

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 1874

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## AN ACT

To amend the Congressional Budget Act of 1974 to provide  
for macroeconomic analysis of the impact of legislation.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Pro-Growth Budgeting  
3 Act of 2014”.

4 **SEC. 2. MACROECONOMIC IMPACT ANALYSES.**

5 (a) IN GENERAL.—Part A of title IV of the Congres-  
6 sional Budget Act of 1974 is amended by adding at the  
7 end the following new section:

8 “MACROECONOMIC IMPACT ANALYSIS OF MAJOR  
9 LEGISLATION

10 “SEC. 407. (a) CONGRESSIONAL BUDGET OFFICE.—  
11 The Congressional Budget Office shall, to the extent prac-  
12 ticable, prepare for each major bill or resolution reported  
13 by any committee of the House of Representatives or the  
14 Senate (except the Committee on Appropriations of each  
15 House), as a supplement to estimates prepared under sec-  
16 tion 402, a macroeconomic impact analysis of the budg-  
17 etary effects of such bill or resolution for the ten fiscal-  
18 year period beginning with the first fiscal year for which  
19 an estimate was prepared under section 402 and each of  
20 the next three ten fiscal-year periods. The Director shall  
21 submit to such committee the macroeconomic impact anal-  
22 ysis, together with the basis for the analysis. As a supple-  
23 ment to estimates prepared under section 402, all such  
24 information so submitted shall be included in the report  
25 accompanying such bill or resolution.

1       “(b) ECONOMIC IMPACT.—The analysis prepared  
2 under subsection (a) shall describe the potential economic  
3 impact of the applicable major bill or resolution on major  
4 economic variables, including real gross domestic product,  
5 business investment, the capital stock, employment, inter-  
6 est rates, and labor supply. The analysis shall also de-  
7 scribe the potential fiscal effects of the bill or resolution,  
8 including any estimates of revenue increases or decreases  
9 resulting from changes in gross domestic product. To the  
10 extent practicable, the analysis should use a variety of eco-  
11 nomic models in order to reflect the full range of possible  
12 economic outcomes resulting from the bill or resolution.  
13 The analysis (or a technical appendix to the analysis) shall  
14 specify the economic and econometric models used, sources  
15 of data, relevant data transformations, and shall include  
16 such explanation as is necessary to make the models com-  
17 prehensible to academic and public policy analysts.

18       “(c) REPORTING ON ACCURACY OF MACROECONOMIC  
19 IMPACT ANALYSES.—Upon completion of the fifth fiscal  
20 year beginning after the date of enactment of any major  
21 bill or joint resolution for which the Congressional Budget  
22 Office prepared an analysis under subsection (a), the Con-  
23 gressional Budget Office shall report on the accuracy of  
24 the original macroeconomic impact analysis of such en-  
25 acted bill or joint resolution and submit these reports to

1 the Committees on the Budget of the House of Represent-  
2 atives and the Senate.

3 “(d) DEFINITIONS.—As used in this section—

4 “(1) the term ‘macroeconomic impact analysis’  
5 means—

6 “(A) an estimate of the changes in eco-  
7 nomic output, employment, interest rates, cap-  
8 ital stock, and tax revenues expected to result  
9 from enactment of the proposal;

10 “(B) an estimate of revenue feedback ex-  
11 pected to result from enactment of the proposal;  
12 and

13 “(C) a statement identifying the critical  
14 assumptions and the source of data underlying  
15 that estimate;

16 “(2) the term ‘major bill or resolution’ means  
17 any bill or resolution if the gross budgetary effects  
18 of such bill or resolution for any fiscal year in the  
19 period for which an estimate is prepared under sec-  
20 tion 402 is estimated to be greater than .25 percent  
21 of the current projected gross domestic product of  
22 the United States for any such fiscal year;

23 “(3) the term ‘budgetary effect’, when applied  
24 to a major bill or resolution, means the changes in

1 revenues, outlays, deficits, and debt resulting from  
2 that measure; and

3 “(4) the term ‘revenue feedback’ means changes  
4 in revenue resulting from changes in economic  
5 growth as the result of the enactment of any major  
6 bill or resolution.

7 “(e) LEGISLATION WITH REVENUE PROVISIONS.—  
8 The macroeconomic analysis described in subsection (c)  
9 shall rely on macroeconomic analysis prepared by the  
10 Joint Committee on Taxation for any provisions of such  
11 legislation that are described in section 201(f). For legisla-  
12 tion consisting solely of provisions described in section  
13 201(f), the macroeconomic analysis described in sub-  
14 section (c) shall be prepared by the Joint Committee on  
15 Taxation.”.

16 (b) CONFORMING AMENDMENT.—The table of con-  
17 tents set forth in section 1(b) of the Congressional Budget  
18 and Impoundment Control Act of 1974 is amended by in-  
19 serting after the item relating to section 406 the following  
20 new item:

“Sec. 407. Macroeconomic impact analysis of major legislation.”.

Passed the House of Representatives April 4, 2014.

Attest:

*Clerk.*

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