

113TH CONGRESS  
1ST SESSION

# S. 1702

To empower States with authority for most taxing and spending for highway programs and mass transit programs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2013

Mr. LEE (for himself, Mr. RUBIO, and Mr. CRUZ) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To empower States with authority for most taxing and spending for highway programs and mass transit programs, and for other purposes.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Transportation Em-  
5       powerment Act”.

6       **SEC. 2. FINDINGS AND PURPOSES.**

7       (a) FINDINGS.—Congress finds that—

8               (1) the objective of the Federal highway pro-  
9       gram has been to facilitate the construction of a

1 modern freeway system that promotes efficient inter-  
2 state commerce by connecting all States;

3 (2) the objective described in paragraph (1) has  
4 been attained, and the Interstate System connecting  
5 all States is near completion;

6 (3) each State has the responsibility of pro-  
7 viding an efficient transportation network for the  
8 residents of the State;

9 (4) each State has the means to build and oper-  
10 ate a network of transportation systems, including  
11 highways, that best serves the needs of the State;

12 (5) each State is best capable of determining  
13 the needs of the State and acting on those needs;

14 (6) the Federal role in highway transportation  
15 has, over time, usurped the role of the States by tax-  
16 ing motor fuels used in the States and then distrib-  
17 uting the proceeds to the States based on the per-  
18 ceptions of the Federal Government on what is best  
19 for the States;

20 (7) the Federal Government has used the Fed-  
21 eral motor fuels tax revenues to force all States to  
22 take actions that are not necessarily appropriate for  
23 individual States;

1           (8) the Federal distribution, review, and en-  
2           forcement process wastes billions of dollars on un-  
3           productive activities;

4           (9) Federal mandates that apply uniformly to  
5           all 50 States, regardless of the different cir-  
6           cumstances of the States, cause the States to waste  
7           billions of hard-earned tax dollars on projects, pro-  
8           grams, and activities that the States would not oth-  
9           erwise undertake; and

10          (10) Congress has expressed a strong interest  
11          in reducing the role of the Federal Government by  
12          allowing each State to manage its own affairs.

13          (b) PURPOSES.—The purposes of this Act are—

14               (1) to return to the individual States maximum  
15               discretionary authority and fiscal responsibility for  
16               all elements of the national surface transportation  
17               systems that are not within the direct purview of the  
18               Federal Government;

19               (2) to preserve Federal responsibility for the  
20               Dwight D. Eisenhower National System of Inter-  
21               state and Defense Highways;

22               (3) to preserve the responsibility of the Depart-  
23               ment of Transportation for—

1 (A) design, construction, and preservation  
2 of transportation facilities on Federal public  
3 land;

4 (B) national programs of transportation  
5 research and development and transportation  
6 safety; and

7 (C) emergency assistance to the States in  
8 response to natural disasters;

9 (4) to eliminate to the maximum extent prac-  
10 ticable Federal obstacles to the ability of each State  
11 to apply innovative solutions to the financing, de-  
12 sign, construction, operation, and preservation of  
13 Federal and State transportation facilities; and

14 (5) with respect to transportation activities car-  
15 ried out by States, local governments, and the pri-  
16 vate sector, to encourage—

17 (A) competition among States, local gov-  
18 ernments, and the private sector; and

19 (B) innovation, energy efficiency, private  
20 sector participation, and productivity.

21 **SEC. 3. FUNDING LIMITATION.**

22 Notwithstanding any other provision of law, if the  
23 Secretary of Transportation determines for any of fiscal  
24 years 2015 through 2019 that the aggregate amount re-  
25 quired to carry out transportation programs and projects

1 under this Act and amendments made by this Act exceeds  
2 the estimated aggregate amount in the Highway Trust  
3 Fund available for those programs and projects for the  
4 fiscal year, each amount made available for that program  
5 or project shall be reduced by the pro rata percentage re-  
6 quired to reduce the aggregate amount required to carry  
7 out those programs and projects to an amount equal to  
8 that available for those programs and projects in the  
9 Highway Trust Fund for the fiscal year.

10 **SEC. 4. FUNDING FOR CORE HIGHWAY PROGRAMS.**

11 (a) IN GENERAL.—

12 (1) AUTHORIZATION OF APPROPRIATIONS.—

13 The following sums are authorized to be appro-  
14 priated out of the Highway Trust Fund (other than  
15 the Mass Transit Account):

16 (A) FEDERAL-AID HIGHWAY PROGRAM.—

17 For the national highway performance program  
18 under section 119 of title 23, United States  
19 Code, the surface transportation program under  
20 section 133 of that title, the metropolitan trans-  
21 portation planning program under section 134  
22 of that title, the highway safety improvement  
23 program under section 148 of that title, and the  
24 congestion mitigation and air quality improve-  
25 ment program under section 149 of that title—

- 1 (i) \$37,592,576,000 for fiscal year  
2 2015;
- 3 (ii) \$19,720,696,000 for fiscal year  
4 2016;
- 5 (iii) \$13,147,130,000 for fiscal year  
6 2017;
- 7 (iv) \$10,271,196,000 for fiscal year  
8 2018; and
- 9 (v) \$7,600,685,000 for fiscal year  
10 2019.

11 (B) EMERGENCY RELIEF.—For emergency  
12 relief under section 125 of title 23, United  
13 States Code, \$100,000,000 for each of fiscal  
14 years 2015 through 2019.

15 (C) FEDERAL LANDS PROGRAMS.—

16 (i) FEDERAL LANDS TRANSPOR-  
17 TATION PROGRAM.—For the Federal lands  
18 transportation program under section 203  
19 of title 23, United States Code,  
20 \$300,000,000 for each of fiscal years 2015  
21 through 2019, of which \$240,000,000 of  
22 the amount made available for each fiscal  
23 year shall be the amount for the National  
24 Park Service and \$30,000,000 of the  
25 amount made available for each fiscal year

1 shall be the amount for the United States  
2 Fish and Wildlife Service.

3 (ii) FEDERAL LANDS ACCESS PRO-  
4 GRAM.—For the Federal lands access pro-  
5 gram under section 204 of title 23, United  
6 States Code, \$250,000,000 for each of fis-  
7 cal years 2015 through 2019.

8 (D) ADMINISTRATIVE EXPENSES.—Section  
9 104(a) of title 23, United States Code, is  
10 amended by striking paragraph (1) and insert-  
11 ing the following:

12 “(1) IN GENERAL.—There are authorized to be  
13 appropriated from the Highway Trust Fund (other  
14 than the Mass Transit Account) to be made avail-  
15 able to the Secretary for administrative expenses of  
16 the Federal Highway Administration—

17 “(A) \$437,600,000 for fiscal year 2015;

18 “(B) \$229,565,000 for fiscal year 2016;

19 “(C) \$153,043,000 for fiscal year 2017;

20 “(D) \$119,565,000 for fiscal year 2018;

21 and

22 “(E) \$88,478,000 for fiscal year 2019.”.

23 (2) TRANSFERABILITY OF FUNDS.—Section 104  
24 of title 23, United States Code, is amended by strik-  
25 ing subsection (f) and inserting the following:

1 “(f) TRANSFERABILITY OF FUNDS.—

2 “(1) IN GENERAL.—To the extent that a State  
3 determines that funds made available under this title  
4 to the State for a purpose are in excess of the needs  
5 of the State for that purpose, the State may transfer  
6 the excess funds to, and use the excess funds for,  
7 any surface transportation (including mass transit  
8 and rail) purpose in the State.

9 “(2) ENFORCEMENT.—If the Secretary deter-  
10 mines that a State has transferred funds under  
11 paragraph (1) to a purpose that is not a surface  
12 transportation purpose as described in paragraph  
13 (1), the amount of the improperly transferred funds  
14 shall be deducted from any amount the State would  
15 otherwise receive from the Highway Trust Fund for  
16 the fiscal year that begins after the date of the de-  
17 termination.”.

18 (3) FEDERAL-AID SYSTEM.—

19 (A) IN GENERAL.—Section 103(a) of title  
20 23, United States Code, is amended by striking  
21 “the National Highway System, which in-  
22 cludes”.

23 (B) CONFORMING AMENDMENTS.—Chapter  
24 1 of title 23, United States Code, is amended—



1 (i) in section 103 by striking the sec-  
 2 tion designation and heading and inserting  
 3 the following:

4 **“§ 103. Federal-aid system”;**

5 and

6 (ii) in the analysis by striking the  
 7 item relating to section 103 and inserting  
 8 the following:

“103. Federal-aid system.”.

9 (4) CALCULATION OF STATE AMOUNTS.—Sec-  
 10 tion 104(c)(2) of title 23, United States Code, is  
 11 amended—

12 (A) in the paragraph heading by striking  
 13 “FOR FISCAL YEAR 2014” and inserting “SUB-  
 14 SEQUENT FISCAL YEARS”; and

15 (B) in subparagraph (A) by striking “fiscal  
 16 year 2014” and inserting “fiscal year 2014 and  
 17 each subsequent fiscal year”.

18 (5) NATIONAL BRIDGE AND TUNNEL INVEN-  
 19 TORY AND INSPECTION STANDARDS.—

20 (A) IN GENERAL.—Section 144 of title 23,  
 21 United States Code, is amended—

22 (i) in subsection (e)(1) by inserting  
 23 “on the Federal-aid system” after “any  
 24 bridge”; and

1 (ii) in subsection (f)(1) by inserting  
2 “on the Federal-aid system” after “con-  
3 struct any bridge”.

4 (B) REPEAL OF HISTORIC BRIDGES PROVI-  
5 SIONS.—Section 144(g) of title 23, United  
6 States Code, is repealed.

7 (6) REPEAL OF TRANSPORTATION ALTER-  
8 NATIVES PROGRAM.—The following provisions are  
9 repealed:

10 (A) Section 213 of title 23, United States  
11 Code.

12 (B) The item relating to section 213 in the  
13 analysis for chapter 1 of title 23, United States  
14 Code.

15 (7) NATIONAL DEFENSE HIGHWAYS.—Section  
16 311 of title 23, United States Code, is amended—

17 (A) in the first sentence, by striking  
18 “under subsection (a) of section 104 of this  
19 title” and inserting “to carry out this section”;  
20 and

21 (B) by striking the second sentence.

22 (8) FEDERALIZATION AND DEFEDERALIZATION  
23 OF PROJECTS.—Notwithstanding any other provision  
24 of law, beginning on October 1, 2014—

1           (A) a highway construction or improve-  
2           ment project shall not be considered to be a  
3           Federal highway construction or improvement  
4           project unless and until a State expends Fed-  
5           eral funds for the construction portion of the  
6           project;

7           (B) a highway construction or improve-  
8           ment project shall not be considered to be a  
9           Federal highway construction or improvement  
10          project solely by reason of the expenditure of  
11          Federal funds by a State before the construc-  
12          tion phase of the project to pay expenses relat-  
13          ing to the project, including for any environ-  
14          mental document or design work required for  
15          the project; and

16          (C)(i) a State may, after having used Fed-  
17          eral funds to pay all or a portion of the costs  
18          of a highway construction or improvement  
19          project, reimburse the Federal Government in  
20          an amount equal to the amount of Federal  
21          funds so expended; and

22          (ii) after completion of a reimbursement  
23          described in clause (i), a highway construction  
24          or improvement project described in that clause

1 shall no longer be considered to be a Federal  
2 highway construction or improvement project.

3 (9) REPORTING REQUIREMENTS.—No reporting  
4 requirement, other than a reporting requirement in  
5 effect as of the date of enactment of this Act, shall  
6 apply on or after October 1, 2014, to the use of  
7 Federal funds for highway projects by a public-pri-  
8 vate partnership.

9 (b) EXPENDITURES FROM HIGHWAY TRUST  
10 FUND.—

11 (1) EXPENDITURES FOR CORE PROGRAMS.—  
12 Section 9503(c) of the Internal Revenue Code of  
13 1986 is amended—

14 (A) in paragraph (1)—

15 (i) by striking “October 1, 2014” and  
16 inserting “October 1, 2020”; and

17 (ii) by striking “MAP–21” and insert-  
18 ing “Transportation Empowerment Act”;

19 (B) in paragraphs (3)(A)(i), (4)(A), and  
20 (5), by striking “October 1, 2016” each place  
21 it appears and inserting “October 1, 2022”;  
22 and

23 (C) in paragraph (2), by striking “July 1,  
24 2017” and inserting “July 1, 2023”.

1           (2) AMOUNTS AVAILABLE FOR CORE PROGRAM  
2 EXPENDITURES.—Section 9503 of the Internal Rev-  
3 enue Code of 1986 is amended by adding at the end  
4 the following:

5           “(g) CORE PROGRAMS FINANCING RATE.—For pur-  
6 poses of this section—

7           “(1) IN GENERAL.—Except as provided in para-  
8 graph (2)—

9           “(A) in the case of gasoline and special  
10 motor fuels the tax rate of which is the rate  
11 specified in section 4081(a)(2)(A)(i), the core  
12 programs financing rate is—

13           “(i) after September 30, 2014, and  
14 before October 1, 2015, 18.3 cents per gal-  
15 lon,

16           “(ii) after September 30, 2015, and  
17 before October 1, 2016, 9.6 cents per gal-  
18 lon,

19           “(iii) after September 30, 2016, and  
20 before October 1, 2017, 6.4 cents per gal-  
21 lon,

22           “(iv) after September 30, 2017, and  
23 before October 1, 2018, 5.0 cents per gal-  
24 lon, and

1 “(v) after September 30, 2018, 3.7  
2 cents per gallon, and

3 “(B) in the case of kerosene, diesel fuel,  
4 and special motor fuels the tax rate of which is  
5 the rate specified in section 4081(a)(2)(A)(iii),  
6 the core programs financing rate is—

7 “(i) after September 30, 2014, and  
8 before October 1, 2015, 24.3 cents per gal-  
9 lon,

10 “(ii) after September 30, 2015, and  
11 before October 1, 2016, 12.7 cents per gal-  
12 lon,

13 “(iii) after September 30, 2016, and  
14 before October 1, 2017, 8.5 cents per gal-  
15 lon,

16 “(iv) after September 30, 2017, and  
17 before October 1, 2018, 6.6 cents per gal-  
18 lon, and

19 “(v) after September 30, 2018, 5.0  
20 cents per gallon.

21 “(2) APPLICATION OF RATE.—In the case of  
22 fuels used as described in paragraphs (3)(C), (4)(B),  
23 and (5) of subsection (c), the core programs financ-  
24 ing rate is zero.”.

1 (c) TERMINATION OF MASS TRANSIT ACCOUNT.—  
2 Section 9503(e)(2) of the Internal Revenue Code of 1986  
3 is amended—

4 (1) in the first sentence, by inserting “, and be-  
5 fore October 1, 2014” after “March 31, 1983”; and

6 (2) by adding at the end the following:

7 “(6) TRANSFER TO HIGHWAY ACCOUNT.—On  
8 October 1, 2014, the Secretary shall transfer all  
9 amounts in the Mass Transit Account to the High-  
10 way Account.”.

11 (d) EFFECTIVE DATE.—The amendments and re-  
12 peals made by this section take effect on October 1, 2014.

13 **SEC. 5. FUNDING FOR HIGHWAY RESEARCH AND DEVELOP-**  
14 **MENT PROGRAM.**

15 (a) AUTHORIZATION OF APPROPRIATIONS.—There is  
16 authorized to be appropriated out of the Highway Trust  
17 Fund (other than the Mass Transit Account) to carry out  
18 section 503(b) of title 23, United States Code,  
19 \$115,000,000 for each of fiscal years 2015 through 2019.

20 (b) APPLICABILITY OF TITLE 23, UNITED STATES  
21 CODE.—Funds authorized to be appropriated by sub-  
22 section (a) shall—

23 (1) be available for obligation in the same man-  
24 ner as if those funds were apportioned under chap-  
25 ter 1 of title 23, United States Code, except that the

1 Federal share of the cost of a project or activity car-  
 2 ried out using those funds shall be 80 percent, un-  
 3 less otherwise expressly provided by this Act (includ-  
 4 ing the amendments by this Act) or otherwise deter-  
 5 mined by the Secretary; and

6 (2) remain available until expended and not be  
 7 transferable.

8 **SEC. 6. RETURN OF EXCESS TAX RECEIPTS TO STATES.**

9 (a) IN GENERAL.—Section 9503(c) of the Internal  
 10 Revenue Code of 1986 is amended by adding at the end  
 11 the following:

12 “(6) RETURN OF EXCESS TAX RECEIPTS TO  
 13 STATES FOR SURFACE TRANSPORTATION PUR-  
 14 POSES.—

15 “(A) IN GENERAL.—On the first day of  
 16 each of fiscal years 2016, 2017, 2018, and  
 17 2019, the Secretary, in consultation with the  
 18 Secretary of Transportation, shall—

19 “(i) determine the excess (if any) of—

20 “(I) the amounts appropriated in  
 21 such fiscal year to the Highway Trust  
 22 Fund under subsection (b) which are  
 23 attributable to the taxes described in  
 24 paragraphs (1) and (2) thereof (after



1 the application of paragraph (4)  
2 thereof) over the sum of—

3 “(II) the amounts so appro-  
4 priated which are equivalent to—

5 “(aa) such amounts attrib-  
6 utable to the core programs fi-  
7 nancing rate for such year, plus

8 “(bb) the taxes described in  
9 paragraphs (3)(C), (4)(B), and  
10 (5) of subsection (c), and

11 “(ii) allocate the amount determined  
12 under clause (i) among the States (as de-  
13 fined in section 101(a) of title 23, United  
14 States Code) for surface transportation  
15 (including mass transit and rail) purposes  
16 so that—

17 “(I) the percentage of that  
18 amount allocated to each State, is  
19 equal to

20 “(II) the percentage of the  
21 amount determined under clause (i)(I)  
22 paid into the Highway Trust Fund in  
23 the latest fiscal year for which such  
24 data are available which is attrib-  
25 utable to highway users in the State.

1           “(B) ENFORCEMENT.—If the Secretary  
 2 determines that a State has used amounts  
 3 under subparagraph (A) for a purpose which is  
 4 not a surface transportation purpose as de-  
 5 scribed in subparagraph (A), the improperly  
 6 used amounts shall be deducted from any  
 7 amount the State would otherwise receive from  
 8 the Highway Trust Fund for the fiscal year  
 9 which begins after the date of the determina-  
 10 tion.”.

11           (b) EFFECTIVE DATE.—The amendment made by  
 12 this section takes effect on October 1, 2014.

13 **SEC. 7. REDUCTION IN TAXES ON GASOLINE, DIESEL FUEL,**  
 14                           **KEROSENE, AND SPECIAL FUELS FUNDING**  
 15                           **HIGHWAY TRUST FUND.**

16           (a) REDUCTION IN TAX RATE.—

17                   (1) IN GENERAL.—Section 4081(a)(2)(A) of the  
 18 Internal Revenue Code of 1986 is amended—

19                           (A) in clause (i), by striking “18.3 cents”  
 20 and inserting “3.7 cents”; and

21                           (B) in clause (iii), by striking “24.3 cents”  
 22 and inserting “5.0 cents”.

23                   (2) CONFORMING AMENDMENTS.—

24                           (A) Section 4081(a)(2)(D) of such Code is  
 25 amended—

1 (i) by striking “19.7 cents” and in-  
2 serting “4.1 cents”, and

3 (ii) by striking “24.3 cents” and in-  
4 serting “5.0 cents”.

5 (B) Section 6427(b)(2)(A) of such Code is  
6 amended by striking “7.4 cents” and inserting  
7 “1.5 cents”.

8 (b) ADDITIONAL CONFORMING AMENDMENTS.—

9 (1) Section 4041(a)(1)(C)(iii)(I) of the Internal  
10 Revenue Code of 1986 is amended by striking “7.3  
11 cents per gallon (4.3 cents per gallon after Sep-  
12 tember 30, 2016)” and inserting “1.4 cents per gal-  
13 lon (zero after September 30, 2021)”.

14 (2) Section 4041(a)(2)(B)(ii) of such Code is  
15 amended by striking “24.3 cents” and inserting “5.0  
16 cents”.

17 (3) Section 4041(a)(3)(A) of such Code is  
18 amended by striking “18.3 cents” and inserting “3.7  
19 cents”.

20 (4) Section 4041(m)(1) of such Code is amend-  
21 ed—

22 (A) in subparagraph (A), by striking  
23 “2016” and inserting “2021,”;

24 (B) in subparagraph (A)(i), by striking  
25 “9.15 cents” and inserting “1.8 cents”;

1 (C) in subparagraph (A)(ii), by striking  
2 “11.3 cents” and inserting “2.3 cents”; and

3 (D) by striking subparagraph (B) and in-  
4 serting the following:

5 “(B) zero after September 30, 2021.”.

6 (5) Section 4081(d)(1) of such Code is amend-  
7 ed by striking “4.3 cents per gallon after September  
8 30, 2016” and inserting “zero after September 30,  
9 2021”.

10 (6) Section 9503(b) of such Code is amended—

11 (A) in paragraphs (1) and (2), by striking  
12 “October 1, 2016” both places it appears and  
13 inserting “October 1, 2021”;

14 (B) in the heading of paragraph (2), by  
15 striking “OCTOBER 1, 2016” and inserting “OC-  
16 TOBER 1, 2021”;

17 (C) in paragraph (2), by striking “after  
18 September 30, 2016, and before July 1, 2017”  
19 and inserting “after September 30, 2021, and  
20 before July 1, 2022”; and

21 (D) in paragraph (6)(B), by striking “Oc-  
22 tober 1, 2014” and inserting “October 1,  
23 2019”.

24 (c) FLOOR STOCK REFUNDS.—

25 (1) IN GENERAL.—If—

1 (A) before October 1, 2019, tax has been  
2 imposed under section 4081 of the Internal  
3 Revenue Code of 1986 on any liquid; and

4 (B) on such date such liquid is held by a  
5 dealer and has not been used and is intended  
6 for sale;

7 there shall be credited or refunded (without interest)  
8 to the person who paid such tax (in this subsection  
9 referred to as the “taxpayer”) an amount equal to  
10 the excess of the tax paid by the taxpayer over the  
11 amount of such tax which would be imposed on such  
12 liquid had the taxable event occurred on such date.

13 (2) TIME FOR FILING CLAIMS.—No credit or re-  
14 fund shall be allowed or made under this subsection  
15 unless—

16 (A) claim therefor is filed with the Sec-  
17 retary of the Treasury before April 1, 2020;  
18 and

19 (B) in any case where liquid is held by a  
20 dealer (other than the taxpayer) on October 1,  
21 2019—

22 (i) the dealer submits a request for re-  
23 fund or credit to the taxpayer before Janu-  
24 ary 1, 2020; and

1                   (ii) the taxpayer has repaid or agreed  
2                   to repay the amount so claimed to such  
3                   dealer or has obtained the written consent  
4                   of such dealer to the allowance of the cred-  
5                   it or the making of the refund.

6                   (3) EXCEPTION FOR FUEL HELD IN RETAIL  
7                   STOCKS.—No credit or refund shall be allowed under  
8                   this subsection with respect to any liquid in retail  
9                   stocks held at the place where intended to be sold  
10                  at retail.

11                  (4) DEFINITIONS.—For purposes of this sub-  
12                  section, the terms “dealer” and “held by a dealer”  
13                  have the respective meanings given to such terms by  
14                  section 6412 of such Code; except that the term  
15                  “dealer” includes a producer.

16                  (5) CERTAIN RULES TO APPLY.—Rules similar  
17                  to the rules of subsections (b) and (c) of section  
18                  6412 and sections 6206 and 6675 of such Code shall  
19                  apply for purposes of this subsection.

20                  (d) EFFECTIVE DATES.—

21                   (1) IN GENERAL.—Except as provided in para-  
22                   graph (2), the amendments made by this section  
23                   shall apply to fuel removed after September 30,  
24                   2019.



1           (3) the tax reduction made by this Act is not  
2           scored under pay-as-you-go and does not inadvert-  
3           ently trigger a sequestration.

4           (b) EFFECTIVE DATE CONTINGENCY.—Notwith-  
5           standing any other provision of this Act, this Act and the  
6           amendments made by this Act shall take effect only if—

7           (1) the Director of the Office of Management  
8           and Budget (referred to in this section as the “Di-  
9           rector”) submits the report as required in subsection  
10          (c); and

11          (2) the report contains a certification by the Di-  
12          rector that, based on the required estimates, the re-  
13          duction in discretionary outlays resulting from the  
14          reduction in contract authority is at least as great  
15          as the reduction in revenues for each fiscal year  
16          through fiscal year 2019.

17          (c) OMB ESTIMATES AND REPORT.—

18          (1) REQUIREMENTS.—Not later than 5 cal-  
19          endar days after the date of enactment of this Act,  
20          the Director shall—

21                  (A) estimate the net change in revenues re-  
22                  sulting from this Act for each fiscal year  
23                  through fiscal year 2019;

24                  (B) estimate the net change in discre-  
25                  tionary outlays resulting from the reduction in



1 contract authority under this Act for each fiscal  
2 year through fiscal year 2019;

3 (C) determine, based on those estimates,  
4 whether the reduction in discretionary outlays  
5 is at least as great as the reduction in revenues  
6 for each fiscal year through fiscal year 2019;  
7 and

8 (D) submit to Congress a report setting  
9 forth the estimates and determination.

10 (2) APPLICABLE ASSUMPTIONS AND GUIDE-  
11 LINES.—

12 (A) REVENUE ESTIMATES.—The revenue  
13 estimates required under paragraph (1)(A)  
14 shall be predicated on the same economic and  
15 technical assumptions and score keeping guide-  
16 lines that would be used for estimates made  
17 pursuant to section 252(d) of the Balanced  
18 Budget and Emergency Deficit Control Act of  
19 1985 (2 U.S.C. 902(d)).

20 (B) OUTLAY ESTIMATES.—The outlay esti-  
21 mates required under paragraph (1)(B) shall be  
22 determined by comparing the level of discre-  
23 tionary outlays resulting from this Act with the  
24 corresponding level of discretionary outlays pro-  
25 jected in the baseline under section 257 of the

1           Balanced Budget and Emergency Deficit Con-  
2           trol Act of 1985 (2 U.S.C. 907).

3           (d) CONFORMING ADJUSTMENT TO DISCRETIONARY  
4 SPENDING LIMITS.—On compliance with the requirements  
5 specified in subsection (b), the Director shall adjust the  
6 adjusted discretionary spending limits for each fiscal year  
7 through fiscal year 2019 under section 601(a)(2) of the  
8 Congressional Budget Act of 1974 (2 U.S.C. 665(a)(2))  
9 by the estimated reductions in discretionary outlays under  
10 subsection (c)(1)(B).

11          (e) PAYGO INTERACTION.—On compliance with the  
12 requirements specified in subsection (b), no changes in  
13 revenues estimated to result from the enactment of this  
14 Act shall be counted for the purposes of section 252(d)  
15 of the Balanced Budget and Emergency Deficit Control  
16 Act of 1985 (2 U.S.C. 902(d)).

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