

104TH CONGRESS
2D SESSION

H. CON. RES. 170

Providing a sense of Congress that the Congressional Budget Office and the Joint Committee on Taxation should use dynamic economic modeling in addition to static economic modeling in the preparation of budgetary estimates of proposed changes in Federal revenue law.

IN THE HOUSE OF REPRESENTATIVES

MAY 2, 1996

Mr. CAMPBELL (for himself, Mr. ARMEY, Mr. SAXTON, Mr. SANFORD, Mr. THORBERRY, Mr. EWING, Mr. MANZULLO, Mr. SHAYS, Mr. HORN, and Mr. CUNNINGHAM) submitted the following concurrent resolution; which was referred to the Committee on the Budget, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

CONCURRENT RESOLUTION

Providing a sense of Congress that the Congressional Budget Office and the Joint Committee on Taxation should use dynamic economic modeling in addition to static economic modeling in the preparation of budgetary estimates of proposed changes in Federal revenue law.

1 *Resolved by the House of Representatives (the Senate*
2 *concurring),*

3 **SECTION 1. SENSE OF CONGRESS.**

4 It is the sense of Congress that to ensure that Con-
5 gress is presented with reliable information from the Con-

1 gressional Budget Office and the Joint Committee on Tax-
2 ation as to the dynamic macroeconomic feedback effects
3 to changes in Federal law and the probable behavioral re-
4 sponses of taxpayers, businesses, and other parties to such
5 changes. Specifically, the Congress intends that, while not
6 excluding any other estimating method, dynamic estimat-
7 ing techniques should also be used in estimating the fiscal
8 impact of proposals to change those laws, to the extent
9 that data are available to permit estimates to be made in
10 that manner.

11 **SEC. 2. ESTIMATES OF THE JOINT COMMITTEE ON TAX-**
12 **ATION.**

13 In addition to any other estimates it may prepare of
14 any proposed change in Federal revenue law, a fiscal esti-
15 mate should be prepared by the Joint Committee on Tax-
16 ation of each such proposed change on the basis of as-
17 sumptions that estimate the probable behavioral responses
18 of personal and business taxpayers and other relevant en-
19 tities to that proposed change and the dynamic macro-
20 economic feedback effects of that proposed change, and
21 it should include a statement identifying those assump-
22 tions. The preceding sentence should apply only to a pro-
23 posed change that the Joint Committee on Taxation deter-
24 mines, pursuant to a static fiscal estimate, has a fiscal
25 impact in excess of \$100,000,000 in any fiscal year.

1 **SEC. 3. ESTIMATES OF THE CONGRESSIONAL BUDGET OF-**
2 **FICE.**

3 In addition to any other estimates it may prepare of
4 any proposed change in Federal revenue law, a fiscal esti-
5 mate should be prepared by the Congressional Budget Of-
6 fice of each such proposed change on the basis of assump-
7 tions that estimate the probable behavioral responses of
8 personal and business taxpayers and other relevant enti-
9 ties to that proposed change and the dynamic macro-
10 economic feedback effects of that proposed change, and
11 it should include a statement identifying those assump-
12 tions. The preceding sentence should apply only to a pro-
13 posed change that the Congressional Budget Office deter-
14 mines, pursuant to a static fiscal estimate, has a fiscal
15 impact in excess of \$100,000,000 in any fiscal year.

16 **SEC. 4. DISCLOSURE OF ASSUMPTIONS.**

17 Any report to Congress or the public made by the
18 Joint Committee on Taxation or the Congressional Budget
19 Office that contains an estimate made under this concur-
20 rent resolution of the effect that any legislation will have
21 on revenues shall rely upon Congressional Budget Office
22 data and shall be accompanied by a written statement
23 fully disclosing the economic, technical, and behavioral as-
24 sumptions that were made in producing that estimate.

1 **SEC. 5. CONTRACTING AUTHORITY.**

2 In performing the tasks specified in sections 2 and
3 3, the Joint Committee on Taxation and the Congressional
4 Budget Office may, subject to the availability of appro-
5 priations, enter into contracts with universities or other
6 private or public organizations to perform such esti-
7 mations or to develop protocols and models for making
8 such estimates.

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