

Billing Code 3110-01

OFFICE OF MANAGEMENT AND BUDGET

Notice; 2024 Statutory Pay-As-You-Go Act Annual Report

AGENCY: Office of Management and Budget (OMB).

ACTION: Notice.

SUMMARY: This report is being published as required by the Statutory Pay-As-You-Go (PAYGO) Act of 2010. The Act requires that OMB issue an annual report and a sequestration order, if necessary.

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SUPPLEMENTARY INFORMATION: This report can be found at <https://www.whitehouse.gov/omb/paygo/>.

Authority: 2 U.S.C. 934

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This Report is being published pursuant to section 5 of the Statutory Pay-As-You-Go (PAYGO) Act of 2010, Public Law 111-139, 124 Stat. 8, 2 U.S.C. 934, which requires that OMB issue an annual PAYGO report, including a sequestration order if necessary, no later than 14 working days after the end of a congressional session.

This Report describes the budgetary effects of all PAYGO legislation enacted during the second session of the 118th Congress and presents the 5-year and 10-year PAYGO scorecards maintained by OMB.¹ Because neither the 5-year nor 10-year scorecard shows a debit for the budget year, which for purposes of this Report is fiscal year 2025,² a sequestration order under subsection 5(b) of the PAYGO Act, 2 U.S.C 934(b) is not required.

The budget year balance on each of the PAYGO scorecards is zero because the American Relief Act, 2025 (Public Law 118-158) set the balances on both scorecards to zero for all years. The change directed by Public Law 118-158 is discussed in more detail in section IV of this report.

During the second session of the 118th Congress, no laws with PAYGO effects were enacted with emergency requirements under section 4(g) of the PAYGO Act, 2 U.S.C. 933(g). Seven laws had estimated budgetary effects on direct spending and/or revenues that were excluded from the calculations of the PAYGO scorecards due to provisions excluding part

¹ This report encompasses laws enacted between January 3, 2024 at noon and January 3, 2025 at 11:57 am (Public Law 118-35 through Public Law 118-224).

² References to years on the PAYGO scorecards are to fiscal years.

of the law from section 4(d) of the PAYGO Act, 2 U.S.C. 933(d).

I. PAYGO Legislation with Budgetary Effects

PAYGO legislation is authorizing legislation that affects direct spending or revenues, and appropriations legislation that affects direct spending in the years after the budget year or affects revenues in any year.³ For a more complete description of the PAYGO Act, see Chapter 4, "Budget Process," of the *Analytical Perspectives* volume of the 2025 President's Budget, found on the website of the U.S. Government Printing Office (<https://www.govinfo.gov/app/collection/budget/2025/BUDGET-2025-PER>).

The PAYGO Act's requirement of deficit neutrality is based on two scorecards that tally the cumulative budgetary effects of PAYGO legislation as averaged over rolling 5- and 10- year periods starting with the budget year. The 5-year and 10-year PAYGO scorecards for each congressional session begin with the balances of costs or savings carried over from previous sessions and then tally the costs or savings of PAYGO laws enacted in the most recent session.

The 5-year PAYGO scorecard for the second session of the 118th Congress began with balances of \$1,697,668 million in 2025, \$441,949 million in 2026, \$71,317 million in 2027, and -\$1,188 million in 2028. The 10-year PAYGO scorecard for

³ Provisions in appropriations acts that affect direct spending in the years after the budget year (also known as "outyears") or affect revenues in any year are considered to be budgetary effects for the purposes of the PAYGO scorecards except if the provisions produce outlay changes that net to zero over the current year, budget year, and the four subsequent years. As specified in section 3 of the PAYGO Act, off-budget effects are not counted as budgetary effects. Off-budget effects refer to effects on the Social Security trust funds (Old-Age and Survivors Insurance and Disability Insurance) and the Postal Service.

the second session of the 118th Congress began with balances of \$913,423 million in 2025, \$241,837 million per year for 2026-3031, \$54,818 million in 2032, and -\$891 million for 2033.

Laws enacted during the second session of the 118th Congress created balances on the 5- and 10-year scorecards of -\$230 million and -\$275 million in each year, respectively. Public Law 118-158 set the balances in all years of both scorecards to zero at the end of the second session of the 118th Congress.

In the second session of the 118th Congress, 46 laws were enacted that were determined to constitute PAYGO legislation. Of the 46 enacted PAYGO laws, 14 laws were estimated to have PAYGO budgetary effects (costs or savings) in excess of \$500,000 over one or both of the 5-year or 10-year PAYGO windows. These were:

- Public Law 118-38, Overtime Pay for Protective Services Act of 2023;
- Public Law 118-44, Disaster Assistance Deadlines Alignment Act;
- Public Law 118-47, Further Consolidated Appropriations Act, 2024;
- Public Law 118-50, Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes;
- Public Law 118-63, FAA Reauthorization Act of 2024;
- Public Law 118-124, Fiscal Year 2024 Veterans Affairs Major Medical Facility Authorization Act;

- Public Law 118-146, VSO Equal Tax Treatment Act;
- Public Law 118-148, Federal Disaster Tax Relief Act of 2023;
- Public Law 118-159, Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025;
- Public Law 118-164, Mountain View Corridor Completion Act;
- Public Law 118-183, Colorado River Salinity Control Fix Act;
- Public Law 118-185, Swanson and Hugh Butler Reservoirs Land Conveyances Act;
- Public Law 118-203, Federal Judiciary Stabilization Act of 2024; and
- Public Law 118-210, Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act.

In addition to the laws identified above, 32 laws enacted in this session were estimated to have negligible budgetary effects on the PAYGO scorecards—costs or savings of less than \$500,000 over both the 5-year and 10-year PAYGO windows.

II. Budgetary Effects Excluded from the Scorecard Balances

A. Emergency Designations

No laws were enacted in the second session of the 118th Congress with an emergency designation under the PAYGO Act.

B. Statutory Provisions Excluding Legislation from the Scorecards

Seven laws enacted in the second session of the 118th Congress had estimated budgetary effects on direct spending and revenues that were excluded from the calculations for the PAYGO scorecards due to provisions in law excluding part of the law from section 4(d) of the PAYGO Act.

Budgetary effects in seven laws were excluded from the scorecards:

- Public Law 118-35, Further Additional Continuing Appropriations and Other Extensions Act, 2024;
- Public Law 118-40, Extension of Continuing Appropriations and Other Matters Act, 2024;
- Public Law 118-42, Consolidated Appropriations Act, 2024;
- Public Law 118-47, Further Consolidated Appropriations Act, 2024;
- Public Law 118-50, Making emergency supplemental appropriations for the fiscal year ending September 30, 2024,

and for other purposes;

- Public Law 118-83, Continuing Appropriations and Extensions Act, 2025; and
- Public Law 118-158, American Relief Act, 2025.

Additionally, Division A of Public Law 118-47 included a rescission of \$20.2 billion of funding for the Internal Revenue Service (IRS) enforcement and compliance activities, which is estimated to result in decreases to revenue collections. This decrease in revenues is excluded from the PAYGO estimate by scoring rules established under the requirements of Section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

III. PAYGO Scorecards

STATUTORY PAY-AS-YOU-GO SCORECARDS

(In millions of dollars; negative amounts portray decreases in deficits)

	2025	2026	2027	2028	2029
Second Session of the 118 th Congress	-230	-230	-230	-230	-230
Balances from Previous Sessions	1,697,668	441,949	71,317	-1,188	0
Change in balances pursuant to Sec. 21306(4) of Division B of Public Law 118-158	-1,697,439	-441,720	-71,087	1,418	230
5-year PAYGO Scorecard	0	0	0	0	0

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Second Session of the 118 th Congress	-275	-275	-275	-275	-275	-275	-275	-275	-275	-275
Balances from Previous Sessions	913,423	241,837	241,837	241,837	241,837	241,837	241,837	54,818	-891	0
Change in balances pursuant to Sec. 21306(4) of Division B of Public Law 118-158	-913,148	-241,562	-241,562	-241,562	-241,562	-241,562	-241,562	-54,543	1,166	275
10-year PAYGO Scorecard	0	0	0	0	0	0	0	0	0	0

IV. Legislative Revisions to the PAYGO Scorecards

Section 21306(4) of Division B of Public Law 118-158, the American Relief Act, 2025, states, “Effective on the date of the adjournment of the second session of the 118th Congress, and for the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after such adjournment and for determining whether a sequestration order is necessary under such section, the balances on the PAYGO scorecards established pursuant to paragraphs (4) and (5) of section 4(d) of such Act shall be zero.” Accordingly, all years on both the 5- and 10-year scorecards are zero.

V. Sequestration Order

As shown on the scorecards, the budgetary effects of PAYGO legislation enacted in the second session of the 118th Congress, combined with section 21306(4) of Division B of Public Law 118-158, resulted in no costs on either the 5-year or the 10-year scorecard in the budget year, which is 2025 for the purposes of this Report. Because the costs for the budget year, as shown on the scorecards, were set to zero for the budget year, there is no “debit” on either scorecard under section 3 of the PAYGO Act, 2 U.S.C. 932, and a sequestration order is not required.⁴

⁴ Sequestration reductions pursuant to the Balanced Budget and Deficit Control Act (BBEDCA) Section 251A for 2025 were calculated and ordered in a separate report and are not affected by this determination. See: https://bidenwhitehouse.archives.gov/wp-content/uploads/2024/03/BBEDCA_251A_Sequestration_Report_FY2025.pdf

(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

[illegible]

PAYGO legislation enacted in the second session of the 118th Congress

[illegible]

(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

* Uses congressional estimates referenced in enacted legislation or OMB estimates if there are no references to the congressional estimates.

[illegible]

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[illegible]

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[illegible]

STATUTORY ESTIMATES OF PAY-AS-YOU-GO LEGISLATION *

(in millions of dollars; positive amounts portray increases in deficits and negative amounts portray decreases in deficits)

* Uses congressional estimates referenced in enacted legislation or OMB estimates if there are no references to the congressional estimates.

		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2024-29</u>	<u>2024-34</u>
44 P.L. 118-203	Federal Judiciary Stabilization Act of 2024													
Enacted: 12/23/2024	Net PAYGO impact	0	0	0	0	0	0	0	0	1	1	1	0	3
S. 3998														
Estimate: OMB	Five-year PAYGO scorecard		0	0	0	0	0							
	Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		
45 P.L. 118-207	Financial Management Risk Reduction Act													
Enacted: 12/23/2024	Net PAYGO impact	0	0	0	0	0	0	0	0	0	0	0	0	0
S. 4716														
Estimate: OMB	Five-year PAYGO scorecard		0	0	0	0	0							
	Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		
46 P.L. 118-210	Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act													
Enacted: 01/02/2025	Net PAYGO impact	0	113	141	103	23	13	11	13	-487	-589	-401	393	-1,060
S. 141														
Estimate: OMB	Five-year PAYGO scorecard		79	79	79	79	79							
	Ten-year PAYGO scorecard		-106	-106	-106	-106	-106	-106	-106	-106	-106	-106		

Note: Components may not sum to totals due to rounding.

1/ Section 21306(4) of Division B of Public Law 118-158, the American Relief Act, 2025, states, "Effective on the date of the adjournment of the second session of the 118th Congress, and for the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after such adjournment and for determining whether a sequestration order is necessary under such section, the balances on the PAYGO scorecards established pursuant to paragraphs (4) and (5) of section 4(d) of such Act shall be zero."

2/ Section 401 of division B of this bill excludes the budgetary effects of division B from the PAYGO scorecards.

3/ Section 401 of division G of this bill excludes the budgetary effects of division G from the PAYGO scorecards.

4/ The 2024-2029 and 2024-2034 totals for this bill have been updated since they were initially published due to a numerical inconsistency.

5/ Receipt effects from a rescission of funding for IRS enforcement and compliance activities in division A of Public Law 118-47 are excluded by scoring rules established under the requirements of Section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

6/ Section 1 of division T of this bill excludes the budgetary effects of division D through division T from the PAYGO scorecards.