

From: John McClelland [REDACTED]
Sent: Thursday, June 1, 2023 8:27 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: SBC Request: Scoring the IRS rescissions

[REDACTED]

In response to your request, CBO has estimated the effect of rescinding \$21.4 billion of the funds provided to the IRS and related agencies in P.L. 117-169. More specifically, we have estimated the impact on spending and revenues of rescinding funds in three tranches as you specified:

“Of the unobligated balances of amounts appropriated or otherwise made available for activities of the Internal Revenue Service by paragraphs (1)(A)(ii), (1)(A)(iii), (1)(B), (2), (3), (4), and (5) of section 10301 of Public Law 117–169 (commonly known as the “Inflation Reduction Act of 2022”) as of the date of the enactment of this Act, \$1,389,525,000 are hereby rescinded.

Of the unobligated balances of amounts appropriated or otherwise made available for activities of the Internal Revenue Service by paragraphs (1)(A)(ii), (1)(A)(iii), (1)(B), (2), (3), (4), and (5) of section 10301 of Public Law 117–169 (commonly known as the “Inflation Reduction Act of 2022”) as of October 1, 2023, \$10,000,000,000 are hereby rescinded.

Of the unobligated balances of amounts appropriated or otherwise made available for activities of the Internal Revenue Service by paragraphs (1)(A)(ii), (1)(A)(iii), (1)(B), (2), (3), (4), and (5) of section 10301 of Public Law 117–169 (commonly known as the “Inflation Reduction Act of 2022”) as of October 1, 2024, \$10,000,000,000 are hereby rescinded.”

Relative to CBO’s May 2023 baseline projections our preliminary estimate is that the total effect of these rescissions would increase the deficit by \$19 billion over the 2023–2033 period. Here is a more detailed breakdown of the estimated changes in spending and revenues:

	FY2023 - FY2028	FY2023 - FY2033
	<i>Billions of Dollars</i>	
<i>Decreases (-) in Direct Spending</i>		
Estimated Budget Authority	-21.4	-21.4
Estimated Outlays	-8.8	-21.4
<i>Decreases (-) in Revenues</i>		
Revenues	-19.5	-40.4
Net Increase in the Deficit	10.7	19.0

Please let me know if you have any questions,
John



John McClelland
Director of Tax Analysis
Congressional Budget Office
[REDACTED]