BUDGET WEEK

Committee on the Budget ▪ Majority Caucus
U.S. House of Representatives
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Volume 4, Number 10 | **Summarizing budgetary issues in legislation scheduled for the House floor** | 27 April 2004

Week of 26 April 2004

SUSPENSION CALENDAR

1) ***Rhode Island Veterans Post Office Building Redesignation Act*** (H.R. 3942).
This bill neither increases direct spending – spending not subject to appropriations – nor reduces revenue.

2) ***Honoring the life and Legacy of Melvin Jones and Recognizing the Contributions of Lions Clubs International*** (H.Res. 399).
This resolution has no budget implications.

3) ***Supporting the Goals and Ideals of Financial Literacy Month*** (H.Res. 578).
This resolution has no budget implications.

4) ***Wilkie D. Ferguson, Jr. United States Courthouse Designation Act*** (H.R. 2538).
This bill neither increases direct spending nor reduces revenue.

5) ***Authorizing the Use of the Capitol Grounds for the Greater Washington Soap Box Derby*** (H.Con.Res. 376).
This resolution has no budget implications.

6) ***Ronald Reagan Federal Building Designation Act*** (S. 2043).
This bill neither increases direct spending nor reduces revenue.

7) ***Authorizing the Use of the Capitol Grounds for the National Peace Officers' Memorial Service*** (H.Con.Res. 388).
This resolution has no budget implications.

8) ***Increased Capital Access for Growing Business Act*** (H.R. 3170).
This bill modifies the rules allowing certain firms to be exempt from registering under the Investment Company Act of 1940. Under the act, a firm may be exempt if it engages primarily in furnishing capital and managerial expertise to "eligible portfolio companies" – companies that do not have ready access to capital through conventional financial channels. The bill expands the criteria of an "eligible portfolio company" to include companies that are not publicly traded or that have publicly traded shares of not more than $250 million in total value. In turn, the bill also alters the criteria for the financing companies. Consequently, the bill could affect revenue indirectly, because certain provisions of the tax code key off definitions in securities law that the bill modifies. No estimate has been prepared for this bill, but it is not expected to increase direct spending or significantly reduce revenue.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems.
Also note: Floor schedules and legislative details are subject to change after publication.

LEGISLATION CONSIDERED UNDER A RULE

Bill: ***To Amend the Internal Revenue Code of 1986 to Permanently Extend the Increased Standard Deduction, and the 15-Percent Individual Income Tax Rate Bracket Expansion, for Married Taxpayers Filing Joint Returns*** (H.R. 4181).

Committee: Ways and Means

Summary: This bill is designed to prevent an increase in the marriage penalty tax that would otherwise occur in 2005. The bill permanently extends the marriage penalty relief that was originally enacted as a phased-in tax change in the Economic Growth and Tax Relief Reconciliation Act of 2001, and then temporarily accelerated in the Jobs and Growth Tax Relief Reconciliation Act of 2003. Specifically, H.R. 4181 amends the Internal Revenue Code in two ways: 1) it permanently extends the amount of the standard deduction for joint filers to double that for single filers; 2) it increases the upper bound of the 15-percent tax bracket for joint filers to double that for single filers.

Cost: The Joint Committee on Taxation [JCT] has not provided a revenue estimate for H.R. 4181. The President's budget for fiscal year 2005, however, includes the same policy proposals contained in H.R. 4181. The JCT estimates that implementing these provisions in the President's budget would not affect revenue in fiscal year 2004 and would reduce revenue by $15.37 billion over fiscal years 2004-08. For purposes of the budget resolution expected to be agreed to for fiscal year 2005, the applicable enforcement periods would be the following: The legislation would reduce revenue by $5.415 billion in fiscal year 2005 and by $15.693 billion over fiscal years 2005-09.

Budget Act: It is uncertain whether a conference report on the budget resolution for fiscal year 2005 – which will govern budget enforcement of bills brought to the floor – will be completed and agreed to before H.R. 4181 is considered. Until then, the budget resolution for fiscal year 2004 remains in force. H.R. 4181 will not violate the terms of the fiscal year 2004 budget resolution, and is not expected to violate the terms of the fiscal year 2005 budget resolution once completed. Therefore it is not expected to violate any points of order under the provisions of the Congressional Budget Act.