

112TH CONGRESS
2D SESSION

H. R. 3578

AN ACT

To amend the Balanced Budget and Emergency Deficit
Control Act of 1985 to reform the budget baseline.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Baseline Reform Act
3 of 2012”.

4 **SEC. 2. THE BASELINE.**

5 Section 257 of the Balanced Budget and Emergency
6 Deficit Control Act of 1985 is amended to read as follows:

7 **“SEC. 257. THE BASELINE.**

8 “(a) IN GENERAL.—(1) For any fiscal year, the base-
9 line refers to a projection of current-year levels of new
10 budget authority, outlays, or receipts and the surplus or
11 deficit for the current year, the budget year, and the ensu-
12 ing nine outyears based on laws enacted through the appli-
13 cable date.

14 “(2) The baselines referred to in paragraph (1) shall
15 be prepared annually.

16 “(b) DIRECT SPENDING AND RECEIPTS.—For the
17 budget year and each outyear, estimates for direct spend-
18 ing in the baseline shall be calculated as follows:

19 “(1) IN GENERAL.—Laws providing or creating
20 direct spending and receipts are assumed to operate
21 in the manner specified in those laws for each such
22 year and funding for entitlement authority is as-
23 sumed to be adequate to make all payments required
24 by those laws.

25 “(2) EXCEPTIONS.—(A)(i) No program estab-
26 lished by a law enacted on or before the date of en-

1 actment of the Balanced Budget Act of 1997 with
2 estimated current year outlays greater than
3 \$50,000,000 shall be assumed to expire in the budg-
4 et year or the outyears. The scoring of new pro-
5 grams with estimated outlays greater than
6 \$50,000,000 a year shall be based on scoring by the
7 Committees on the Budget or OMB, as applicable.
8 OMB, CBO, and the Committees on the Budget
9 shall consult on the scoring of such programs where
10 there are differences between CBO and OMB.

11 “(ii) On the expiration of the suspension of a
12 provision of law that is suspended under section 171
13 of Public Law 104–127 and that authorizes a pro-
14 gram with estimated fiscal year outlays that are
15 greater than \$50,000,000, for purposes of clause (i),
16 the program shall be assumed to continue to operate
17 in the same manner as the program operated imme-
18 diately before the expiration of the suspension.

19 “(B) The increase for veterans’ compensation
20 for a fiscal year is assumed to be the same as that
21 required by law for veterans’ pensions unless other-
22 wise provided by law enacted in that session.

23 “(C) Excise taxes dedicated to a trust fund, if
24 expiring, are assumed to be extended at current
25 rates.

1 “(D) If any law expires before the budget year
2 or any outyear, then any program with estimated
3 current year outlays greater than \$50,000,000 that
4 operates under that law shall be assumed to con-
5 tinue to operate under that law as in effect imme-
6 diately before its expiration.

7 “(3) HOSPITAL INSURANCE TRUST FUND.—
8 Notwithstanding any other provision of law, the re-
9 ceipts and disbursements of the Hospital Insurance
10 Trust Fund shall be included in all calculations re-
11 quired by this Act.

12 “(c) DISCRETIONARY SPENDING.—For the budget
13 year and each of the nine ensuing outyears, the baseline
14 shall be calculated using the following assumptions regard-
15 ing all amounts other than those covered by subsection
16 (b):

17 “(1) ESTIMATED APPROPRIATIONS.—Budgetary
18 resources other than unobligated balances shall be at
19 the level provided for the budget year in full-year ap-
20 propriation Acts. If for any account a full-year ap-
21 propriation has not yet been enacted, budgetary re-
22 sources other than unobligated balances shall be at
23 the level available in the current year.

24 “(2) CURRENT-YEAR APPROPRIATIONS.—If, for
25 any account, a continuing appropriation is in effect

1 for less than the entire current year, then the cur-
2 rent-year amount shall be assumed to equal the
3 amount that would be available if that continuing
4 appropriation covered the entire fiscal year. If law
5 permits the transfer of budget authority among
6 budget accounts in the current year, the current-
7 year level for an account shall reflect transfers ac-
8 complished by the submission of, or assumed for the
9 current year in, the President’s original budget for
10 the budget year.

11 “(d) UP-TO-DATE CONCEPTS.—In calculating the
12 baseline for the budget year or each of the nine ensuing
13 outyears, current-year amounts shall be calculated using
14 the concepts and definitions that are required for that
15 budget year.

16 “(e) ASSET SALES.—Amounts realized from the sale
17 of an asset shall not be included in estimates under section
18 251, 251A, 252, or 253 of this part or section 5 of the
19 Statutory Pay-As-You-Go Act of 2010 if that sale would
20 result in a financial cost to the Government as determined
21 pursuant to scorekeeping guidelines.”.

1 **SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-**
2 **TEES.**

3 Section 202(e) of the Congressional Budget Act of
4 1974 is amended by adding at the end the following new
5 paragraphs:

6 “(4)(A) After the President’s budget submis-
7 sion under section 1105(a) of title 31, United States
8 Code, in addition to the baseline projections, the Di-
9 rector shall submit to the Committees on the Budget
10 of the House of Representatives and the Senate a
11 supplemental projection assuming extension of cur-
12 rent tax policy for the fiscal year commencing on
13 October 1 of that year with a supplemental projec-
14 tion for the 10 fiscal-year period beginning with that
15 fiscal year, assuming the extension of current tax
16 policy.

17 “(B) For the purposes of this paragraph, the
18 term ‘current tax policy’ means the tax policy in
19 statute as of December 31 of the current year as-
20 suming—

21 “(i) the budgetary effects of measures ex-
22 tending the Economic Growth and Tax Relief
23 Reconciliation Act of 2001;

24 “(ii) the budgetary effects of measures ex-
25 tending the Jobs and Growth Tax Relief Rec-
26 onciliation Act of 2003;

1 “(iii) the continued application of the alter-
2 native minimum tax as in effect for taxable
3 years beginning in 2011 pursuant to title II of
4 the Tax Relief, Unemployment Insurance Reau-
5 thorization, and Job Creation Act of 2010, as-
6 suming that for taxable years beginning after
7 2011 the exemption amount shall equal—

8 “(I) the exemption amount for taxable
9 years beginning in 2011, as indexed for in-
10 flation; or

11 “(II) if a subsequent law modifies the
12 exemption amount for later taxable years,
13 the modified exemption amount, as indexed
14 for inflation; and

15 “(iv) the budgetary effects of extending the
16 estate, gift, and generation-skipping transfer
17 tax provisions of title III of the Tax Relief, Un-
18 employment Insurance Reauthorization, and
19 Job Creation Act of 2010.

20 “(5) On or before July 1 of each year, the Di-
21 rector shall submit to the Committees on the Budget
22 of the House of Representatives and the Senate, the
23 Long-Term Budget Outlook for the fiscal year com-

- 1 mencing on October 1 of that year and at least the
- 2 ensuing 40 fiscal years.”.

Passed the House of Representatives February 3,
2012.

Attest:

Clerk.

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