

1 an estimate was prepared under section 402 and each of
2 the next three ten fiscal-year periods. Such estimate shall
3 be predicated upon the supplemental projection described
4 in section 202(e)(4). The Director shall submit to such
5 committee the macroeconomic impact analysis, together
6 with the basis for the analysis. As a supplement to esti-
7 mates prepared under section 402, all such information
8 so submitted shall be included in the report accompanying
9 such bill or resolution.

10 “(b) ECONOMIC IMPACT.—The analysis prepared
11 under subsection (a) shall describe the potential economic
12 impact of the applicable major bill or resolution on major
13 economic variables, including real gross domestic product,
14 business investment, the capital stock, employment, and
15 labor supply. The analysis shall also describe the potential
16 fiscal effects of the bill or resolution, including any esti-
17 mates of revenue increases or decreases resulting from
18 changes in gross domestic product. To the extent prac-
19 ticable, the analysis should use a variety of economic mod-
20 els in order to reflect the full range of possible economic
21 outcomes resulting from the bill or resolution.

22 “(c) DEFINITIONS.—As used in this section—

23 “(1) the term ‘macroeconomic impact analysis’
24 means—

1 “(A) an estimate of the changes in eco-
2 nomic output, employment, capital stock, and
3 tax revenues expected to result from enactment
4 of the proposal;

5 “(B) an estimate of revenue feedback ex-
6 pected to result from enactment of the proposal;
7 and

8 “(C) a statement identifying the critical
9 assumptions and the source of data underlying
10 that estimate;

11 “(2) the term ‘major bill or resolution’ means
12 any bill or resolution if the gross budgetary effects
13 of such bill or resolution for any fiscal year in the
14 period for which an estimate is prepared under sec-
15 tion 402 is estimated to be greater than .25 percent
16 of the current projected gross domestic product of
17 the United States for any such fiscal year;

18 “(3) the term ‘budgetary effect’, when applied
19 to a major bill or resolution, means the changes in
20 revenues, outlays, deficits, and debt resulting from
21 that measure; and

22 “(4) the term ‘revenue feedback’ means changes
23 in revenue resulting from changes in economic
24 growth as the result of the enactment of any major
25 bill or resolution.”.

1 (b) CONFORMING AMENDMENT.—The table of con-
2 tents set forth in section 1(b) of the Congressional Budget
3 Act of 1974 is amended by inserting after the item relat-
4 ing to section 407 the following new item:

“Sec. 407. Macroeconomic impact analysis of major legislation.”.

5 **SEC. 3. ADDITIONAL CBO REPORT TO BUDGET COMMIT-**
6 **TEES.**

7 Section 202(e) of the Congressional Budget Act of
8 1974 is amended by adding at the end the following new
9 paragraphs:

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

21 “(B) For the purposes of this paragraph, the
22 term ‘current tax policy’ means the tax policy in
23 statute as of December 31 of the current year as-
24 suming—

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

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

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

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

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

21 “(iv) the budgetary effects of extending the
22 estate, gift, and generation-skipping transfer
23 tax provisions of title III of the Tax Relief, Un-
24 employment Insurance Reauthorization, and
25 Job Creation Act of 2010.

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

