

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3578  
OFFERED BY MR. WOODALL OF GEORGIA**

Strike all after the enacting clause and insert the following:

**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:

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

7           “(2) EXCEPTIONS.—(A)(i) No program estab-  
8           lished by a law enacted on or before the date of en-  
9           actment of the Balanced Budget Act of 1997 with  
10          estimated current year outlays greater than  
11          \$50,000,000 shall be assumed to expire in the budg-  
12          et year or the outyears. The scoring of new pro-  
13          grams with estimated outlays greater than  
14          \$50,000,000 a year shall be based on scoring by the  
15          Committees on the Budget or OMB, as applicable.  
16          OMB, CBO, and the Committees on the Budget  
17          shall consult on the scoring of such programs where  
18          there are differences between CBO and OMB.

19          “(ii) On the expiration of the suspension of a  
20          provision of law that is suspended under section 171  
21          of Public Law 104–127 and that authorizes a pro-  
22          gram with estimated fiscal year outlays that are  
23          greater than \$50,000,000, for purposes of clause (i),  
24          the program shall be assumed to continue to operate

1 in the same manner as the program operated imme-  
2 diately before the expiration of the suspension.

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

7 “(C) Excise taxes dedicated to a trust fund, if  
8 expiring, are assumed to be extended at current  
9 rates.

10 “(D) If any law expires before the budget year  
11 or any outyear, then any program with estimated  
12 current year outlays greater than \$50,000,000 that  
13 operates under that law shall be assumed to con-  
14 tinue to operate under that law as in effect imme-  
15 diately before its expiration.

16 “(3) HOSPITAL INSURANCE TRUST FUND.—  
17 Notwithstanding any other provision of law, the re-  
18 ceipts and disbursements of the Hospital Insurance  
19 Trust Fund shall be included in all calculations re-  
20 quired by this Act.

21 “(c) DISCRETIONARY SPENDING.—For the budget  
22 year and each of the nine ensuing outyears, the baseline  
23 shall be calculated using the following assumptions regard-  
24 ing all amounts other than those covered by subsection  
25 (b):

1           “(1) ESTIMATED APPROPRIATIONS.—Budgetary  
2 resources other than unobligated balances shall be at  
3 the level provided for the budget year in full-year ap-  
4 propriation Acts. If for any account a full-year ap-  
5 propriation has not yet been enacted, budgetary re-  
6 sources other than unobligated balances shall be at  
7 the level available in the current year.

8           “(2) CURRENT-YEAR APPROPRIATIONS.—If, for  
9 any account, a continuing appropriation is in effect  
10 for less than the entire current year, then the cur-  
11 rent-year amount shall be assumed to equal the  
12 amount that would be available if that continuing  
13 appropriation covered the entire fiscal year. If law  
14 permits the transfer of budget authority among  
15 budget accounts in the current year, the current-  
16 year level for an account shall reflect transfers ac-  
17 complished by the submission of, or assumed for the  
18 current year in, the President’s original budget for  
19 the budget year.

20          “(d) UP-TO-DATE CONCEPTS.—In calculating the  
21 baseline for the budget year or each of the nine ensuing  
22 outyears, current-year amounts shall be calculated using  
23 the concepts and definitions that are required for that  
24 budget year.

1           “(e) **ASSET SALES.**—Amounts realized from the sale  
2 of an asset shall not be included in estimates under section  
3 251, 251A, 252, or 253 of this part or section 5 of the  
4 Statutory-Pay-As-You-Go Act of 2010 if that sale would  
5 result in a financial cost to the Government as determined  
6 pursuant to scorekeeping guidelines.”.

7 **SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-**  
8 **TEES.**

9           Section 202(e) of the Congressional Budget Act of  
10 1974 is amended by adding at the end the following new  
11 paragraphs:

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

23           “(B) For the purposes of this paragraph, the  
24 term ‘current tax policy’ means the tax policy in

1 statute as of December 31 of the current year as-  
2 suming—

3 “(i) the budgetary effects of measures ex-  
4 tending the Economic Growth and Tax Relief  
5 Reconciliation Act of 2001;

6 “(ii) the budgetary effects of measures ex-  
7 tending the Jobs and Growth Tax Relief Rec-  
8 onciliation Act of 2003;

9 “(iii) the continued application of the alter-  
10 native minimum tax as in effect for taxable  
11 years beginning in 2011 pursuant to title II of  
12 the Tax Relief, Unemployment Insurance Reau-  
13 thorization, and Job Creation Act of 2010, as-  
14 suming that for taxable years beginning after  
15 2011 the exemption amount shall equal—

16 “(I) the exemption amount for taxable  
17 years beginning in 2011, as indexed for in-  
18 flation; or

19 “(II) if a subsequent law modifies the  
20 exemption amount for later taxable years,  
21 the modified exemption amount, as indexed  
22 for inflation; and

23 “(iv) the budgetary effects of extending the  
24 estate, gift, and generation-skipping transfer  
25 tax provisions of title III of the Tax Relief, Un-

1           employment Insurance Reauthorization, and  
2           Job Creation Act of 2010.

3           “(5) On or before July 1 of each year, the Di-  
4           rector shall submit to the Committees on the Budget  
5           of the House of Representatives and the Senate, the  
6           Long-Term Budget Outlook for the fiscal year com-  
7           mencing on October 1 of that year and at least the  
8           ensuing 40 fiscal years.”.

