



April 3, 2014

Dear Congressman:

On behalf of the taxpayers, citizen activists, and ordinary Americans we represent, we urge you to support and vote for H.R. 1874, the “Pro-Growth Budgeting Act of 2013.” The House of Representatives will vote this week on H.R. 1874, and we urge all Members to vote “aye.”

H.R. 1874 would require the Congressional Budget Office (CBO) to prepare a dynamic budgetary analysis of each major-sized bill or resolution considered by Congress. This dynamic analysis, to be written alongside the conventional “static” budget score, would take into account macroeconomic changes resulting from the legislation. In addition, the dynamic analysis would show budgetary changes over a 30-year window, as opposed to the static score’s 10-year window.

H.R. 1874 requires the dynamic analysis to describe the potential economic impact of the bill or resolution on major economic variables, including real gross domestic product (GDP), business investment, the capital stock, employment, interest rates, and labor supply. Also to be accounted for would be the potential fiscal effects of the measure, including any estimates of revenue increases or decreases resulting from changes in GDP.

Finally, H.R. 1874 requires the dynamic analysis (or a technical appendix to it) to specify the economic and econometric models used, sources of data, relevant data transformations, as well as any explanation necessary to make the models comprehensible to academic and public policy analysts.

It’s high time for CBO to begin to use dynamic analysis on a more consistent basis. It’s absurd to continue to pretend that large fiscal bills have no changes to macroeconomic factors, which in turn influence the spending and tax effects of the legislation itself. If Members want to willfully ignore these realities, they can always retreat to the incomplete analysis found in the static score. But Congressmen should have an informed opinion when they vote. The color provided by a dynamic analysis is an essential component of that informed opinion.

Sincerely,

Grover Norquist, Americans for Tax Reform

Mike Needham, Heritage Action for America

Brandon Arnold, National Taxpayers Union

William Gardner, Americans for Prosperity

Larry Hart, American Conservative Union

Tom Schatz, Council for Citizens Against Government Waste

Jim Martin, 60 Plus Association

David Williams, Taxpayers Protection Alliance

Gregory T. Angelo, Log Cabin Republicans

Tim Lee, Center for Individual Freedom

Andrew Moylan, R Street

Wayne Crews, Competitive Enterprise Institute

Phil Kerpen, American Commitment

Palmer Schoening, Family Business Coalition

Chuck Muth, Citizens Outreach

Mario Lopez, Hispanic Leadership Fund

Jeff Kropf, Oregon Taxpayers Coalition

Stephen DeMaura, Americans for Job Security

Roseann Siderits, COAST

(Signatures are for information purposes only).