H.R.3578

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 Balanced Budget and Emergency Deficit Control Act of 1985 to reform the budget baseline.

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

SECTION 1. SHORT TITLE.

- This Act may be cited as the "Baseline Reform Act
- 3 of 2012".
- 4 SEC. 2. THE BASELINE.
- 5 Section 257 of the Balanced Budget and Emergency
- 6 Deficit Control Act of 1985 is amended to read as follows:
- 7 "SEC. 257. THE BASELINE.
- 8 "(a) IN GENERAL.—(1) For any fiscal year, the base-
- 9 line refers to a projection of current-year levels of new
- 10 budget authority, outlays, or receipts and the surplus or
- 11 deficit for the current year, the budget year, and the ensu-
- 12 ing nine outyears based on laws enacted through the appli-
- 13 cable date.
- 14 "(2) The baselines referred to in paragraph (1) shall
- 15 be prepared annually.
- 16 "(b) Direct Spending and Receipts.—For the
- 17 budget year and each outyear, estimates for direct spend-
- 18 ing in the baseline shall be calculated as follows:
- 19 "(1) IN GENERAL.—Laws providing or creating
- 20 direct spending and receipts are assumed to operate
- in the manner specified in those laws for each such
- year and funding for entitlement authority is as-
- sumed to be adequate to make all payments required
- by those laws.
- 25 "(2) Exceptions.—(A)(i) No program estab-
- lished by a law enacted on or before the date of en-

- 1 actment of the Balanced Budget Act of 1997 with 2 estimated current year outlavs greater than 3 \$50,000,000 shall be assumed to expire in the budget year or the outyears. The scoring of new pro-5 with estimated outlays grams greater 6 \$50,000,000 a year shall be based on scoring by the Committees on the Budget or OMB, as applicable. 7 8 OMB, CBO, and the Committees on the Budget 9 shall consult on the scoring of such programs where 10 there are differences between CBO and OMB.
 - "(ii) On the expiration of the suspension of a provision of law that is suspended under section 171 of Public Law 104–127 and that authorizes a program with estimated fiscal year outlays that are greater than \$50,000,000, for purposes of clause (i), the program shall be assumed to continue to operate in the same manner as the program operated immediately before the expiration of the suspension.
 - "(B) The increase for veterans' compensation for a fiscal year is assumed to be the same as that required by law for veterans' pensions unless otherwise provided by law enacted in that session.
 - "(C) Excise taxes dedicated to a trust fund, if expiring, are assumed to be extended at current rates.

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- "(D) If any law expires before the budget year or any outyear, then any program with estimated current year outlays greater than \$50,000,000 that operates under that law shall be assumed to continue to operate under that law as in effect immediately before its expiration.
- 7 "(3) Hospital insurance trust fund.—
 8 Notwithstanding any other provision of law, the re9 ceipts and disbursements of the Hospital Insurance
 10 Trust Fund shall be included in all calculations re11 quired by this Act.
- "(c) DISCRETIONARY SPENDING.—For the budget year and each of the nine ensuing outyears, the baseline shall be calculated using the following assumptions regarding all amounts other than those covered by subsection (b):
 - "(1) ESTIMATED APPROPRIATIONS.—Budgetary resources other than unobligated balances shall be at the level provided for the budget year in full-year appropriation Acts. If for any account a full-year appropriation has not yet been enacted, budgetary resources other than unobligated balances shall be at the level available in the current year.
- 24 "(2) Current-year appropriations.—If, for 25 any account, a continuing appropriation is in effect

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- for less than the entire current year, then the cur-
- 2 rent-year amount shall be assumed to equal the
- amount that would be available if that continuing
- 4 appropriation covered the entire fiscal year. If law
- 5 permits the transfer of budget authority among
- 6 budget accounts in the current year, the current-
- 7 year level for an account shall reflect transfers ac-
- 8 complished by the submission of, or assumed for the
- 9 current year in, the President's original budget for
- the budget year.
- 11 "(d) UP-TO-DATE CONCEPTS.—In calculating the
- 12 baseline for the budget year or each of the nine ensuing
- 13 outyears, current-year amounts shall be calculated using
- 14 the concepts and definitions that are required for that
- 15 budget year.
- 16 "(e) Asset Sales.—Amounts realized from the sale
- 17 of an asset shall not be included in estimates under section
- 18 251, 251A, 252, or 253 of this part or section 5 of the
- 19 Statutory Pay-As-You-Go Act of 2010 if that sale would
- 20 result in a financial cost to the Government as determined
- 21 pursuant to scorekeeping guidelines.".

1	SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-
2	TEES.
3	Section 202(e) of the Congressional Budget Act of
4	1974 is amended by adding at the end the following new
5	paragraphs:
6	"(4)(A) After the President's budget submis-
7	sion under section 1105(a) of title 31, United States
8	Code, in addition to the baseline projections, the Di-
9	rector shall submit to the Committees on the Budget
10	of the House of Representatives and the Senate a
11	supplemental projection assuming extension of cur-
12	rent tax policy for the fiscal year commencing on
13	October 1 of that year with a supplemental projec-
14	tion for the 10 fiscal-year period beginning with that
15	fiscal year, assuming the extension of current tax
16	policy.
17	"(B) For the purposes of this paragraph, the
18	term 'current tax policy' means the tax policy in
19	statute as of December 31 of the current year as-
20	suming—
21	"(i) the budgetary effects of measures ex-
22	tending the Economic Growth and Tax Relief
23	Reconciliation Act of 2001;
24	"(ii) the budgetary effects of measures ex-
25	tending the Jobs and Growth Tax Relief Rec-
26	onciliation Act of 2003;

1	"(iii) the continued application of the alter-
2	native minimum tax as in effect for taxable
3	years beginning in 2011 pursuant to title II of
4	the Tax Relief, Unemployment Insurance Reau-
5	thorization, and Job Creation Act of 2010, as-
6	suming that for taxable years beginning after
7	2011 the exemption amount shall equal—
8	"(I) the exemption amount for taxable
9	years beginning in 2011, as indexed for in-
10	flation; or
11	"(II) if a subsequent law modifies the
12	exemption amount for later taxable years,
13	the modified exemption amount, as indexed
14	for inflation; and
15	"(iv) the budgetary effects of extending the
16	estate, gift, and generation-skipping transfer
17	tax provisions of title III of the Tax Relief, Un-
18	employment Insurance Reauthorization, and
19	Job Creation Act of 2010.
20	"(5) On or before July 1 of each year, the Di-
21	rector shall submit to the Committees on the Budget
22	of the House of Representatives and the Senate, the
23	Long-Term Budget Outlook for the fiscal year com-

- 1 mencing on October 1 of that year and at least the
- 2 ensuing 40 fiscal years.".

Passed the House of Representatives February 3, 2012.

Attest: KAREN L. HAAS,

Clerk.