

109TH CONGRESS  
1ST SESSION

# H. R. 725

To amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2005

Mr. ROGERS of Michigan introduced the following bill; which was referred to the Committee on Government Reform

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## A BILL

To amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes.

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 “Paperwork and Regu-  
5 latory Improvements Act of 2005”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) In 1980, in the Paperwork Reduction Act,  
9 Congress established the Office of Information and  
10 Regulatory Affairs (OIRA) in the Office of Manage-

1       ment and Budget. OIRA’s principal responsibility is  
2       to reduce the paperwork burden on the public that  
3       results from the collection of information by or for  
4       the Federal Government. In 2002, OIRA estimated  
5       that the paperwork burden imposed on the public  
6       was 7.7 billion hours, at a cost of \$230 billion. The  
7       Internal Revenue Service accounted for 83 percent  
8       of the paperwork burden.

9               (2) In 1995, Congress amended the Paperwork  
10       Reduction Act and established annual government-  
11       wide paperwork reduction goals of 10 percent for  
12       each of fiscal years 1996 and 1997, and 5 percent  
13       for each of fiscal years 1998 through 2001, but the  
14       paperwork burden increased, rather than decreased,  
15       in each of those fiscal years and fiscal year 2002.  
16       Both the Office of Management and Budget and the  
17       Internal Revenue Service need to devote additional  
18       attention to paperwork reduction.

19               (3) In 2002, the House Report accompanying  
20       the Treasury and General Government Appropria-  
21       tions Act, 2003 (House Report 107–575) stated,  
22       “‘The Office of Management and Budget has re-  
23       ported that paperwork burdens on Americans have  
24       increased in each of the last six years. Since the In-  
25       ternal Revenue Service imposes over 80 percent of

1 these paperwork burdens, the Committee believes  
2 that OMB should work to identify and review pro-  
3 posed and existing IRS paperwork.”.

4 (4) One key to success in paperwork reduction  
5 is the Office of Management and Budget’s system-  
6 atic review of every new and revised agency paper-  
7 work proposal. Recent statutory exemptions from  
8 that office’s review responsibility, especially those  
9 without any stated justification, should be removed.

10 (5) In 2000, researchers Mark Crain of George  
11 Mason University and Thomas Hopkins of the Roch-  
12 ester Institute of Technology, in their October 2001  
13 publication titled “The Impact of Regulatory Costs  
14 on Small Firms”, estimated that Americans spend  
15 \$843 billion annually to comply with Federal regula-  
16 tions. Congress has a responsibility to review major  
17 rules (as defined by section 804 of title 5, United  
18 States Code) proposed by agencies, especially regu-  
19 latory alternatives and the costs and benefits associ-  
20 ated with each of them. In 2000, in the Truth in  
21 Regulating Act, Congress established new responsi-  
22 bility within the General Accounting Office to assist  
23 Congress with this responsibility.

24 (6) In 1996, because of the increasing costs and  
25 incompletely estimated benefits of Federal rules and

1 paperwork, Congress required the Office of Manage-  
2 ment and Budget for the first time to submit an an-  
3 nual report to Congress on the total costs and bene-  
4 fits to the public of Federal rules and paperwork re-  
5 quirements, including an assessment of the effects of  
6 Federal rules on the private sector and State and  
7 local governments. In 1998, Congress changed the  
8 annual report's due date to coincide with the due  
9 date of the President's budget, so that Congress and  
10 the public could be given an opportunity to simulta-  
11 neously review both the on-budget and off-budget  
12 costs associated with the regulatory and paperwork  
13 requirements of each Federal agency. In 2000, Con-  
14 gress made this a permanent annual reporting re-  
15 quirement.

16 (7) The Office of Management and Budget re-  
17 quires agencies to submit annual budget and paper-  
18 work burden estimates in order to prepare certain  
19 required reports for Congress, but it does not re-  
20 quire agencies to submit estimates on costs and ben-  
21 efits of agency rules and paperwork. The Office of  
22 Management and Budget needs to require agencies  
23 to submit such estimates on costs and benefits to  
24 help prepare the annual accounting statement and  
25 associated report required under section 624 of the

1 Treasury and General Government Appropriations  
2 Act, 2001.

3 **SEC. 3. REDUCTION OF TAX PAPERWORK.**

4 Section 3504 of title 44, United States Code, is  
5 amended by adding at the end the following new sub-  
6 section:

7 “(i) In carrying out subsection (c)(3), the Director  
8 shall (in consultation with the Internal Revenue Service  
9 and the Office of Tax Policy of the Department of the  
10 Treasury and the Office of Advocacy of the Small Busi-  
11 ness Administration) conduct a review of the collections  
12 of information conducted by the Internal Revenue Service  
13 to identify actions that the Internal Revenue Service can  
14 take to reduce the information collection burden imposed  
15 on small business concerns, consistent with section  
16 3520(c)(1) of this chapter. The Director shall include the  
17 results of the review in the annual report that the Director  
18 submits under section 3514 of this chapter for fiscal year  
19 2006.”.

20 **SEC. 4. REPEAL OF EXEMPTIONS FROM PAPERWORK RE-**  
21 **DUCTION ACT, ETC.**

22 (a) REPEALS.—The following provisions of the Farm  
23 Security and Rural Investment Act of 2002 (Public Law  
24 107–171) are repealed:

1           (1) Subparagraphs (A) and (C) of section  
2           1601(c)(2).

3           (2) Section 1601(c)(3).

4           (3) Section 2702(b)(1)(A).

5           (4) Section 2702(b)(2)(A).

6           (5) Section 2702(c).

7           (6) Subparagraphs (A) and (C) of section  
8           6103(b)(2).

9           (7) Section 6103(b)(3).

10          (8) Subparagraphs (A) and (C) of section  
11          10105(d)(2).

12          (9) Section 10105(d)(3).

13          (b) EFFECTIVE DATE.—The repeals of the provisions  
14 listed in subsection (a) shall take effect 180 days after  
15 the date of the enactment of this Act.

16 **SEC. 5. AMENDMENT OF TRUTH IN REGULATING ACT TO**  
17                           **MAKE PERMANENT PILOT PROJECT FOR RE-**  
18                           **PORT ON RULES.**

19          (a) PERMANENT AUTHORITY.—The purpose of this  
20 section is to make permanent the authority to request the  
21 performance of regulatory analysis to enhance Congres-  
22 sional responsibility for regulatory decisions developed  
23 under the laws enacted by Congress. The Truth in Regu-  
24 lating Act of 2000 (Public Law 106–312; 5 U.S.C. 801  
25 note) is amended—

1 (1) in the heading for section 4, by striking  
2 **“PILOT PROJECT FOR”**,

3 (2) in section 5, by striking “\$5,200,000 for  
4 each of fiscal years 2000 through 2002” and insert-  
5 ing “\$5,000,000 for each fiscal year beginning after  
6 September 30, 2004”; and

7 (3) in section 6—

8 (A) in the heading, by striking **“AND DU-**  
9 **RATION OF PILOT PROJECT”**;

10 (B) in subsection (a), by striking “(a) EF-  
11 FECTIVE DATE.—”; and

12 (C) by striking subsections (b) and (c).

13 (b) EFFECTIVE DATE.—The amendments made by  
14 this section shall take effect 90 days after the date of the  
15 enactment of this Act.

16 **SEC. 6. IMPROVED REGULATORY ACCOUNTING.**

17 (a) REQUIREMENT FOR AGENCIES TO SUBMIT IN-  
18 FORMATION ON REGULATIONS AND PAPERWORK TO  
19 OMB.—Section 624 of the Treasury and General Govern-  
20 ment Appropriations Act, 2001 (as enacted into law by  
21 Public Law 106–554; 114 Stat. 2763A–161), is amend-  
22 ed—

23 (1) by redesignating subsections (b), (c), and  
24 (d) as subsection (c), (d), and (e), respectively; and

1           (2) by inserting after subsection (a) the fol-  
2           lowing new subsection:

3           “(b) AGENCY SUBMISSIONS TO OMB.—To carry out  
4           subsection (a), the Director of the Office of Management  
5           and Budget shall require each agency annually to submit  
6           to the Office of Management and Budget an estimate of  
7           the total annual costs and benefits of Federal rules and  
8           paperwork, to the extent feasible—

9                     “(1) for the agency in the aggregate; and

10                    “(2) for each agency program.”.

11           (b) REGULATORY BUDGETING.—(1) Chapter 11 of  
12           title 31, United States Code, is amended by adding at the  
13           end the following new section:

14           **“§ 1120. Regulatory budgeting**

15                     “(a) The Director of the Office of Management and  
16           Budget, after consultation with the head of each agency,  
17           shall designate not less than three agencies (or offices  
18           within an agency) to participate in a study on regulatory  
19           budgeting for fiscal years 2006 and 2007. The designated  
20           agencies shall include three regulatory agencies or offices  
21           from among the following: the Department of Labor, the  
22           Department of Transportation, the Department of Health  
23           and Human Services, and the Environmental Protection  
24           Agency.

1       “(b) The study shall address the preparation of regu-  
2 latory budgets. Such budgets shall include the presen-  
3 tation of the varying estimated levels of benefits that  
4 would be associated with the different estimated levels of  
5 costs with respect to the regulatory alternatives under con-  
6 sideration by the agency (or office within the agency).

7       “(c) The Director of the Office of Management and  
8 Budget shall include, in the accounting statement and as-  
9 sociated report submitted to Congress for calendar year  
10 2006 under section 624 of the Treasury and General Gov-  
11 ernment Appropriations Act, 2001 (as enacted into law  
12 by Public Law 106–554; 114 Stat. 2763A–161), a presen-  
13 tation of the different levels of estimated regulatory bene-  
14 fits and costs with respect to the regulatory alternatives  
15 under consideration for one or more of the major regu-  
16 latory programs of each of the agencies designated under  
17 subsection (a).

18       “(d) In the accounting statement and associated re-  
19 port submitted to Congress for calendar year 2009 under  
20 section 624 of the Treasury and General Government Ap-  
21 propriations Act, 2001 (as so enacted), the Director of the  
22 Office of Management and Budget, after consultation with  
23 the Committees on the Budget and on Government Re-  
24 form of the House of Representatives and the Committees  
25 on the Budget and on Governmental Affairs of the Senate,

1 shall include a report on the study on regulatory budg-  
2 eting. The report shall—

3 “(1) assess the feasibility and advisability of in-  
4 cluding a regulatory budget as part of the annual  
5 budget submitted under section 1105;

6 “(2) describe any difficulties encountered by the  
7 Office of Management and Budget and the partici-  
8 pating agencies in conducting the study; and

9 “(3) recommend, to the extent the President  
10 considers necessary or expedient, proposed legisla-  
11 tion regarding regulatory budgets.

12 “(e) The report on the study on regulatory budgeting  
13 required under subsection (d) shall also be submitted di-  
14 rectly to the Committees on the Budget and on Govern-  
15 ment Reform of the House of Representatives and the  
16 Committees on the Budget and on Governmental Affairs  
17 of the Senate.”.

18 (2) The table of sections at the beginning of such  
19 chapter is amended by adding at the end the following  
20 new item:

“1120. Regulatory budgeting.”.

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