

# Transparent and Sustainable Budget Act of 2010

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## Section-By-Section

### TITLE I, BUDGET PROCESS REFORMS

#### Subtitle A, “Reform of the President’s Budget”

Establishes debt and deficit reduction targets, and requires specifics in the budget as to how those targets can be achieved.

#### Subtitle B, “Reform of the Congressional Budget Resolution”

Requires specifics in the budget as to how debt and deficit reduction targets can be achieved.

#### Subtitle C, “Prompt Consideration of Fiscal Commission Recommendations”

Expresses sense of Congress that the recommendations should be considered promptly.

#### Subtitle D, “Quadrennial Fiscal Sustainability Report”

Requires OMB to issue a report (the QFSR) on fiscal sustainability every four years, much like DOD’s QDR.

#### Subtitle E, “Presidential Address to Congress on Fiscal Sustainability”

Invites the President to give a “Fiscal Sustainability State of the Union” address at the end of each fiscal year

### TITLE II, ACCOUNTING AND SCORING REFORMS

#### Subtitle A, “Discounted Baseline”

Creates an alternative budget baseline that accounts for spending and revenues through a thirty year budget window (no hiding spending in outyears), but also gives later spending and revenues progressively less weight (less counting of chickens before they’ve hatched).

#### Subtitle B, “Alternative Net Cost Estimate”

Creates an alternative net cost estimate of proposed measures that is based on the discounted baseline methodology as outlined in Subtitle A.

#### Subtitle C, “Deficit Control Mechanism”

Creates a point of order against measures that would create large deficits outside the 10 year budget window.

#### Subtitle D, “Accrual Accounting Report”

Implements a GAO recommendation that an accrual accounting system (used by the private sector) be developed to apply to certain areas of the budget including retirement benefits and environmental liabilities.

#### Subtitle E, “On-Budget Status of Trust Funds & GSEs”

Requires OMB to report on how to bring Fannie, Freddie, and other similar agencies on-budget.

### **TITLE III, TAX EXPENDITURE REFORMS**

#### **Subtitle A, “Identification of Tax Expenditures”**

Requires JCT to report more data on tax expenditures in its regular report to Congress.

#### **Subtitle B, “Enforcement of Tax Expenditure Requirements”**

Creates points of order against tax expenditures unless (1) they’re accompanied by an enhanced JCT report, (2) they include a sunset measure, and (3) they’re authorized by the committee that authorizes similar spending measures.

#### **Subtitle C, “Executive Branch Reporting of Tax Expenditures”**

Requires executive agencies to report on tax expenditure programs that relate to their mission.

#### **Subtitle D, “Tax Expenditure Data”**

Requires studies to improve the use of IRS data in evaluating tax expenditures.

#### **Subtitle E, “Tax Expenditure Performance Reviews”**

Requires CBO to do performance reviews of tax expenditures, reviewing each tax expenditure at least once every four years, and recommending to Congress whether each tax expenditure should be continued.