

## OFFICE OF MANAGEMENT AND BUDGET

### 2025 Statutory Pay-As-You-Go Act Annual Report

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 first session of the 119<sup>th</sup> Congress and presents the 5-year and 10-year PAYGO scorecards maintained by OMB.<sup>1</sup> 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 2026,<sup>2</sup> 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 Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026 (Public Law 119-37) set the balances on both scorecards to zero for all years. The change directed by Public Law 119-37 is discussed in more detail in section IV of this report.

During the first session of the 119<sup>th</sup> 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). Two laws had estimated budgetary effects on direct spending and/or

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<sup>1</sup> This report encompasses laws enacted between January 3, 2025 at noon and January 3, 2026 at 11:55 am (Public Law 118-225 through Public Law 119-68).

<sup>2</sup> References to years on the PAYGO scorecards are to fiscal years.

revenues that were excluded from the calculations of the PAYGO scorecards due to provisions excluding part 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.<sup>3</sup> The PAYGO Act requires that new legislation changing direct spending or revenue must be enacted on a “pay-as-you-go” basis; that is, that the cumulative effects of all such legislation enacted during a congressional session must not increase projected on-budget deficits.

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 first session of the 119<sup>th</sup> Congress began with balances of zero in every year of both the 5- and 10-year scorecards because the American Relief Act, 2025 (Public Law 118-158) set the balances on both scorecards to zero for all years at the end of the second session of the 118<sup>th</sup> Congress.

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<sup>3</sup> 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 outlays 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.

Laws enacted during the first session of the 119<sup>th</sup> Congress created balances on the 5- and 10-year scorecards of \$529 billion and \$444 billion in each year, respectively.<sup>4</sup> Public Law 119-37 set the balances in all years of both scorecards to zero again at the end of the first session of the 119<sup>th</sup> Congress.

In the first session of the 119<sup>th</sup> Congress, 34 laws were enacted that were determined to constitute PAYGO legislation. Of the 34 enacted PAYGO laws, 13 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 118-258, Supporting America’s Children and Families Act;
- Public Law 118-272, Thomas R. Carper Water Resources Development Act of 2024;
- Public Law 119-2, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Environmental Protection Agency relating to “Waste Emissions Charge for Petroleum and Natural Gas Systems: Procedures for Facilitating Compliance, Including Netting and Exemptions.”
- Public Law 119-4, Full-Year Continuing Appropriations and Extensions Act, 2025;
- Public Law 119-5, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the

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<sup>4</sup> Public Law 119-21, the Working Families Tax Cut Act, extended the tax cuts originally enacted in the Tax Cuts and Jobs Act of 2017 (Public Law 115-97). While the budgetary effects of the tax relief due to the extension of these tax cuts are included in the balances on the PAYGO scorecards, the Administration believes that the baseline required by the PAYGO Act does not properly represent the current policy outlook. A more appropriate benchmark against which to measure policy changes would include the extension of tax cuts originally enacted in the Tax Cuts and Jobs Act of 2017. The entry for Public Law 119-21 on Part II of the PAYGO scorecards reflects the Administration’s assessment of the true budgetary impact of the Working Families Tax Cut Act, which is savings of \$1.4 trillion over the budget window.

rule submitted by the Internal Revenue Service relating to “Gross Proceeds Reporting by Brokers That Regularly Provide Services Effectuating Digital Asset Sales.”

- Public Law 119-21, Working Families Tax Cut Act;<sup>5</sup>
- Public Law 119-27, Guiding and Establishing National Innovation for U.S. Stablecoins Act;
- Public Law 119-31, VA Home Loan Program Reform Act;
- Public Law 119-37, Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026;
- Public Law 119-39, Internal Revenue Service Math and Taxpayer Help Act;
- Public Law 119-43, Medal of Honor Act;
- Public Law 119-58, Secure Rural Schools Reauthorization Act of 2025; and
- Public Law 119-60, National Defense Authorization Act for Fiscal Year 2026.

In addition to the laws identified above, 21 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.

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<sup>5</sup> Public Law 119-21 is also titled, “To provide for reconciliation pursuant to title II of H. Con. Res. 14”.

## **II. Budgetary Effects Excluded from the Scorecard Balances**

### **A. Emergency Designations**

No laws were enacted in the first session of the 119<sup>th</sup> Congress with an emergency designation under the PAYGO Act.

### **B. Statutory Provisions Excluding Legislation from the Scorecards**

Two laws enacted in the first session of the 119<sup>th</sup> 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. These were:

- Public Law 119-4, Full-Year Continuing Appropriations and Extensions Act, 2025; and
- Public Law 119-37, Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026.

Additionally, Division A of Public Law 119-4 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)

	2026	2027	2028	2029	2030					
First Session of the 119 <sup>th</sup> Congress	529,120	529,120	529,120	529,120	529,120					
Balances from Previous Sessions	0	0	0	0	0					
Change in balances pursuant to Sec. 8001(d) of Division H of Public Law 119- 37	-529,120	-529,120	-529,120	-529,120	-529,120					
5-year PAYGO Scorecard	0	0	0	0	0					
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
First Session of the 119 <sup>th</sup> Congress	444,023	444,023	444,023	444,023	444,023	444,023	444,023	444,023	444,023	444,023
Balances from Previous Sessions	0	0	0	0	0	0	0	0	0	0
Change in balances pursuant to Sec. 8001(d) of Division H of Public Law 119- 37	-444,023	-444,023	-444,023	-444,023	-444,023	-444,023	-444,023	-444,023	-444,023	-444,023
10-year PAYGO Scorecard	0	0	0	0	0	0	0	0	0	0

#### **IV. Legislative Revisions to the PAYGO Scorecards**

Section 8001(d) of division H of Public Law 119-37, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, states: “Effective on the date of the adjournment of the first session of the 119th 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 first session of the 119<sup>th</sup> Congress, combined with section 8001(d) of division H of Public Law 119-37, resulted in no costs on either the 5-year or the 10-year scorecard in the budget year, which is 2026 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.<sup>6</sup>

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<sup>6</sup> Sequestration reductions pursuant to section 251A of the Balanced Budget and Deficit Control Act (BBEDCA) for 2026 were calculated and ordered in a separate report and are not affected by this determination. See:

<https://www.whitehouse.gov/wp-content/uploads/2025/04/OMB-Report-to-the-Congress-on-the-BBEDCA-251A-Sequestration-for-Fiscal-Year-2026.pdf>

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

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

## PART II:

***PAYGO legislation enacted in the first session of the 119th Congress***

**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.

**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.

**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.

**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>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>2035</u>	<u>2025-30</u>	<u>2025-35</u>
30 P.L. 119-60 Enacted: 12/18/2025 S. 1071 Estimate: OMB	National Defense Authorization Act for Fiscal Year 2026	Net PAYGO impact	0	-155	-52	-54	-4	-4	-4	-7	-8	-9	-8	-269	-305
		Five-year PAYGO scorecard		-54	-54	-54	-54	-54							
		Ten-year PAYGO scorecard		-31	-31	-31	-31	-31	-31	-31	-31	-31	-31		
31 P.L. 119-64 Enacted: 12/26/2025 H.R. 1491 Estimate: OMB	Disaster Related Extension of Deadlines Act	Net PAYGO impact	0	0	0	0	0	0	0	0	0	0	0	0	0
		Five-year PAYGO scorecard		0	0	0	0	0							
		Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		
32 P.L. 119-65 Enacted: 12/26/2025 S. 216 Estimate: OMB	Save Our Seas 2.0 Amendments Act	Net PAYGO impact	0	0	0	0	0	0	0	0	0	0	0	0	0
		Five-year PAYGO scorecard		0	0	0	0	0							
		Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		
33 P.L. 119-66 Enacted: 12/26/2025 S. 284 Estimate: OMB	Congressional Award Program Reauthorization Act	Net PAYGO impact	0	0	0	0	0	0	0	0	0	0	0	0	0
		Five-year PAYGO scorecard		0	0	0	0	0							
		Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		
34 P.L. 119-68 Enacted: 12/29/2025 H.R. 1043 Estimate: OMB	La Paz County Solar Energy and Job Creation Act	Net PAYGO impact	0	0	0	0	0	0	0	0	0	0	0	0	0
		Five-year PAYGO scorecard		0	0	0	0	0							
		Ten-year PAYGO scorecard		0	0	0	0	0	0	0	0	0	0		

1/ Section 8001(d) of Division H of Public Law 119-37, the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, states, "Effective on the date of the adjournment of the first session of the 119th 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 3106 of Division C of this bill excludes Divisions B and C from the PAYGO scorecards.

3/ P.L. 119-21 is also titled, "To provide for reconciliation pursuant to title II of H. Con. Res. 14."

4/ The Administration believes that the baseline required by the PAYGO Act does not properly represent the current policy outlook and that a more appropriate benchmark against which to measure policy changes includes the extension of tax cuts originally enacted in the Tax Cuts and Jobs Act of 2017 (Public Law 115-97). While the tax relief due to the extension of these tax cuts is shown on the second line below, the Administration assessment of the true budgetary impact of this bill, savings of \$1.4 trillion over the budget window, is shown above and repeated on the first line below. Under a current policy baseline, the bill is shown to have reduced deficits by \$1.4 trillion over the budget window.

Net PAYGO impact of Public Law 119-21 shown above	-108,195	263,380	87,282	-44,215	-84,573	-190,838	-232,403	-288,609	-263,414	-263,336	-244,350	-77,159	-1,369,271
Tax relief included in Public Law 119-21	52,873	407,023	565,006	569,540	559,639	564,129	575,660	593,154	616,995	636,320	660,906	2,718,210	5,801,245
Five-year PAYGO scorecard	543,642	543,642	543,642	543,642	543,642								
Ten-year PAYGO scorecard	580,125	580,125	580,125	580,125	580,125	580,125	580,125	580,125	580,125	580,125	580,125		

5/ Section 8001(a) of Division H of this bill excludes Divisions E through G from the PAYGO scorecards.

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