



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 5, 2007

H.R. 1830

**An Act to extend the authorities of the Andean Trade Preference Act
until February 29, 2008**

*As cleared by the Congress on June 28, 2007,
and signed by the President on June 30, 2007*

SUMMARY

H.R. 1830 (enacted as Public Law 110-42) extends the provisions of the Andean Trade Preference Act and certain merchandise processing fees. It also shifts certain corporate estimated tax payments from 2013 to 2012.

The Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT) estimate that the act will reduce revenues by \$24 million in 2007, increase revenues by \$90 million over the 2007-2012 period, and decrease revenues by \$65 million over the 2007-2017 period. CBO also estimates that H.R. 1830 will increase offsetting receipts (which are a credit against direct spending) by \$105 million in 2015.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1830 is shown in the following table. Spending under this legislation falls within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars											2007- 2007-	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2012	2017
CHANGES IN REVENUES													
Extension of the Andean Trade Preferences Act	-24	-41	0	0	0	0	0	0	0	0	0	-65	-65
Increase of Certain Corporate Estimated Tax Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155</u>	<u>-155</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155</u>	<u>0</u>
Total Changes	-24	-41	0	0	0	155	-155	0	0	0	0	90	-65
CHANGES IN DIRECT SPENDING													
Estimated Budget Authority	0	0	0	0	0	0	0	0	-105	0	0	0	-105
Estimated Outlays	0	0	0	0	0	0	0	0	-105	0	0	0	-105

Note: Positive changes in revenues and negative changes in direct spending correspond to decreases in budget deficits.

Sources: Congressional Budget Office and Joint Committee on Taxation.

Revenues

H.R. 1830 extends the Andean Trade Preference Act (ATPA). The trade preferences for Bolivia, Colombia, Ecuador, and Peru had been scheduled to expire June 30, 2007. This legislation extends ATPA for eight months, through February 29, 2008. CBO estimates that this extension will decrease revenues by \$24 million in 2007 and by \$41 million in 2008.

Additionally, the act shifts revenues between 2012 and 2013. For corporations with at least \$1 billion in assets in 2012, the bill increases the portion of corporate estimated tax payments due in July through September of that year. JCT estimates that this change will increase revenues by \$155 million in 2012 and decrease revenues by \$155 million in 2013.

Direct Spending

Prior to enactment of H.R. 1830, customs user fees would have expired after September 30, 2014. H.R. 1830 extends the merchandise processing fee through October 14, 2014. CBO estimates that this provision will increase offsetting receipts by \$105 million in fiscal year 2015.

ESTIMATE PREPARED BY:

Federal Revenues: Emily Schlect
Federal Spending: Mark Grabowicz

ESTIMATE APPROVED BY:

G. Thomas Woodward
Assistant Director for Tax Analysis

Peter H. Fontaine
Deputy Assistant Director for Budget Analysis