful step on the long road back to responsible budgeting.

Sincerely,

Kurt Couchman
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Americans for Prosperity