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Budget Reconciliation Measures Enacted Into Law: 1980-2017

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Summary

The budget reconciliation process is an optional procedure that operates as an adjunct to the budget resolution process established by the Congressional Budget Act of 1974. The chief purpose of the reconciliation process is to enhance Congress's ability to change current law in order to bring revenue, spending, and debt-limit levels into conformity with the policies of the annual budget resolution.

This report identifies and briefly summarizes the 21 budget reconciliation measures enacted into law during the period covering 1980, when reconciliation procedures were first used by both chambers, through 2017.

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The Reconciliation Process

The budget reconciliation process is an optional procedure that operates as an adjunct to the budget resolution process established by the Congressional Budget Act of 1974. The chief purpose of the reconciliation process is to enhance Congress's ability to change current law in order to bring revenue, spending, and debt-limit levels into conformity with the policies of the annual budget resolution.[1]

Reconciliation is a two-stage process. First, reconciliation directives are included in the budget resolution, instructing the appropriate committees to develop legislation achieving the desired budgetary outcomes. Reconciliation directives instruct specified committees to develop legislation changing existing law in order to alter revenue, spending, or debt-limit levels to conform with budget resolution policies. Over the years, compliance with reconciliation directives has been determined on the basis of the net revenue or spending effects of all changes in the legislation. A particular reconciliation measure, therefore, may have included changes that raised spending as well as changes that reduced spending, changes that raised revenue as well as changes that reduced revenue, or both, and still adhered to the overall budgetary goals.

If the budget resolution instructs more than one committee in a chamber, then the instructed committees submit their legislative recommendations to their respective Budget Committees by the deadline prescribed in the budget resolution; the Budget Committees incorporate them into an omnibus budget reconciliation bill without making any substantive revisions. In cases where only one committee has been instructed, the process allows that committee to report its reconciliation legislation directly to its parent chamber, thus bypassing the Budget Committee.

The second step involves consideration of the resultant reconciliation legislation by the House and Senate under expedited procedures. Among other things, debate in the Senate on any reconciliation measure is limited to 20 hours (and 10 hours on a conference report) and amendments must be germane and not include extraneous matter. The House Rules Committee typically recommends a special rule for the consideration of a reconciliation measure in the House that places restrictions on debate time and the offering of amendments.

If the House and Senate do not reach final agreement on a budget resolution, then the reconciliation process is not triggered.

Reconciliation Legislation: 1980-2017

As an optional procedure, reconciliation has not been used in every year that the congressional budget process has been in effect. Reconciliation was not used during the first several years of the congressional budget process and, more recently, was not used in years immediately following successful action on a budget summit agreement. In 1990, for example, the George H. W. Bush Administration successfully negotiated a budget summit agreement with Congress that was reflected in the FY1991 budget resolution. Pursuant to reconciliation directives in that resolution, Congress and the President enacted the Omnibus Budget Reconciliation Act of 1990.

[1] For background information on the budget reconciliation process, see CRS Report R44058, *The Budget Reconciliation Process: Stages of Consideration*, by Megan S. Lynch and James V. Saturno.

Reconciliation was not used in the following two years, involving budget resolutions for FY1992 and FY1993.

In nine years, 1998 (for FY1999), 2002 (for FY2003), 2004 (for FY2005), 2006 (for FY2007), 2011-2014 (for FY2012-2015), and 2016 (for FY2017), the House and Senate did not agree on a budget resolution.

Beginning with the first use of reconciliation by both the House and Senate in 1980, reconciliation has been used in a majority of years. Congress has sent the President 25 reconciliation acts over the years: 21 were signed into law, President Clinton vetoed three, and President Obama vetoed one (and the vetoes were not overridden). The 25 reconciliation measures sent to the President are shown in **Table 1**.

Table 1. Budget Resolutions and Resultant Reconciliation Acts: FY1981-FY2017

Fiscal Year	Budget Resolution	Resultant Reconciliation Act(s)	Date Enacted
1981	H.Con.Res. 307	Omnibus Reconciliation Act of 1980 (P.L. 96-499)	12-05-80
1982	H.Con.Res. 115	Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35)	08-13-81
1983	S.Con.Res. 92	Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248)	09-03-82
		Omnibus Budget Reconciliation Act of 1982 (P.L. 97-253)	09-08-82
1984	H.Con.Res. 91	Omnibus Budget Reconciliation Act of 1983 (P.L. 98-270)	04-18-84
1986	S.Con.Res. 32	Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272)	04-07-86
1987	S.Con.Res. 120	Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509)	10-21-86
1988	H.Con.Res. 93	Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203)	12-22-87
1990	H.Con.Res. 106	Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239)	12-19-89
1991	H.Con.Res. 310	Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508)	11-05-90
1994	H.Con.Res. 64	Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)	08-10-93
1996	H.Con.Res. 67	Balanced Budget Act of 1995 (H.R. 2491)	12-06-95 (vetoed)
1997	H.Con.Res. 178	Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193)	08-22-96
1998	H.Con.Res. 84	Balanced Budget Act of 1997 (P.L. 105-33)	08-05-97
		Taxpayer Relief Act of 1997 (P.L. 105-34)	08-05-97
2000	H.Con.Res. 68	Taxpayer Refund and Relief Act of 1999 (H.R. 2488)	09-23-99 (vetoed)
2001	H.Con.Res. 290	Marriage Tax Relief Reconciliation Act of 2000 (H.R. 4810)	08-05-00 (vetoed)
2002	H.Con.Res. 83	Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16)	06-07-01
2004	H.Con.Res. 95	Jobs and Growth Tax Relief Reconciliation Act of 2003 (P.L. 108-27)	05-28-03
2006	H.Con.Res. 95	Deficit Reduction Act of 2005 (P.L. 109-171)	02-08-06

Fiscal Year	Budget Resolution	Resultant Reconciliation Act(s)	Date Enacted
		Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222)	05-17-06
2008	S.Con.Res. 21	College Cost Reduction and Access Act of 2007 (P.L. 110-84)	09-27-07
2010	S.Con.Res. 13	Health Care and Education Reconciliation Act of 2010 (P.L. 111-152)	03-30-10
2016	S.Con.Res. 11	To provide for reconciliation pursuant to Section 2002 of the concurrent resolution on the budget for fiscal year 2016 (H.R. 3762)	01-08-16 (vetoed)
2018	H.Con.Res. 71	An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (P.L. 115-97)	12-22-17

Source: Prepared by the Congressional Research Service.

Reconciliation practices in the House and Senate vary and change over time. In earlier years, spending and revenue changes were incorporated into a single measure. In the Omnibus Reconciliation Act of 1980, for example, about $8 billion in deficit reduction for FY1981 was split fairly evenly between spending reductions and revenue increases.

In more recent years, revenue and spending changes have often been segregated into separate reconciliation measures. For the FY2006 budget cycle, for example, the Deficit Reduction Act of 2005 was a spending reconciliation bill, and the Tax Increase Prevention and Reconciliation Act of 2005 was a revenue reconciliation bill. Most recently, however, the Health Care and Education Reconciliation Act of 2010 included significant changes in both spending and revenues.

Reconciliation directives in a single budget resolution sometimes lead to more than one reconciliation measure, as indicated above for the FY2006 budget cycle. Multiple reconciliation measures also were considered in calendar years 1982 and 1997.

Finally, the consideration of reconciliation measures sometimes extends into a succeeding year. Action on reconciliation measures initiated in 1983, 1985, and 2005 was not completed until the following year. Although in these instances legislative action spilled over into the following year, the initial year was retained in the titles of the acts (e.g., the Deficit Reduction Act of 2005 was enacted in 2006). In the FY2010 budget cycle, the budget resolution containing reconciliation directives was adopted in 2009 but the reconciliation legislation was not considered until 2010.

A brief description of each of the 21 reconciliation measures enacted into law is provided in the **Appendix**. The laws are presented in chronological order.

For each reconciliation law listed in the **Appendix**, some of the major subject areas affected by the revenue or spending changes are identified, but no determination is made as to whether the specific changes involved increases or decreases. The subject areas identified range from fairly specific (e.g., Nuclear Regulatory Commission fees) to quite broad (e.g., Medicare), with broad subject areas sometimes encompassing dozens or hundreds of separate provisions. Some of the reconciliation measures included in the listing were very lengthy and complicated, involving the legislative proposals of many different House and Senate committees. Accordingly, the subject areas identified in the listing should be regarded as illustrative and not comprehensive.

The source from which the summary information was drawn is indicated for each law by a bracketed reference at the end of the summary.

Appendix. Reconciliation Measures Enacted Into Law, 1980 to 2017

1. Omnibus Reconciliation Act of 1980

P.L. 96-499 (December 5, 1980)

This act, signed into law by President Jimmy Carter, was the first reconciliation bill to pass the House and Senate. It was estimated to reduce the FY1981 deficit by $8.276 billion, including $4.631 billion in outlay reductions and $3.645 billion in revenue increases.

Major spending changes affected such areas as child nutrition subsidies; interest rates for student loans; "look back" cost-of-living adjustment (COLA) benefit provisions for retiring federal employees; highway obligational authority; railroad rehabilitation, airport development, planning, and noise control grants; veterans' burial allowances; disaster loans; Medicare and Medicaid; unemployment compensation; and Social Security.

Major revenue changes affected such areas as mortgage subsidy bonds; payment of estimated corporate taxes; capital gains on foreign real estate investments; payroll taxes paid by employers; telephone excise taxes; and the alcohol import duty.

[1980 Congressional Quarterly Almanac, pp. 124-130]

2. Omnibus Budget Reconciliation Act of 1981

P.L. 97-35 (August 13, 1981)

President Ronald Reagan used this act, along with a nonreconciliation bill, the Economic Recovery Tax Act of 1981 (P.L. 97-34), to advance much of his agenda in his first year in office. This act was estimated to reduce the deficit by $130.6 billion over three years, covering FY1982-FY1984.

Major spending changes affected such areas as health program block grants; Medicaid; television and radio licenses; Food Stamps; dairy price supports; energy assistance; Conrail; education program block grants; Impact Aid and the Title I compensatory education program for disadvantaged children; student loans; and the Social Security minimum benefit.

[1981 Congressional Quarterly Almanac, pp. 256-266]

3. Tax Equity and Fiscal Responsibility Act of 1982

P.L. 97-248 (September 3, 1982)

This act, one of two reconciliation measures signed by President Reagan in 1982, was estimated to increase revenues by $98.3 billion and reduce outlays by $17.5 billion over three years, covering FY1983-FY1985.

Major spending changes affected such areas as Medicare, Medicaid, aid to families with dependent children (AFDC), child support enforcement (CSE), supplemental security income (SSI), unemployment compensation, and interest payments on U.S. savings bonds.

Major revenue changes affected such areas as the alternative minimum tax, medical and casualty deductions, pension contribution deductions, federal employee payment of the FICA tax for Medicare coverage, accelerated depreciation and investment tax credits, corporate tax payments, foreign oil and gas income, corporate tax preferences, construction deductions, insurance tax breaks, "safe-harbor leasing," corporate mergers, withholding on interest and dividends, aviation excise taxes, unemployment insurance, telephone and cigarette excise taxes, and industrial development bonds.

[1982 Congressional Quarterly Almanac, pp. 29-39 and 199-204]

4. Omnibus Budget Reconciliation Act of 1982

P.L. 97-253 (September 8, 1982)

This act, the second of two reconciliation measures signed by President Reagan in 1982, was estimated to reduce outlays by $13.3 billion over three years, covering FY1983-FY1985.

Major spending changes affected such areas as payments to farmers, dairy price supports, Food Stamps, inflation adjustments for federal retirees, lump-sum premiums for Federal Housing Administration housing insurance, user fees on Veterans Administration-backed home loans, veterans' compensation and benefits, and reduction in the membership of the Federal Communications Commission and the Interstate Commerce Commission.

[1982 Congressional Quarterly Almanac, pp. 199-204]

5. Omnibus Budget Reconciliation Act of 1983

P.L. 98-270 (April 18, 1984)

Initial consideration of this act occurred in 1983, but final action did not occur until 1984. It was estimated to reduce the deficit by $8.2 billion over four years, covering FY1984-FY1987.

Major spending changes affected such areas as limitation and delay of federal civilian employee pay raises, delay of federal civilian and military retirement and disability COLAs, delay of veterans' compensation COLAs, and disaster loans for farmers.

[1983 Congressional Quarterly Almanac, pp. 231-239, and 1984 Congressional Quarterly Almanac, p. 160]

6. Consolidated Omnibus Budget Reconciliation Act of 1985

P.L. 99-272 (April 7, 1986)

Initial consideration of this act occurred in 1985, but final action did not occur until 1986. The act was estimated to reduce the deficit by $18.2 billion over three years, covering FY1986-FY1988.

Major spending changes affected such areas as student loans, highway spending, veterans' medical care, Medicare, Medicaid, and trade adjustment assistance.

Major revenue changes affected such areas as the cigarette tax, excise taxes supporting the Black Lung Trust Fund, unemployment tax exemptions, taxation of railroad retirement benefits, airline employee income subject to taxation, and the deduction of research expenses of multinational firms.

[1986 Congressional Quarterly Almanac, p. 521 and pp. 555-559]

7. Omnibus Budget Reconciliation Act of 1986

P.L. 99-509 (October 21, 1986)

The reconciliation measure covered the period of FY1987-FY1989. An estimated $11.7 billion in deficit reduction contributed to the avoidance of a sequester (i.e., across-the-board spending cuts in nonexempt programs to eliminate a violation of the applicable deficit target under the Balanced Budget and Emergency Deficit Control Act) for FY1987.

Major spending changes affected such areas as Medicare, Medicaid, agricultural income support payments, loan asset sales, federal employee retirement programs, federal subsidy for reduced-rate postage, federal financing for fishing vessels or facilities, retirement age limits, and elimination of the trigger for Social Security COLAs.

Major revenue changes affected such areas as the tax treatment of the sale of the federal share of Conrail, commercial merchandise import fee, increased penalty for untimely payment of withheld taxes, denial of certain foreign tax credits, and the oil-spill liability trust fund.

[1986 Congressional Quarterly Almanac, pp. 559-576]

8. Omnibus Budget Reconciliation Act of 1987

P.L. 100-203 (December 22, 1987)

The reconciliation measure covered the period of FY1988-FY1990 and was the final reconciliation measure signed by President Reagan. Together with an omnibus appropriations act (P.L. 100-202), the reconciliation act implemented the $76 billion in deficit reduction over FY1988 and FY1989 called for in a budget summit agreement reached after a sharp decline in the stock market in October.

Major spending changes affected such areas as Medicare, Medicaid, agricultural target prices, farm income support payments, deferral of lump-sum retirement payments to federal employees, Postal Service payments into retirement and health benefit funds, the Guaranteed Student Loan program, Nuclear Regulatory Committee license fees, and National Park user fees.

Major revenue changes affected such areas as home mortgage interest deduction, deduction of mutual fund expenses, "completed contract" method of accounting, repeal of installment-sales accounting, "master-limited" partnerships, and accelerated payments of corporate estimated taxes.

[1987 Congressional Quarterly Almanac, pp. 615-627]

9. Omnibus Budget Reconciliation Act of 1989

P.L. 101-239 (December 19, 1989)

The act, signed into law by President George H. W. Bush, was estimated to contain $14.7 billion in deficit reduction, which represented about half of the deficit reduction envisioned in a budget summit agreement reached earlier in the year (the remaining savings were expected to occur largely in annual appropriations acts).

Major spending changes affected such areas as Medicare, Medicaid, veterans' housing loans, agricultural deficiency payments and dairy price supports, the Supplemental Loans for Students program, Federal Communications Commission and Nuclear Regulatory Commission fees, vaccine injury compensation amendments, and the Maternal and Child Health Block Grant program.

Major revenue changes affected such areas as the exclusion for employer-provided education assistance, targeted-jobs tax credit, mortgage revenue bonds, self-employed health insurance, low-income housing credit, treatment of junk bonds, and research and experimentation credits.

[1989 Congressional Quarterly Almanac, pp. 92-113]

10. Omnibus Budget Reconciliation Act of 1990

P.L. 101-508 (November 5, 1990)

This five-year reconciliation act, covering FY1991-FY1995, implemented a large portion of the deficit reduction required by an agreement reached during a lengthy budget summit held at Andrews Air Force Base. According to the Senate Budget Committee, the act was estimated to reduce the deficit by $482 billion over five years, including $158 billion in revenue increases and $324 billion in spending cuts and debt service savings.

Major spending changes affected such areas as Medicare, Medicaid, agricultural loans, acreage reduction, deposit insurance premiums, mortgage insurance premiums, collection of delinquent student loans, Occupational Safety and Health Administration penalties, AFDC, CSE, SSI, unemployment compensation, child welfare and foster care, Social Security, abandoned mines, Environmental Protection Agency, federal employee retirement and health benefits, veterans' compensation and disability payments, airport ticket fees, customs user fees, and tonnage duties.

Major revenue changes affected such areas as individual income tax rates, the alternative minimum tax, limitation on itemized deductions, excise taxes on alcoholic beverages and tobacco products, motor fuel excise taxes, and Superfund tax extension.

The public debt limit was increased from $3.123 trillion to $4.145 trillion.

[1990 Congressional Quarterly Almanac, pp. 138-173]

11. Omnibus Budget Reconciliation Act of 1993

P.L. 103-66 (August 10, 1993)

This five-year reconciliation act, covering FY1994-FY1998, was signed by President Bill Clinton in the first year of his Administration. According to the Senate Budget Committee, the act reduced the deficit by $496 billion over five years, including $241 billion in revenue increases and $255 billion in spending cuts and debt service savings.

Major spending changes affected such areas as Medicare, Medicaid, Food Stamps, auction of the radio spectrum, student loan programs, veterans' benefits, agricultural price supports, crop insurance, liabilities of the Postal Service, and Nuclear Regulatory Commission fees.

Major revenue changes affected such areas as a fuels tax increase, maximum individual income tax rates, maximum corporate income tax rate, small business tax incentives, empowerment zones, and unemployment insurance surtax.

The public debt limit was increased from $4.145 trillion to $4.9 trillion.

[1993 Congressional Quarterly Almanac, pp. 107-139]

12. Personal Responsibility and Work Opportunity Reconciliation Act of 1996

P.L. 104-193 (August 22, 1996)

This six-year reconciliation act, covering FY1997-FY2002, was estimated to reduce the deficit by $54.6 billion over that period.

Major spending changes affected such areas as temporary assistance for needy families (TANF), work requirements, SSI, CSE, restrictions on benefits for illegal aliens, Child Care and Development Block Grant, child nutrition, Food Stamps, teenage pregnancies, and abstinence education.

[1996 Congressional Quarterly Almanac, pp. 6-3 through 6-24]

13. Balanced Budget Act of 1997

P.L. 105-33 (August 5, 1997)

This five-year reconciliation act, covering FY1998-FY2002, was one of two reconciliation acts signed by President Clinton in 1997 and largely contained spending provisions. According to the Senate Budget Committee, the two acts together reduced the deficit by $118 billion over five years, including spending cuts and debt service savings of $198 billion and $80 billion in revenue reductions.

Major spending changes affected such areas as Medicare, Medicaid, children's health initiative, electromagnetic spectrum auction, Food Stamps, TANF, SSI, increased contributions to the Civil Service Retirement System, subsidized housing, and veterans' housing.

The public debt limit was increased from $5.5 trillion to $5.95 trillion.

[1997 Congressional Quarterly Almanac, pp. 2-27 through 2-30 and pp. 2-47 through 2-61]

14. Taxpayer Relief Act of 1997

P.L. 105-34 (August 5, 1997)

The second of the two reconciliation measures enacted in 1997, this five-year reconciliation act, covering FY1998-FY2002, largely included revenue provisions.

Major revenue changes affected such areas as a child tax credit, education tax incentives (including the HOPE tax credit, the lifetime learning credit, and education savings accounts), home office deductions, capital gains tax cut, the "Roth IRA," gift and estate tax exemptions, corporate alternative minimum tax repeal, renewal of the work opportunity tax credit, and the airline ticket tax.

[1997 Congressional Quarterly Almanac, pp. 2-27 through 2-46]

15. Economic Growth and Tax Relief Reconciliation Act of 2001

P.L. 107-16 (June 7, 2001)

This 11-year reconciliation act, covering FY2001-2011, advanced President George W. Bush's tax-cut agenda during the first year of his Administration. According to the Senate Budget Committee, revenue reductions, together with outlay increases for refundable tax credits, reduced the projected surplus by $1.349 trillion over FY2001–FY2011. The tax cuts were scheduled to sunset in 10 years in order to comply with the Senate's ''Byrd rule'' against extraneous matter in reconciliation legislation (Section 313 of the Congressional Budget Act of 1974).

Major revenue changes affected such areas as individual income tax rates, the "marriage penalty," child tax credit, estate and gift taxes, individual retirement accounts and pensions, charitable contributions, education incentives, health insurance tax credit, flexible spending accounts, research and experimentation tax credit, and adoption tax credit and employer adoption assistance programs.

[CRS Report RL30973, *2001 Tax Cut: Description, Analysis, and Background*, by David L. Brumbaugh et al.]

16. Jobs and Growth Tax Relief Reconciliation Act of 2003

P.L. 108-27 (May 28, 2003)

This 11-year reconciliation act, covering FY2003-2013, was estimated to reduce revenues by $349.667 billion over that period.

Major revenue changes affected such areas as the acceleration of certain previously enacted tax reductions (including expansion of the child tax credit and the 10% bracket), increased bonus depreciation and Section 179 expensing, taxes on dividends and capital gains, the Temporary State Fiscal Relief Fund, and special estimated tax rules for certain corporate estimated tax payments.

[Joint Committee on Taxation, *Estimated Budget Effects of the Conference Agreement for H.R. 2, The "Jobs and Growth Tax Relief Reconciliation Act of 2003,"* JCX-55-03, May 22, 2003]

17. Deficit Reduction Act of 2005

P.L. 109-171 (February 8, 2006)

This five-year reconciliation act, covering FY2006-FY2010, was one of two reconciliation acts signed by President George W. Bush in 2006 (initial consideration of both measures occurred in 2005). This act, the spending reconciliation bill, was estimated to reduce the deficit over the five-year period by $38.810 billion.

Major spending changes affected such areas as Medicare, Medicaid, State Children's Health Insurance Program (SCHIP), student loan interest rates and lenders' yields, electromagnetic spectrum auction, digital television conversion, grants for interoperable radios for first responders, low-income home energy assistance program (LIHEAP), Federal Deposit Insurance Corporation premium collections, agricultural conservation programs, Katrina health care relief, and Pension Benefit Guarantee Corporation (PBGC) premiums.

[CRS Report RL33132, *Budget Reconciliation Legislation in 2005-2006 Under the FY2006 Budget Resolution*, by Robert Keith]

18. Tax Increase Prevention and Reconciliation Act of 2005

P.L. 109-222 (May 17, 2006)

This act, the second of two reconciliation bills enacted in 2006, was the revenue reconciliation bill. It was estimated to increase the deficit over the five-year period covering FY2006-FY2010 by $69.960 billion.

Major revenue changes affected such areas as tax rates on dividends and capital gains, the alternative minimum tax for individuals, delay in payment date for corporate estimated taxes, controlled foreign corporations, Foreign Sales Corporation/ Extraterritorial Income binding contract relief, elimination of the income limitations on Roth IRA conversions, and withholding on government payments for property and services.

[CRS Report RL33132, *Budget Reconciliation Legislation in 2005-2006 Under the FY2006 Budget Resolution*, by Robert Keith]

19. College Cost Reduction and Access Act of 2007

P.L. 110-84 (September 27, 2007)

This six-year reconciliation act, covering FY2007-FY2012, was estimated to reduce the deficit over that period by $752 million.

Major spending changes affected provisions relating to lenders and borrowers involved with the Federal Family Education Loan program and the William D. Ford Direct Loan program.

[CRS Report RL34077, *Student Loans, Student Aid, and FY2008 Budget Reconciliation*, by Adam Stoll, David P. Smole, and Charmaine Mercer]

20. Health Care and Education Reconciliation Act of 2010

P.L. 111-152 (March 30, 2010)

This reconciliation act, which resulted from reconciliation directives in the FY2010 budget resolution (adopted in 2009) for the five-year period encompassing FY2010-FY2014, modified the Patient Protection and Affordable Care Act (P.L. 111-148, March 23, 2010) and also contained changes in federal postsecondary education programs.

According to the Congressional Budget Office and the staff of the Joint Committee on Taxation, the changes made by the reconciliation act, combined with the changes made by the Patient Protection and Affordable Care Act, were estimated to reduce the deficit by $109 billion over five years (FY2010-FY2014) and by $143 billion over 10 years (FY2010-FY2019).

21. An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018

P.L. 115-97 (December 22, 2017)

This reconciliation act resulted from reconciliation directives in the FY2018 budget resolution (adopted in October 2017) for the 10-year period encompassing FY2018-FY2027. The reconciliation act includes permanent and temporary changes to the tax code and directs the Secretary of the Interior to implement a certain oil and gas leasing program.

More specifically, the act temporarily reduces most individual income tax rates, modifies tax brackets for individuals, increases the standard deduction and the child tax credit, repeals deductions for personal exemptions, repeals or limits certain itemized deductions, and increases the exemption amounts for the individual alternative minimum tax. (These temporary changes take effect on January 1, 2018, and are scheduled to expire after 2025.) The act permanently repeals the penalties associated with the "individual mandate" (which requires that most people obtain health insurance coverage).

The act makes permanent modifications to business taxation. Most notably, the law replaces the graduated corporate tax rate structure (with a maximum rate of 35%) with a flat 21% tax rate. The law also provides a reduction from qualified business income of up to 20% for pass-through businesses. The act also significantly alters the tax treatment of U.S. multinational corporations.

Lastly, the act directs the Secretary of the Interior to implement an oil and gas leasing program for the coastal plain of the Arctic National Wildlife Refuge and would affect oil and gas leases and the Strategic Petroleum Reserve.

The Congressional Budget Office and the staff of the Joint Committee on Taxation estimated the legislation to reduce revenue by about $1.65 trillion and decrease outlays by $194 billion over the 2018-2027 period.[2] The bill is therefore estimated to increase the deficit by $1.46 trillion over that period, excluding effects from macroeconomic feedback.[3]

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[2] Letter from Keith Hall, Director of the Congressional Budget Office, to Honorable Kevin Brady, Chairman of the House Committee on Ways and Means, December 15, 2017, https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/53415-hr1conferenceagreement.pdf.

[3] Ibid. The estimate also states that a portion of the changes in revenues would be from Social Security payroll taxes, which are off-budget and therefore often excluded from budget totals. Excluding the changes to off-budget revenues, the legislation is estimated to increase on-budget deficits by about $1.48 trillion. Off-budget entities are excluded by law from the budget totals. The receipts and disbursements of the Social Security trust funds (the Old-Age and Survivors Insurance Fund and the Disability Insurance Fund), as well as spending for the Postal Service Fund, are excluded from the budget totals. These transactions are shown separately in the budget. For more information, see CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by James V. Saturno.

Acknowledgments

This report was originally written by Robert Keith, former specialist at the Congressional Research Service. The listed author updated the report and is available to answer questions from congressional clients concerning reconciliation and the budget process.

Disclaimer