H. R. 1302

To make the Federal budget process more transparent and to make future budgets more sustainable.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2011

Mr. QUIGLEY (for himself, Mr. PETERS, Mr. HIMES, and Mr. POLIS) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committees on Rules and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To make the Federal budget process more transparent and to make future budgets more sustainable.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Transparent and Sustainable Budget Act of 2011”.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
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Subtitle E—Studies To Improve the Use of IRS Data in Evaluating Tax Expenditures

Sec. 541. GAO report on tax expenditures.

Subtitle F—Executive Branch Reporting of Tax Expenditures

Sec. 551. Executive branch reporting of tax expenditures.

SEC. 2. PURPOSE.

The Congress declares that it is essential—

(1) to establish the sustainability of public debt and annual deficits as a fundamental objective of the budget process;

(2) to ensure that the budget of the United States Government is fully transparent, comprehensible, and accurate;

(3) to establish effective controls over tax expenditures and to integrate them into the budget process; and

(4) to initiate a public discussion about fiscal sustainability and budget transparency.

TITLE I—RECEIPT FOR TAXPAYERS

SEC. 101. PROVISION OF TAXPAYER RECEIPT.

(a) In General.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:
“SEC. 7529. TAXPAYER RECEIPT.

“(a) IN GENERAL.—Not later than October 15, 2012, and annually thereafter, the Secretary shall provide via United States mail a Tax Receipt to each taxpayer (other than a trust, estate, partnership, or corporation) who made a return with respect to income taxes under chapter 1 for the preceding taxable year and for whom a current mailing address can be determined through such methods as the Secretary determines to be appropriate.

“(b) TAX RECEIPT.—For purposes of this section, each Tax Receipt shall—

“(1) state the amount of taxes paid (even if $0) and refund made to the taxpayer and state (by each filing status specified in subsections (a) through (d) of section 1) the average amount of tax paid by taxpayers in each tax bracket, and

“(2) contain a table listing—

“(A) each of the spending categories described in subsection (c),

“(B) with respect to each spending category described in subsection (c)—

“(i) the ratio (expressed as a percentage) which bears the same percentage of the taxpayer’s income tax liability for the preceding taxable year to such category as the ratio that such category bears to the
total of the spending categories described
in subsection (e) for the fiscal year ending
in the preceding taxable year, and

“(ii) the proportional amount (ex-
pressed in dollars) of the taxpayer’s income
tax liability spent on that category, and

“(C) the percentage change the results
under clauses (i) and (ii) of subparagraph (B)
are from the preceding year (expressed in
positives and negatives),

“(3) contain a table listing—

“(A) each of the spending categories de-
scribed in subsection (e),

“(B) the percentage each such category is
of the total Federal outlays for the fiscal year
ending in the preceding taxable year and the
dollar amount of each such category, and

“(C) the percentage change the results
under subparagraph (B) are from the preceding
year (expressed in positives and negatives),

“(4) contain a table of the 10 most costly tax
expenditures, and the cost of such expenditures, with
respect to individuals (not corporations) for the fis-
cal year ending in the preceding taxable year,
“(5) contain the annual budget review described in subsection (e),

“(6) contain the graphs described in paragraphs (1) and (2) of section 7523(a) for the fiscal year ending in the preceding taxable year,

“(7) be not more than 4 pages in length, and

“(8) contain the Internet address of the website of the Department of the Treasury described in subsection (f).

“(c) SPENDING CATEGORY.—

“(1) IN GENERAL.—A spending category referred to in this subsection is one of the following:

“(A) Administration of Justice.

“(B) Agriculture.

“(C) Allowances.

“(D) Commerce and Housing Credit.

“(E) Community and Regional Development.


“(G) Energy.

“(H) General Science, Space, and Technology.

“(I) General Government.

“(J) Health.
“(K) Income Security.

“(L) International Affairs.

“(M) International Development and Humanitarian Assistance.

“(N) Medicare.

“(O) Medicaid.

“(P) National Defense.

“(Q) Natural Resources and Environment.

“(R) Net Interest on the National Debt.

“(S) Ongoing military operation authorized under a formal declaration of war by Congress or resolution passed by the United Nations Security Council, including Operation New Dawn, Operation Iraqi Freedom, and Operation Enduring Freedom, with each such military operation listed as a separate spending category.

“(T) Salaries and Benefits for Members of Congress.

“(U) Social Security.

“(V) Transportation.

“(W) Undistributed Offsetting Receipts.

“(X) Veterans Benefits and Services.

“(2) Rules relating to appropriate spending categories.—
“(A) **IN GENERAL.**—For purposes of paragraph (1)—

“(i) the spending categories shall be set forth in order of cost, with the greatest expense stated first, and

“(ii) each spending category shall have a one sentence, general description of the programs, projects, and activities comprising that spending category.

“(B) **PROGRAMS, PROJECTS, AND ACTIVITIES.**—The Secretary shall assign each Federal program, project, or activity to one of the categories described in paragraph (1). Once assigned, the program, project, or activity cannot be moved to a different spending category in subsequent years. If a program, project, or activity changes in material substance, the Secretary may, in consultation with Congress, move the program, project, or activity to the appropriate spending category.

“(d) **TAX EXPENDITURES.**—For purposes of this section, the term ‘tax expenditure’ shall have the meaning given such term by section 3(3) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621).
“(e) ANNUAL BUDGET REVIEW.—The annual budget review described in this subsection with respect to a fiscal year shall be prepared by the Secretary in consultation with the Congressional Budget Office and shall—
"(1) use the budget projections prepared by the Congressional Budget Office, and
"(2) include—
"(A) an estimate of total Federal receipts and outlays for the current fiscal year,
"(B) actual Federal receipts and outlays for the preceding 5 fiscal years, and
"(C) projections of Federal receipts and outlays for the succeeding 10 fiscal years.

“(f) RULE RELATING TO NONRESIDENT ALIENS.—Subsection (a) shall not apply to an individual who is a nonresident alien (within the meaning of section 7701(b)(1)(B)).

“(g) WEBSITE.—
"(1) IN GENERAL.—The website referred to in this subsection is a website on which a taxpayer can input his Federal income tax liability and see more detailed information concerning each of the categories contained in his Tax Receipt.
“(2) Period for maintaining tax receipts.—The website shall maintain a copy of the receipt for each taxpayer for the previous 5 years.

“(3) Protection of taxpayer information.—In making information available on a website pursuant to this section, the Secretary shall ensure proper access to online taxpayer records and shall protect the security and privacy of taxpayer information online.”.

(b) Clerical Amendment.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

“Sec. 7529. Taxpayer receipt.”.

(e) Effective Date.—The amendments made by this section shall apply to returns for taxable years beginning after December 31, 2010.

TITLE II—RETURN TO RESPONSIBLE BUDGET RULES

SEC. 201. RESTORING HOUSE PAYGO RULE.

Clause 10 of rule XXI of the Rules of the House of Representatives is amended to read as follows:

“10.(a)(1) Except as provided in paragraphs (b) and (c), it shall not be in order to consider any bill, joint resolution, amendment, or conference report if the provisions of such measure affecting direct spending and revenues have the net effect of increasing the on-budget deficit or
reducing the on-budget surplus for the period comprising either—

“(A) the current year, the budget year, and the four years following that budget year; or

“(B) the current year, the budget year, and the nine years following that budget year.

“(2) The effect of such measure on the deficit or surplus shall be determined on the basis of estimates made by the Committee on the Budget relative to baseline estimates supplied by the Congressional Budget Office consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 and consistent with sections 3(4), 3(8), and 4(e) of the Statutory Pay-As-You-Go Act of 2010.

“(3) For the purpose of this clause, the terms ‘budget year’, ‘current year’, and ‘direct spending’ have the meanings specified in section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985, except that the term ‘direct spending’ shall also include provisions in appropriation Acts that make outyear modifications to substantive law as described in section 3(4)(C) of the Statutory Pay-As-You-Go Act of 2010.

“(b) If a bill, joint resolution, or amendment is considered pursuant to a special order of the House directing the Clerk to add as new matter at the end of such measure
the provisions of a separate measure as passed by the House, the provisions of such separate measure as passed by the House shall be included in the evaluation under paragraph (a) of the bill, joint resolution, or amendment.

“(c)(1) Except as provided in subparagraph (2), the evaluation under paragraph (a) shall exclude a provision expressly designated as an emergency for purposes of pay-as-you-go principles in the case of a point of order under this clause against consideration of—

“(A) a bill or joint resolution;

“(B) an amendment made in order as original text by a special order of business;

“(C) a conference report; or

“(D) an amendment between the Houses.

“(2) In the case of an amendment (other than one specified in subparagraph (1)) to a bill or joint resolution, the evaluation under paragraph (a) shall give no cognizance to any designation of emergency.

“(3) If a bill, a joint resolution, an amendment made in order as original text by a special order of business, a conference report, or an amendment between the Houses includes a provision expressly designated as an emergency for purposes of pay-as-you-go principles, the Chair shall put the question of consideration with respect thereto.”.
SEC. 202. REMOVING AUTHORITY OF BUDGET CHAIRMAN TO UNILATERALLY SET SPENDING LIMITS.

Section 3(b) of H. Res. 5 (relating to budget enforcement powers of chair of the Committee on the Budget) shall have no force or effect during the remainder of the 112th Congress.

TITLE III—MORE TRANSPARENCY AND BETTER ACCOUNTING FOR LONG-TERM SPENDING

Subtitle A—CBO and JCT Descriptive Analyses for Second Decade Budget Impact and Net Present Value Estimates for Any Costs Escalate Outside 10-Year Budget Window

SEC. 301. CBO AND JCT DESCRIPTIVE ANALYSES FOR SECOND DECADE BUDGET IMPACT.

(a) CBO.—Section 402 of the Congressional Budget Act of 1974 is amended by inserting “(a)” after “402.”, by striking the last sentence, and by adding at the end the following new subsections:

“(b) Whenever the Director of the Congressional Budget Office submits a cost estimate under subsection (a) of a bill or resolution, the Director shall also provide
a descriptive analysis for the second decade budget impact of such bill or resolution.

“(c) The estimates, comparison, and description so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.”.

(b) JCT.—Section 202(f) of the Congressional Budget Act of 1974 is amended by inserting “(1)” after “REVENUE ESTIMATES.” and by adding at the end the following new paragraph:

“(2) Whenever the Joint Committee on Taxation provides revenue estimates to the Congressional Budget Office under paragraph (1), the Joint Committee on Taxation shall also provide a descriptive analysis for the second decade budget impact.”.

SEC. 302. CBO AND JCT NET PRESENT VALUE ESTIMATES.

(a) CBO.—Section 402 of the Congressional Budget Act of 1974 (as amended by section 301) is further amended by adding at the end the following new subsection:

“(d) Whenever the Director of the Congressional Budget Office submits a cost estimate under subsection (a) of a bill or resolution, the Director shall also provide a net present value estimate for costs outside the first 10-year budget window of such bill or resolution.”.
(b) JCT.—Section 202(f) of the Congressional Budget Act of 1974 (as amended by section 301) is further amended by adding at the end the following new paragraph:

“(3) Whenever the Joint Committee on Taxation provides revenue estimates to the Congressional Budget Office under paragraph (1), the Joint Committee on Taxation shall also provide a net present value estimate for costs outside the first 10-year budget window.”.

Subtitle B—OMB Reports on Unbudgeted Fiscal Exposures

SEC. 311. OMB REPORTS ON UNBUDGETED FISCAL EXPOSURES.

Not later than July 1 of each year, the Director of the Office of Management and Budget, in conjunction with the Secretary of the Treasury, shall publish a report on the size, scope, risk, and cost of the contingent liabilities of the Government, including the implicit guarantees to government sponsored enterprises such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.
Subtitle C—Accrual Accounting Report

SEC. 321. ACCRUAL ACCOUNTING REPORT.

(a) ACCRUAL-BASED ACCOUNTING SYSTEM.—The Director of the Office of Management and Budget shall develop a proposal for the implementation of an accrual-based accounting system for certain portions of the budget, excluding—

(1) insurance;
(2) environmental liabilities;
(3) Federal employee pensions;
(4) retiree health benefits; and
(5) other budget items where accrual-based accounting would feasibly capture significant future cash resource requirements that are not reflected in the cash-based budget; where appropriate and reasonable.

(b) REPORT.—Within one year of the date of enactment of this Act, the Director of the Office of Management and Budget shall submit a report to Congress setting forth the legislation necessary for the implementation of an accrual-based accounting system for part of the budget, along with any recommendations regarding its proposed legislation.
TITLE IV—RENEWED BUDGET PROCESS EMPHASIS ON FISCAL SUSTAINABILITY

Subtitle A—Reform of the President’s Budget

SEC. 401. LONG-TERM FISCAL RESPONSIBILITY.

Section 1105 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(i)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall include—

“(A) a scorecard of progress in meeting the debt and deficit reduction targets set forth in subparagraph (B);

“(B) a plan for long-term fiscal sustainability, defined as reducing to within 10 fiscal years and then maintaining a debt to potential gross domestic product (GDP) ratio, as defined by the Director of the Office of Management and Budget, of not more than 60 percent and an annual deficit to GDP ratio of not more than three percent;

“(C) a supplemental report from the Director of the Office of Management and Budget of the non-budgeted fiscal exposures of the Government, which
may be included in the Analytical Perspectives report, and shall include—

“(i) explicit liabilities and implicit promises embedded in the structure of current programs, including Federal credit programs; and

“(ii) a concise description of, including cost information for, such exposures; and

“(D) explicit goals for carrying out the long-term fiscal sustainability plan for the first fiscal year after the fiscal year of the budget submission and each of the nine ensuing fiscal years.

“(2) Unless the supplemental report is included in the Analytical Perspectives report referred to in paragraph (1)(C), then not later than March 15 of each calendar year, the Director of the Office of Management and Budget shall transmit such report to the President and to Congress.

“(3) Not later than two months after the supplemental report referred to in paragraph (1)(C) is transmitted to the President and to Congress, the Comptroller General shall publish a report auditing the supplemental report referred to in paragraph (1)(C).”.
Subtitle B—Reform of the Congressional Budget Resolution

SEC. 411. LONG-TERM FISCAL RESPONSIBILITY.

(a) CONTENT OF CONGRESSIONAL BUDGET RESOLUTION.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(j) ADDITIONAL MATTERS IN REPORT ACCOMPANYING THE RESOLUTION.—The report accompanying the resolution shall include—

“(1) a scorecard of progress in meeting the debt and deficit reduction targets set forth in paragraph (2); and

“(2) a plan for long-term fiscal sustainability, defined as reducing to within 10 fiscal years and then maintaining a debt to gross domestic product (GDP) ratio of not more than 60 percent and an annual deficit to GDP ratio of not more than three percent.”.

(b) ADDITIONAL MATTERS IN CBO REPORTS TO BUDGET COMMITTEES.—Section 202(e) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

“(4) On or before February 15 of each year, the Director shall submit to the Committees on the
Budget of the House of Representatives and the Senate, a report that includes an assessment of the plan for long-term fiscal sustainability set forth in section 1105(i)(1) of title 31, United States Code, and include it in the most recent budget submission of the President, pursuant to subsection (a) of that section. When such plan is submitted to the Committees on the Budget, the Director shall place it on the public Web site of the Congressional Budget Office.”

Subtitle C—Quadrennial Fiscal Sustainability Report

SEC. 421. OMB QUADRENNIAL REPORTS.

The Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury, shall publically issue, including by publishing on its Web site, a Quadrennial Fiscal Sustainability Report not later than April 1, 2013, and April 1 of every fourth year thereafter. The report shall address the long-term fiscal sustainability of the Government, including its ability to manage finances to meet spending commitments, with a detailed analysis of social insurance programs, for the budget year and for the 30-year period commencing with the budget year.
Subtitle D—Presidential Address to Congress on Fiscal Sustainability

SEC. 431. PRESIDENTIAL ADDRESS ON LONG-TERM FISCAL SUSTAINABILITY.

During October 2011 and each October thereafter, there shall be convened a joint session of Congress at which the President shall be invited to give an address on the long-term fiscal sustainability of the Government. As used in the preceding sentence, the term “long-term fiscal sustainability” means the ability of the Government to achieve and then maintain a debt to gross domestic product ratio of not more than 60 percent and an annual deficit to gross domestic product ratio of not more than 3 percent.

TITLE V—MORE OVERSIGHT OF TAX EXPENDITURES

Subtitle A—Identification of Tax Expenditures

SEC. 501. JCT REPORTS ON TAX EXPENDITURES.

Section 202(f) of the Congressional Budget Act of 1974 is amended by inserting “(1)” before “For” and by adding at the end the following new paragraph:

“(2) Reports to Congress by the Joint Committee on Taxation identifying tax expenditures shall also—
“(A) include an aggregate net cost of tax expenditures that estimates the net impact of all tax expenditures on tax revenues, taking into account, where possible, interaction between such tax expenditures; and

“(B) compare this aggregate net cost with the total revenue currently raised by the Internal Revenue Code of 1986.”.

SEC. 502. DEFINITION OF TAX SUBSIDY.

Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end the following new paragraph:

“(11) The term ‘tax subsidy’ means those tax expenditures that are deliberately inconsistent with an identifiable general rule of the present tax law, and that collect less revenue than does the general rule.”.

Subtitle B—Enforcement of Tax Expenditure Requirements

SEC. 511. TAX EXPENDITURE POINTS OF ORDER.

Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

“TAX EXPENDITURE POINTS OF ORDER

“Sec. 316. (a) TAX EXPENDITURE POINT OF ORDER.—(1) It shall not be in order in the House of Representa-
olution reported by the Committee on Ways and Means of the House or the Committee on Finance of the Senate that proposes to amend the Internal Revenue Code of 1986 to establish a new tax expenditure unless the committee report includes—

“(A) a clear statement of the purpose of the tax expenditure, including a justification of why this purpose is best achieved through the tax system rather than as an outlay;

“(B) an explanation of how the tax expenditure will be implemented and integrated with other related tax expenditures and outlays;

“(C) a macroeconomic impact analysis; and

“(D) a statement from the Joint Committee on Taxation explaining why a macroeconomic analysis is not calculable.

“(2) As used in paragraph (1), the term ‘macroeconomic impact analysis’ means—

“(A) an estimate prepared by the Joint Committee on Taxation of the changes in economic output, employment, capital stock, and tax revenues expected to result from enactment of the applicable bill or joint resolution; and
“(B) a statement from the Joint Committee on Taxation identifying the critical assumptions and the source of data underlying that estimate.”.

Subtitle C—Point of Order Against Tax Expenditures Unless They Sunset Within Ten Years

SEC. 521. POINT OF ORDER REGARDING TAX EXPENDITURES.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

“(g) TAX EXPENDITURES POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, or motion—

“(1) establishing a new tax expenditure unless that tax expenditure terminates within ten years; or

“(2) extending an existing tax expenditure for more than ten years.”.

(b) CONFORMING AMENDMENT.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are each amended by inserting “312(g),” after “310(d)(2),”.

Subtitle D—Tax Expenditure

Performance Reviews

SEC. 531. TAX EXPENDITURE PERFORMANCE REVIEWS.

(a) Performance Review Schedule and Reports.—(1) The Secretary of the Treasury (hereinafter in this section referred to as the “Secretary”), in conjunction with the Director of the Office of Management and Budget (hereinafter in this section referred to as the “Director”), shall conduct performance reviews of tax expenditures, as identified by the Joint Committee on Taxation, on an ongoing basis. The Secretary shall develop the schedule for these reviews, such that each tax expenditure is reviewed at least once in every four-year period. A four-year schedule shall be submitted by the Secretary to Congress and to the Director during January of each calendar year.

(2) Within three months after the enactment of any new tax expenditure, the Secretary shall revise the most recent four-year schedule of tax expenditure performance reviews and submit them to Congress and to the Director.

(3) Not later than one year after the enactment of this Act, the Secretary shall have submitted to Congress and to the Director the first four-year schedule and begin the first performance reviews under paragraph (1).
(4) The Secretary shall endeavor to develop a four-year schedule that provides for the simultaneous review of tax expenditures that have similar policy objectives.

(b) Reports.—

(1) The Secretary shall report each of its performance reviews of tax expenditures to Congress and to the Director in quarterly reports and containing all of the performance reviews conducted since the preceding report.

(2) The Secretary may conduct expedited performance reviews for any tax expenditure that has an estimated annual fiscal impact of less than $1 billion, annually adjusted for inflation, unless the Director requests or the chairs and ranking minority members of the Committees on the Budget of the House of Representatives and the Senate jointly request, in writing, a full review.

(3) Each performance review, except for expedited performance reviews, shall include the following explanations, descriptions, estimates, analyses, and recommendations:

(A) An explanation of the tax expenditure and any relevant economic, social, or other context under which it was first enacted.
(B) A description of the intended purpose of the tax expenditure.

(C) An analysis of the overall success of the tax expenditure in achieving such purpose, and evidence supporting such analysis.

(D) An analysis of the extent to which further extending the tax expenditure, or making it permanent, would contribute to achieving such purpose.

(E) A description of the direct and indirect beneficiaries of the tax expenditure, also specifying—

(i) any unintended beneficiaries of the tax expenditure;

(ii) the classes of individuals, types of organizations, or types of industries whose Federal tax liabilities are directly affected by the tax expenditure;

(iii) the extent to which terminating the tax expenditure may have negative effects on the category of taxpayers that currently benefit from the tax preference and on the economy; and

(iv) the extent to which the termination of the tax expenditure would affect
the distribution of liability for payments of Federal taxes.

(F) An analysis of whether the tax expenditure is the most cost-effective method for achieving the purpose for which it was intended, and a description of any more cost-effective methods through which such purpose could be accomplished, and in particular the extent to which a direct spending program might be preferable to a tax expenditure, including—

(i) whether an outlay program might achieve the same policy objectives as a tax expenditure;

(ii) whether an outlay program might reduce deadweight losses and improve economic efficiency in the national economy; and

(iii) whether a direct spending program might be more or less expense to administer.

(G) A description of any unintended effects of the tax expenditure that is useful in understanding the tax expenditure’s overall value.

(H) A description of any interactions (actual or potential) with other tax expenditures or
direct spending programs in the same or related budget function that should be studied further.

(I) An estimate of the annual cost in foregone revenues of the tax expenditure, as well as a projection of the cost in foregone revenues for the ensuing ten fiscal years.

(J) A description of any further information needed to complete a more thorough examination and analysis of the tax expenditure, and what is necessary to make such information available.

(K) A specific recommendation, based on analysis conducted in the performance review, as to whether the tax expenditure should be continued without modification, modified (including converted fully or partly into a direct spending program), scheduled for sunset, reviewed at a later date, or terminated immediately. The Secretary may decline to provide a specific recommendation, but in each such case shall provide an explanation of why a recommendation has not been given.

(4) An expedited performance review shall include at least the explanations, descriptions, estimates, analyses, and recommendations as listed in
subparagraphs (A), (B), (C), (D), (I), (J), and (K) of paragraph (3).

(c) COMMITTEE HEARINGS.—Not later than 60 days after the submission of any performance review report under subsection (b), the Committees on Ways and Means of the House of Representatives and the Committee on Finance of the Senate shall hold public hearings to consider the performance review recommendations contained in that report. The Committees on the Budget of the House of Representatives and the Senate may also hold hearings on such performance review recommendations.

(d) CBO COMMENTS.—Not later than 60 days after submission of a performance review report pursuant to section 204(b) of the Congressional Budget Act of 1974, the Director of the Congressional Budget Office shall provide to Congress, the Secretary, and the Director detailed, written comments on the performance review recommendations, stating whether the Director of the Congressional Budget Office agrees or disagrees with all or any part of the report or, if no opinion is given, providing an explanation of why he has no opinion or has not given one.
Subtitle E—Studies To Improve the Use of IRS Data in Evaluating Tax Expenditures

SEC. 541. GAO REPORT ON TAX EXPENDITURES.

(a) Report Required.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress and publish a written report that assesses improvements the Internal Revenue Service could make to facilitate the evaluation of tax expenditures, including a description of how the improvements could be implemented and the potential effects of such improvements on the Internal Revenue Service, taxpayers, and other relevant parties determined by the Comptroller General.

(b) Tax Expenditures Defined.—The term “tax expenditures” has the meaning given that term in section 3(3) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(3)).

Subtitle F—Executive Branch Reporting of Tax Expenditures

SEC. 551. EXECUTIVE BRANCH REPORTING OF TAX EXPENDITURES.

(a) OMB Guidance Regarding Tax Expenditures.—The Director of the Office of Management and Budget shall develop clear and consistent guidance to
agencies on how to incorporate tax expenditures in their strategic plans, annual performance plans, and performance and accountability reports, to provide a broader perspective and more cohesive plan of the Government’s goals and strategies.

(b) REPORTING OF TAX EXPENDITURE DATA.—The Director of the Office of Management and Budget shall require agencies to report tax expenditure data related to their overall mission in their annual financial statements.

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

(1) the term “agency” has the meaning given to such term in paragraph (1) of section 551 of title 5, United States Code; and

(2) the term “tax expenditure” has the meaning given to such term in paragraph (3) of section 3 of the Congressional Budget and Impoundment Control Act of 1974.