



December 10, 2021

Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Washington, DC 20510

*Re: Response to a Question About CBO's Analysis of Making Specified  
Policies in the Build Back Better Act Permanent*

Dear Mr. Leader:

This letter responds to your question about the effects on the deficit of the potential modifications to H.R. 5376, the Build Back Better Act, that were included in an analysis that the Congressional Budget Office released earlier today.<sup>1</sup> The modifications that CBO analyzed were specified by Senator Lindsey Graham and Congressman Jason Smith. The modifications would make various policies permanent rather than temporary, making the deficit larger than the version of the bill that was passed by the House of Representatives would.

You inquired whether CBO was asked to analyze any policies that would offset the costs of making various policies permanent. In CBO's estimation, none of the modifications would make the deficit smaller over the 2022–2031 period, with one small exception.<sup>2</sup>

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<sup>1</sup> Congressional Budget Office, letter to the Honorable Lindsey Graham and the Honorable Jason Smith about the budgetary effects of making specified policies in the Build Back Better Act permanent (December 10, 2021), [www.cbo.gov/publication/57673](http://www.cbo.gov/publication/57673).

<sup>2</sup> Making the Health Insurance Affordability Fund permanent rather than ending it after 2025 would result in a deficit that was \$1 billion smaller over the period than the one that would result from the House-passed version of the bill. That would happen because making the fund permanent would generate 9 years of savings and 8 years of costs over the 10-year period. In comparison, ending it after 2025 would generate 3 years of savings and 3 years of costs.

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I hope that this information is useful. If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping horizontal line extending to the right.

Phillip L. Swagel  
Director

cc: Honorable Mitch McConnell  
Republican Leader

Honorable Bernie Sanders  
Chairman  
Senate Committee on the Budget

Honorable Lindsey Graham  
Ranking Member  
Senate Committee on the Budget