

113TH CONGRESS
2D SESSION

H. R. 1874

IN THE SENATE OF THE UNITED STATES

APRIL 7, 2014

Received; read twice and referred to the Committee on the Budget

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,*

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

(a) IN GENERAL.—Part A of title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

“SEC. 407. (a) CONGRESSIONAL BUDGET OFFICE.—

The Congressional Budget Office shall, to the extent practicable, prepare for each major bill or resolution reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), as a supplement to estimates prepared under section 402, a macroeconomic impact analysis of the budgetary effects of such bill or resolution for the ten fiscal-year period beginning with the first fiscal year for which an estimate was prepared under section 402 and each of the next three ten fiscal-year periods. The Director shall submit to such committee the macroeconomic impact analysis, together with the basis for the analysis. As a supplement to estimates prepared under section 402, all such information so submitted shall be included in the report 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:

KAREN L. HAAS,

Clerk.