

12. OFFSETTING COLLECTIONS AND OFFSETTING RECEIPTS

I. INTRODUCTION AND BACKGROUND

The Government records money collected in one of two ways. It is either recorded as a governmental receipt and included in the amount reported on the receipts side of the budget or it is recorded as an offsetting collection or offsetting receipt, which reduces (or “offsets”) the amount reported on the outlay side of the budget. Governmental receipts are discussed in the previous chapter, “Governmental Receipts.” The first section of this chapter broadly discusses offsetting collections and offsetting receipts. The second section discusses user charges, which consist of a subset of offsetting collections and offsetting receipts and a small share of governmental receipts. The third section describes the user charge proposals in the 2023 Budget.

Offsetting collections and offsetting receipts are recorded as offsets to spending so that the budget totals for receipts and (net) outlays reflect the amount of resources allocated by the Government through collective political choice, rather than through the marketplace.¹ This practice ensures that the budget totals measure the transactions of the Government with the public, and avoids the double counting that would otherwise result when one account makes a payment to another account and the receiving account then spends the proceeds. Offsetting receipts and offsetting collections are recorded in the budget in one of two ways, based on interpretation of laws and longstanding budget concepts and practice. They are offsetting collections when the collections are authorized to be credited to expenditure accounts. Otherwise, they are deposited in receipt accounts and called offsetting receipts.

There are two sources of offsetting receipts and offsetting collections: from the public and from other budget accounts. Like governmental receipts, offsetting receipts and offsetting collections from the public reduce the deficit or increase the surplus. In contrast, offsetting receipts and offsetting collections resulting from transactions with other budget accounts, called intragovernmental transactions, exactly offset the payments made by these accounts, with no net impact on the deficit or surplus.² In 2021, offsetting receipts and offsetting collections from the public were \$710 billion, while receipts and collections from intragovernmental transactions were \$1,546 billion, for a total of \$2,255 billion Government-wide.

¹ Showing collections from business-type transactions as offsets on the spending side of the budget follows the concept recommended by the Report of the President’s Commission on Budget Concepts in 1967 and is discussed in Chapter 8 of this volume, “Budget Concepts.”

² For the purposes of this discussion, “collections from the public” include collections from non-budgetary Government accounts, such as credit financing accounts and deposit funds. For more information on these non-budgetary accounts, see Chapter 9, “Coverage of the Budget.”

As described above, intragovernmental transactions are responsible for the majority of offsetting collections and offsetting receipts, when measured by the magnitude of the dollars collected. Examples of intragovernmental transactions include interest payments to funds that hold Government securities (such as the Social Security trust funds), general fund transfers to civilian and military retirement pension and health benefits funds, and agency payments to funds for employee health insurance and retirement benefits. Although receipts and collections from intragovernmental collections exactly offset the payments themselves, with no effect on the deficit or surplus, it is important to record these transactions in the budget to show how much the Government is allocating to fund various programs. For example, in the case of civilian retirement pensions, Government agencies make accrual payments to the Civil Service Retirement and Disability Fund on behalf of current employees to fund their future retirement benefits; the receipt of these payments to the Fund is shown in a single receipt account. Recording the receipt of these payments is important because it demonstrates the total cost to the Government today of providing this future benefit.

Offsetting receipts and collections from the public comprise approximately one-third of total offsetting collections and offsetting receipts, when measured by the magnitude of the dollars collected. Most of the funds collected through offsetting collections and offsetting receipts from the public arise from business-like transactions with the public. Unlike governmental receipts, which are derived from the Government’s exercise of its sovereign power, these offsetting collections and offsetting receipts arise primarily from voluntary payments from the public for goods or services provided by the Government. They are classified as offsets to outlays for the cost of producing the goods or services for sale, rather than as governmental receipts. These activities include the sale of postage stamps, land, timber, and electricity; charging fees for services provided to the public (e.g., admission to National parks); and collecting premiums for healthcare benefits (e.g., Medicare Parts B and D). As described above, treating offsetting collections and offsetting receipts as offsets to outlays ensures the budgetary totals represent governmental rather than market activity.

A relatively small portion (\$23.6 billion in 2021) of offsetting collections and offsetting receipts from the public is derived from the Government’s exercise of its sovereign power. From a conceptual standpoint, these should be classified as governmental receipts. However, they are classified as offsetting rather than governmental receipts either because this classification has been specified in law or because these collections have traditionally been classi-

Table 12–1. OFFSETTING COLLECTIONS AND OFFSETTING RECEIPTS FROM THE PUBLIC
(In billions of dollars)

	Actual 2021	Estimate	
		2022	2023
Offsetting collections (credited to expenditure accounts):			
Postal Service stamps and other Postal Service fees (off-budget)	77.1	76.0	77.0
Sale of energy:			
Tennessee Valley Authority	54.1	53.9	53.7
Bonneville Power Administration	3.7	3.9	3.9
Employee contributions for employees and retired employees health benefits funds	17.8	18.8	19.8
Deposit Insurance	8.0	7.9	19.6
Pension Benefit Guaranty Corporation fund	10.0	11.6	12.6
Federal Crop Insurance Corporation Fund	4.3	5.6	5.4
Defense Commissary Agency	4.1	4.7	4.8
Patent and Trademark fees	3.6	4.1	4.2
National Flood Insurance Fund	3.7	3.8	3.6
All other user charges	42.5	35.9	39.0
Subtotal, user charges	229.1	226.1	243.5
Other collections credited to expenditure accounts:			
Commodity Credit Corporation fund	7.2	6.2	7.3
Supplemental Security Income (collections from the States)	2.4	3.2	3.1
Other collections	78.9	5.5	4.6
Subtotal, other collections	88.5	14.9	15.0
Subtotal, offsetting collections	317.6	241.0	258.5
Offsetting receipts (deposited in receipt accounts):			
User charges:			
Medicare premiums	122.1	140.9	156.8
Outer Continental Shelf rents, bonuses, and royalties	4.2	10.7	6.4
Immigration fees	5.0	4.8	5.1
Spectrum auction, relocation, and licenses	8.9	103.5
All other user charges	45.2	49.0	29.2
Subtotal, user charges deposited in receipt accounts	185.5	308.9	197.5
Other collections deposited in receipt accounts:			
Military assistance program sales	35.9	51.5	49.9
Interest received from credit financing accounts	47.4	51.7	45.9
Government-Sponsored Enterprise fees pursuant to Public Law 112–78, Section 401	4.9	5.6	5.9
Student loan receipt of negative subsidy and downward reestimates	5.4	28.0	2.7
All other collections deposited in receipt accounts	112.9	83.2	43.1
Subtotal, other collections deposited in receipt accounts	206.5	220.0	147.6
Subtotal, offsetting receipts	392.0	528.9	345.0
Total, offsetting collections and offsetting receipts from the public	709.6	769.9	603.6
Total, offsetting collections and offsetting receipts excluding off-budget	632.2	693.9	526.5
ADDENDUM:			
User charges that are offsetting collections and offsetting receipts ¹	414.6	535.0	441.0
Other offsetting collections and offsetting receipts from the public	295.0	234.9	162.6

¹ Excludes user charges that are classified on the receipts side of the budget. For total user charges, see Table 12–3.

fied as offsets to outlays. Most of the offsetting collections and offsetting receipts in this category derive from fees from Government regulatory services or Government licenses, and include, for example, charges for regulating the nuclear energy industry, bankruptcy filing fees, and immigration fees.³

³ This category of receipts is known as “offsetting governmental receipts.” Some argue that regulatory or licensing fees should be viewed as payments for a particular service or for the right to engage in a particular type of business. However, these fees are conceptually much more similar to taxes because they are compulsory, and they

The final source of offsetting collections and offsetting receipts from the public is gifts. Gifts are voluntary contributions to the Government to support particular purposes or reduce the amount of Government debt held by the public.

fund activities that are intended to provide broadly dispersed benefits, such as protecting the health of the public. Reclassifying these fees as governmental receipts could require a change in law, and because of conventions for scoring appropriations bills, would make it impossible for fees that are controlled through annual appropriations acts to be scored as offsets to discretionary spending.

Table 12-2. SUMMARY OF OFFSETTING RECEIPTS BY TYPE
(In millions of dollars)

Receipt Type	Actual 2021	Estimate					
		2022	2023	2024	2025	2026	2027
Intragovernmental	1,133,021	1,103,936	1,018,402	1,093,440	1,136,674	1,241,334	1,195,546
Receipts from non-Federal sources:							
Proprietary	374,776	434,828	332,157	354,425	370,381	378,765	405,310
Offsetting governmental	17,239	94,027	12,856	13,873	14,145	14,361	14,518
Total, receipts from non-Federal sources	392,015	528,855	345,013	368,298	384,526	393,126	419,828
Total, offsetting receipts	1,525,036	1,632,791	1,363,415	1,461,738	1,521,200	1,634,460	1,615,374

The spending associated with the activities that generate offsetting collections and offsetting receipts from the public is included in total or “gross outlays.” Offsetting collections and offsetting receipts from the public are subtracted from gross outlays to the public to yield “net outlays,” which is the most common measure of outlays cited and generally referred to as simply “outlays.”⁴ For 2021, gross outlays to the public were \$7,532 billion, or 33.7 percent of GDP and offsetting collections and offsetting receipts from the public were \$710 billion, or 3.2 percent of GDP, resulting in net outlays of \$6,822 billion or 30.5 percent of GDP. Government-wide net outlays reflect the Government’s net disbursements to the public and are subtracted from governmental receipts to derive the Government’s deficit or surplus. For 2021, governmental receipts were \$4,047 billion, or 18.1 percent of GDP, and the deficit was \$2,775 billion, or 12.4 percent of GDP.

Although both offsetting collections and offsetting receipts are subtracted from gross outlays to derive net outlays, they are treated differently when it comes to accounting for specific programs and agencies. Offsetting collections are usually authorized to be spent for the purposes of an expenditure account and are generally available for use when collected, without further action by the Congress. Therefore, offsetting collections are recorded as offsets to spending within expenditure accounts, so that the account total highlights the net flow of funds.

⁴ Gross outlays to the public are derived by subtracting intragovernmental outlays from gross outlays. For 2021, gross outlays were \$9,078 billion and intragovernmental outlays were \$1,546 billion.

Like governmental receipts, offsetting receipts are credited to receipt accounts, and any spending of the receipts is recorded in separate expenditure accounts. As a result, the budget separately displays the flow of funds into and out of the Government. Offsetting receipts may or may not be designated for a specific purpose, depending on the legislation that authorizes their collection. If designated for a particular purpose, the offsetting receipts may, in some cases, be spent without further action by the Congress. When not designated for a particular purpose, offsetting receipts are credited to the general fund, which contains all funds not otherwise allocated and which is used to finance Government spending that is not financed out of dedicated funds. In some cases where the receipts are designated for a particular purpose, offsetting receipts are reported in a particular agency and reduce or offset the outlays reported for that agency. In other cases, the offsetting receipts are “undistributed,” which means they reduce total Government outlays, but not the outlays of any particular agency.

Table 12-1 summarizes offsetting collections and offsetting receipts from the public. The amounts shown in the table are not evident in the commonly cited budget measure of outlays, which is already net of these collections and receipts. For 2023, the table shows that total offsetting collections and offsetting receipts from the public are estimated to be \$604 billion or 2.4 percent of GDP. Of these, an estimated \$259 billion are offsetting collections and an estimated \$345 billion are offsetting

**Table 12-3. GROSS OUTLAYS, USER CHARGES,
OTHER OFFSETTING COLLECTIONS AND OFFSETTING
RECEIPTS FROM THE PUBLIC, AND NET OUTLAYS**
(In billions of dollars)

	Actual 2021	Estimate	
		2022	2023
Gross outlays to the public	7,532.1	6,621.5	6,395.6
Offsetting collections and offsetting receipts from the public:			
User charges	414.6	535.0	441.0
Other	295.0	234.9	162.6
Subtotal, offsetting collections and offsetting receipts from the public	709.6	769.9	603.6
Net outlays	6,822.4	5,851.6	5,792.0

¹ \$4.4 billion of the total user charges for 2021 were classified as governmental receipts, and the remainder were classified as offsetting collections and offsetting receipts. \$4.8 billion and \$5.2 billion of the total user charges for 2022 and 2023 are classified as governmental receipts, respectively.

receipts. Table 12–1 also identifies those offsetting collections and offsetting receipts that are considered user charges, as defined and discussed below.

As shown in the table, major offsetting collections from the public include proceeds from Postal Service sales, electrical power sales, loan repayments to the Commodity Credit Corporation for loans made prior to enactment of the Federal Credit Reform Act, and Federal employee payments for health insurance. As also shown in the table, major offsetting receipts from the public include premiums for Medicare Parts A, B and D, proceeds from military assistance program sales, rents and royalties from Outer Continental Shelf oil extraction, and interest income.

Tables 12–2 and 12–3 provide further detail about offsetting receipts, including both offsetting receipts from the public (as summarized in Table 12–1) and intragov-

ernmental transactions. Table 12–5, “Offsetting Receipts by Type,” and Table 12–6, “Offsetting Collections and Offsetting Receipts, Detail—2023 Budget,” which is a complete listing by account, are available at <https://www.whitehouse.gov/omb/analytical-perspectives/>. In total, offsetting receipts are estimated to be \$1,363 billion in 2023; \$1,018 billion are from intragovernmental transactions and \$345 billion are from the public. The offsetting receipts from the public consist of proprietary receipts (\$332 billion), which are those resulting from business-like transactions such as the sale of goods or services, and offsetting governmental receipts, which, as discussed above, are derived from the exercise of the Government’s sovereign power and, absent a specification in law or a long-standing practice, would be classified on the receipts side of the budget (\$13 billion).

II. USER CHARGES

User charges or user fees⁵ refer generally to those monies that the Government receives from the public for market-oriented activities and regulatory activities. In combination with budget concepts, laws that authorize user charges determine whether a user charge is classified as an offsetting collection, an offsetting receipt, or a governmental receipt. Almost all user charges, as defined below, are classified as offsetting collections or offsetting receipts; for 2023, only an estimated 1.2 percent of user charges are classified as governmental receipts. As summarized in Table 12–3, total user charges for 2023 are estimated to be \$446 billion with \$441 billion being offsetting collections or offsetting receipts, and accounting for more than two-thirds of all offsetting collections and offsetting receipts from the public.⁶

Definition. In this chapter, user charges refer to fees, charges, and assessments levied on individuals or organizations directly benefiting from or subject to regulation by a Government program or activity, where the payers do not represent a broad segment of the public such as those who pay income taxes.

Examples of business-type or market-oriented user charges and regulatory and licensing user charges include those charges listed in Table 12-1 for offsetting collections and offsetting receipts. User charges exclude certain offsetting collections and offsetting receipts from the public, such as payments received from credit programs, and in-

terest, and also exclude payments from one part of the Federal Government to another. In addition, user charges do not include dedicated taxes (such as taxes paid to social insurance programs or excise taxes on gasoline) or customs duties, fines, penalties, or forfeitures.

Alternative definitions. The definition for user charges used in this chapter follows the definition used in OMB Circular No. A–25, “User Charges,” which provides policy guidance to Executive Branch Agencies on setting the amount for user charges. Alternative definitions may be used for other purposes. Much of the discussion of user charges below—their purpose, when they should be levied, and how the amount should be set—applies to these alternative definitions as well.

A narrower definition of user charges could be limited to proceeds from the sale of goods and services, excluding the proceeds from the sale of assets, and to proceeds that are dedicated to financing the goods and services being provided. This definition is similar to one the House of Representatives uses as a guide for purposes of committee jurisdiction. (See the Congressional Record, January 3, 1991, p. H31, item 8.) The definition of user charges could be even narrower by excluding regulatory fees and focusing solely on business-type transactions. Alternatively, the user charge definition could be broader than the one used in this chapter by including beneficiary- or liability-based excise taxes.⁷

What is the purpose of user charges? User charges are intended to improve the efficiency and equity of financing certain Government activities. Charging users for activities that benefit a relatively limited number of people reduces the burden on the general taxpayer, as

⁵ In this chapter, the term “user charge” is generally used and has the same meaning as the term “user fee.” The term “user charge” is the one used in OMB Circular No. A–11, “Preparation, Submission, and Execution of the Budget”; OMB Circular No. A–25, “User Charges”; and Chapter 8 of this volume, “Budget Concepts.” In common usage, the terms “user charge” and “user fee” are often used interchangeably, and in A Glossary of Terms Used in the Federal Budget Process, GAO provides the same definition for both terms.

⁶ User charge totals presented in this chapter include collections from accounts classified as containing user fee data. OMB accounts are classified as containing user fee data if more than half of collections are estimated to include user charges. Consequently, totals may include collections that are not user charges in accounts that meet the threshold and exclude user charges in accounts that do not meet the threshold.

⁷ Beneficiary- and liability-based taxes are terms taken from the Congressional Budget Office, *The Growth of Federal User Charges*, August 1993, and updated in October 1995. Gasoline taxes are an example of beneficiary-based taxes. An example of a liability-based tax is the excise tax that formerly helped fund the hazardous substance superfund in the Environmental Protection Agency. This tax was paid by industry groups to finance environmental cleanup activities related to the industry activity but not necessarily caused by the payer of the fee.

does charging regulated parties for regulatory activities in a particular sector.

User charges that are set to cover the costs of production of goods and services can result in more efficient resource allocation within the economy. When buyers are charged the cost of providing goods and services, they make better cost-benefit calculations regarding the size of their purchase, which in turn signals to the Government how much of the goods or services it should provide. Prices in private, competitive markets serve the same purposes. User charges for goods and services that do not have special social or distributional benefits may also improve equity or fairness by requiring those who benefit from an activity to pay for it and by not requiring those who do not benefit from an activity to pay for it.

When should the Government impose a charge?

Discussions of whether to finance spending with a tax or a fee often focus on whether the benefits of the activity accrue to the public in general or to a limited group of people. In general, if the benefits of spending accrue broadly to the public or include special social or distributional benefits, then the program should be financed by taxes paid by the public. In contrast, if the benefits accrue to a limited number of private individuals or organizations and do not include special social or distributional benefits, then the program should be financed by charges paid by the private beneficiaries. For Federal programs where the benefits are entirely public or entirely private, applying this principle can be relatively easy. For example, the benefits from national defense accrue to the public in general, and according to this principle should be (and are) financed by taxes. In contrast, the benefits of electricity sold by the Tennessee Valley Authority accrue primarily to those using the electricity, and should be (and predominantly are) financed by user charges.

In many cases, however, an activity has benefits that accrue to both public and private groups, and it may be difficult to identify how much of the benefits accrue to each. Because of this, it can be difficult to know how much of the program should be financed by taxes and how much by fees. For example, the benefits from recreation areas are mixed. Fees for visitors to these areas are appropriate because the visitors benefit directly from their visit, but the public in general also benefits because these areas protect the Nation's natural and historic heritage now and for posterity. For this reason, visitor recreation fees

generally cover only part of the cost to the Government of maintaining the recreation property. Where a fee may be appropriate to finance all or part of an activity, the extent to which a fee can be easily administered must be considered. For example, if fees are charged for entering or using Government-owned land then there must be clear points of entry onto the land and attendants patrolling and monitoring the land's use.

What amount should be charged? When the Government is acting in its capacity as sovereign and where user charges are appropriate, such as for some regulatory activities, current policy supports setting fees equal to the full cost to the Government, including both direct and indirect costs. When the Government is not acting in its capacity as sovereign and engages in a purely business-type transaction (such as leasing or selling goods, services, or resources), market price is generally the basis for establishing the fee.⁸ If the Government is engaged in a purely business-type transaction and economic resources are allocated efficiently, then this market price should be equal to or greater than the Government's full cost of production.

Classification of user charges in the budget. As shown in the note to Table 12–3, most user charges are classified as offsets to outlays on the spending side of the budget, but a few are classified on the receipts side of the budget. An estimated \$5.2 billion in 2023 of user charges are classified on the receipts side and are included in the governmental receipts totals described in the previous chapter, "Governmental Receipts." They are classified as receipts because they are regulatory charges collected by the Federal Government by the exercise of its sovereign powers. Examples include filing fees in the United States courts and agricultural quarantine inspection fees.

The remaining user charges, an estimated \$441 billion in 2023, are classified as offsetting collections and offsetting receipts on the spending side of the Budget. As discussed above in the context of all offsetting collections and offsetting receipts, some of these user charges are collected by the Federal Government by the exercise of its sovereign powers and conceptually should appear on the receipts side of the budget, but they are required by law or a long-standing practice to be classified on the spending side.

⁸ Policies for setting user charges are promulgated in OMB Circular No. A–25: "User Charges" (July 8, 1993).

III. USER CHARGE PROPOSALS

As shown in Table 12–1, an estimated \$244 billion of user charges for 2023 will be credited directly to expenditure accounts and will generally be available for expenditure when they are collected, without further action by the Congress. An estimated \$197 billion of user charges for 2023 will be deposited in offsetting receipt accounts and will be available to be spent only according to the legislation that established the charges.

As shown in Table 12–4, the Administration is proposing new or increased user charges that would, in the aggregate, increase collections by an estimated \$900 billion

in 2023 and an estimated total of \$19 billion from 2024 through 2032. These estimates reflect only the amounts to be collected; they do not include related spending. Each proposal is classified as either discretionary or mandatory, as those terms are defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. "Discretionary" refers to user charges controlled through annual appropriations acts and generally under the jurisdiction of the appropriations committees in the Congress. "Mandatory" refers to user charges controlled by permanent laws and under the jurisdiction of the authorizing

committees. These and other terms are discussed further in this volume in Chapter 8, “Budget Concepts.”

A. Discretionary User Charge Proposals

1. Offsetting collections

Department of Health and Human Services

Food and Drug Administration (FDA): Increase export certification user fee cap. Firms exporting products from the United States are often asked by foreign customers or foreign governments to supply a “certificate” for products regulated by the FDA to document the product’s regulatory or marketing status. The proposal increases the maximum user fee cap from \$175 per export certification to \$600 to meet FDA’s true cost of issuing export certificates and to ensure better and faster service for American companies that request the service.

FDA: Increase tobacco product user fee. Currently, FDA’s regulation of all tobacco products is financed through user fees collected from six product categories: cigarettes, roll your own tobacco, snuff, chewing tobacco, cigars, and pipe tobacco. This proposal would expand FDA’s tobacco user fees and include user fee assessments on e-cigarettes and other electronic nicotine delivery systems (ENDS) manufacturers, which currently do not pay user fees, and increase the current limitation on total tobacco user fee collections by \$100 million in 2023. To ensure that resources keep up with new tobacco products, the proposal would also index future collections to inflation. The expansion of tobacco user fees will strengthen FDA’s ability to respond to the growth of newer products such as e-cigarettes through investments in regulatory science, enforcement, and premarket review of product applications.

Department of the Interior

Bureau of Land Management (BLM): Establish onshore oil and gas inspection fees. The Budget proposes new inspection fees for oil and gas leases that are subject to inspection by BLM. The fees would be based on the number of oil and gas wells per lease or unit, providing for costs to be shared equitably across the industry. In 2023, BLM will spend \$51 million on managing its compliance inspection program. Inspection costs include, among other things, the salaries and travel expenses of inspectors. The proposed fees will generate approximately \$51 million in 2023, thereby fully offsetting the Bureau’s cost of compliance inspections and requiring energy developers on Federal lands to fund the majority of inspection-related compliance costs incurred by BLM.

Bureau of Safety and Environmental Enforcement: Adjust offshore oil and gas inspection fees. The Budget proposes to update the existing inspection fee structure for offshore oil and gas production facilities to allow fees to be collected for each inspection that is conducted when a facility is subject to multiple inspections during a given year. This will reduce the need for taxpayer funds to support the program, while more equitably distributing

costs among operators based on risk factors such as an operator’s history of compliance with safety regulations. The proposed fees are estimated to generate \$51 million in 2023, an increase of approximately \$7 million over the amount that would be collected under the current fee structure.

Department of Justice

Increase Hart-Scott-Rodino premerger filing fees. The Federal Trade Commission and the Department of Justice Antitrust Division are responsible for reviewing corporate mergers to ensure they do not promote anticompetitive practices. Revenues collected from pre-merger filing fees, known as Hart-Scott-Rodino (HSR) fees, are split evenly between the two agencies. The Budget proposes to increase the HSR fees and index them to the annual change in the gross national product. The fee proposal would also create a new merger fee category for mergers valued at over \$1 billion. Under the proposal, the fee increase would take effect in 2023, and it is estimated that in 2023 HSR fees would total \$549 million (\$274.5 million for each of Federal Trade Commission and DOJ Antitrust Division), an increase of \$75 million per year (\$37.5 million for each of Federal Trade Commission and DOJ Antitrust Division).

Department of State

Establish The National Museum of American Diplomacy rental fee. This new user fee will enable the Department of State to provide support, on a cost-recovery basis, to outside organizations for programs and conference activities held at The National Museum of American Diplomacy.

Commodity Futures Trading Commission (CFTC)

Establish CFTC user fee. The Budget proposes an amendment to the Commodity Exchange Act authorizing the CFTC to collect user fees to fund the Commission’s activities, like other Federal financial and banking regulators. Fee funding would shift the costs of services provided by CFTC from the general taxpayer to the primary beneficiaries of CFTC oversight. Contingent upon enactment of legislation authorizing the CFTC to collect fees, the Administration proposes that collections begin in 2023 to offset a portion of CFTC’s annual appropriation.

Federal Trade Commission

Increase Hart-Scott-Rodino premerger filing fees. See description under Department of Justice.

2. Offsetting receipts

Department of State

Extend Western Hemisphere Travel Initiative surcharge. The Administration proposes to permanently extend the authority for the Department of State to collect the Western Hemisphere Travel Initiative surcharge. The surcharge was initially enacted by the Passport Services Enhancement Act of 2005 (Public Law 109–167) to cover the Department’s costs of meeting increased demand for

passports, which resulted from the implementation of the Western Hemisphere Travel Initiative.

Increase Border Crossing Card (BCC) fee. The Budget includes a proposal to allow the fee charged for BCC minor applicants to be set administratively, rather than statutorily, at one-half the fee charged for processing an adult border crossing card. Administrative fee setting will allow the fee to better reflect the associated cost of service, consistent with other fees charged for consular services. As a result of this change, annual BCC fee collections beginning in 2023 are projected to increase by \$11 million (from \$3 million to \$14 million).

Increase Machine-Readable Visa (MRV) fee. The Budget includes a proposal to authorize the Department of State to account for the cost of other consular services not otherwise subject to a fee or surcharge when setting the amount of the MRV fee.

B. Mandatory User Charge Proposals

Offsetting receipts

Department of Homeland Security

Extend expiring Customs and Border Protection (CBP) fees. The Budget proposes to extend the Merchandise Processing Fee beyond its current expiration date of September 30, 2031 to September 30, 2032, and makes permanent the rate increase (from 0.21 percent ad valorem to 0.3464 percent ad valorem) enacted in section 503 of the U.S.-Korea Free Trade Agreement Implementation Act (Public Law 112–41). It also proposes to extend fees statutorily set under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and the Express Consignment Courier Facilities (ECCF) fee created under the Trade Act of 2002 beyond their current expiration date of September 30, 2031 to September 30, 2032.

Department of Labor

Expand Foreign Labor Certification fees. The Budget proposes authorizing legislation to establish and retain

fees to cover the costs of operating the foreign labor certification programs, which ensure that employers proposing to bring in immigrant workers have checked to ensure that American workers cannot meet their needs and that immigrant workers are being compensated appropriately and not disadvantaging American workers. The ability to charge fees for these programs would give the Department of Labor (DOL) a more reliable, workload-based source of funding for this function, as the Department of Homeland Security has, and would ultimately eliminate the need for discretionary appropriations. The proposal would allow DOL to charge fees for its prevailing wage determinations, permanent labor certification program, H–2B non-agricultural workers program, and CW–1 Northern Mariana Islands transitional workers program, as well as retain and adjust the H–2A agricultural worker application fees currently deposited into the General Fund. The fee levels would be set via regulation to ensure that the amounts are subject to review. Given DOL Inspector General’s important role in investigating fraud and abuse, the proposal also includes a mechanism to provide funding for the Inspector General’s work to oversee foreign labor certification programs.

C. User Charge Proposals that are Governmental Receipts

Department of Homeland Security

Establish Electronic Visa Update System user fee. The Budget proposes to establish a user fee for the Electronic Visa Update System (EVUS), a CBP program to collect biographic and travel-related information from certain non-immigrant visa holders prior to traveling to the United States. This process will complement the existing visa application process and enhance CBP’s ability to make pre-travel admissibility and risk determinations. CBP proposes to establish a user fee to fund the costs of establishing, providing, and administering the system.

Table 12-4. USER CHARGE PROPOSALS IN THE 2023 BUDGET¹
(Estimated collections in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023- 2027	2023- 2032
OFFSETTING COLLECTIONS AND OFFSETTING RECEIPTS													
DISCRETIONARY:													
<i>Offsetting collections</i>													
Department of Health and Human Services													
Food and Drug Administration (FDA): Increase export certification user fee cap		6	6	6	6	6	6	6	6	7	7	30	62
FDA: Increase tobacco product user fee		100	102	104	107	109	112	114	117	119	122	522	1,106
Department of the Interior													
Bureau of Land Management: Establish onshore oil and gas inspection fees		51	51	51	51	51	51	51	51	51	51	255	510
Bureau of Safety and Environmental Enforcement: Adjust offshore oil and gas inspection fees		7	7	7	7	7	7	7	7	7	7	35	70
Department of Justice													
Increase Hart-Scott-Rodino premerger filing fees		38	43	49	49	49	49	49	49	49	49	228	473
Department of State													
Establish The National Museum of American Diplomacy rental fee		*	*	*	*	*	*	*	*	*	*	*	*
Commodity Futures Trading Commission (CFTC)													
Establish CFTC user fee		116	121	126	131	136	142	148	154	161	168	630	1,403
Federal Trade Commission													
Increase Hart-Scott-Rodino premerger filing fees		38	43	49	49	49	49	49	49	49	49	228	473
<i>Offsetting receipts</i>													
Department of State													
Extend Western Hemisphere Travel Initiative surcharge		482	493	503	515	526	538	549	562	574	587	2,519	5,329
Increase Border Crossing Card fee		11	12	12	12	13	13	14	14	14	14	60	129
Increase Machine-Readable Visa fee				143	285	285	285	285	285	285	285	713	2,138
Subtotal, discretionary user charge proposals		849	878	1,050	1,212	1,231	1,252	1,272	1,294	1,316	1,339	5,220	11,693
MANDATORY:													
<i>Offsetting receipts</i>													
Department of Homeland Security													
Extend expiring Customs and Border Protection (CBP) fees											5,939		5,939
Department of Labor													
Expand Foreign Labor Certification fees		4	54	113	118	121	127	131	136	141	146	410	1,091
Subtotal, mandatory user charge proposals		4	54	113	118	121	127	131	136	141	146	410	1,091
Subtotal, user charge proposals that are offsetting collections and offsetting receipts		853	932	1,163	1,330	1,352	1,379	1,403	1,430	1,457	1,466	5,630	18,723
GOVERNMENTAL RECEIPTS													
Department of Homeland Security													
Establish Electronic Visa Update System user fee		47	52	58	64	72	79	88	108	118	130	293	816
Total, user charge proposals		900	984	1,221	1,394	1,424	1,458	1,491	1,538	1,575	1,575	5,923	19,539

¹ A positive sign indicates an increase in collections.

* \$500,000 or less