

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2432
OFFERED BY MR. OSE

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the "Paperwork and Regu-
3 latory Improvements Act of 2004".

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) In 1980, in the Paperwork Reduction Act,
7 Congress established the Office of Information and
8 Regulatory Affairs (OIRA) in the Office of Manage-
9 ment and Budget. OIRA's principal responsibility is
10 to reduce the paperwork burden on the public that
11 results from the collection of information by or for
12 the Federal Government. In 2002, OIRA estimated
13 that the paperwork burden imposed on the public
14 was 7.7 billion hours, at a cost of \$230 billion. The
15 Internal Revenue Service accounted for 83 percent
16 of the paperwork burden.

1 (2) In 1995, Congress amended the Paperwork
2 Reduction Act and established annual government-
3 wide paperwork reduction goals of 10 percent for
4 each of fiscal years 1996 and 1997, and 5 percent
5 for each of fiscal years 1998 through 2001, but the
6 paperwork burden increased, rather than decreased,
7 in each of those fiscal years and fiscal year 2002.
8 Both the Office of Management and Budget and the
9 Internal Revenue Service need to devote additional
10 attention to paperwork reduction.

11 (3) In 2002, the House Report accompanying
12 the Treasury and General Government Appropria-
13 tions Act, 2003 (House Report 107-575) stated,
14 “The Office of Management and Budget has re-
15 ported that paperwork burdens on Americans have
16 increased in each of the last six years. Since the In-
17 ternal Revenue Service imposes over 80 percent of
18 these paperwork burdens, the Committee believes
19 that OMB should work to identify and review pro-
20 posed and existing IRS paperwork.”.

21 (4) One key to success in paperwork reduction
22 is the Office of Management and Budget’s system-
23 atic review of every new and revised agency paper-
24 work proposal. Recent statutory exemptions from

1 that office's review responsibility, especially those
2 without any stated justification, should be removed.

3 (5) In 2000, researchers Mark Crain of George
4 Mason University and Thomas Hopkins of the Roch-
5 ester Institute of Technology, in their October 2001
6 publication titled "The Impact of Regulatory Costs
7 on Small Firms", estimated that Americans spend
8 \$843 billion annually to comply with Federal regula-
9 tions. Congress has a responsibility to review major
10 rules (as defined by section 804 of title 5, United
11 States Code) proposed by agencies, especially regu-
12 latory alternatives and the costs and benefits associ-
13 ated with each of them. In 2000, in the Truth in
14 Regulating Act, Congress established new responsi-
15 bility within the General Accounting Office to assist
16 Congress with this responsibility.

17 (6) In 1996, because of the increasing costs and
18 incompletely estimated benefits of Federal rules and
19 paperwork, Congress required the Office of Manage-
20 ment and Budget for the first time to submit an an-
21 nual report to Congress on the total costs and bene-
22 fits to the public of Federal rules and paperwork re-
23 quirements, including an assessment of the effects of
24 Federal rules on the private sector and State and
25 local governments. In 1998, Congress changed the

1 annual report's due date to coincide with the due
2 date of the President's budget, so that Congress and
3 the public could be given an opportunity to simulta-
4 neously review both the on-budget and off-budget
5 costs associated with the regulatory and paperwork
6 requirements of each Federal agency. In 2000, Con-
7 gress made this a permanent annual reporting re-
8 quirement.

9 (7) The Office of Management and Budget re-
10 quires agencies to submit annual budget and paper-
11 work burden estimates in order to prepare certain
12 required reports for Congress, but it does not re-
13 quire agencies to submit estimates on costs and ben-
14 efits of agency rules and paperwork. The Office of
15 Management and Budget needs to require agencies
16 to submit such estimates on costs and benefits to
17 help prepare the annual accounting statement and
18 associated report required under section 624 of the
19 Treasury and General Government Appropriations
20 Act, 2001.

21 **SEC. 3. REDUCTION OF TAX PAPERWORK.**

22 Section 3504 of title 44, United States Code, is
23 amended by adding at the end the following new sub-
24 section:

1 “(i) In carrying out subsection (c)(3), the Director
2 shall (in consultation with the Internal Revenue Service
3 and the Office of Tax Policy of the Department of the
4 Treasury and the Office of Advocacy of the Small Busi-
5 ness Administration) conduct a review of the collections
6 of information conducted by the Internal Revenue Service
7 to identify actions that the Internal Revenue Service can
8 take to reduce the information collection burden imposed
9 on small business concerns, consistent with section
10 3520(c)(1) of this chapter. The Director shall include the
11 results of the review in the annual report that the Director
12 submits under section 3514 of this chapter for fiscal year
13 2006.”.

14 **SEC. 4. REPEAL OF EXEMPTIONS FROM PAPERWORK RE-**
15 **DUCTION ACT, ETC.**

16 (a) **REPEALS.**—The following provisions of the Farm
17 Security and Rural Investment Act of 2002 (Public Law
18 107–171) are repealed:

19 (1) Subparagraphs (A) and (C) of section
20 1601(c)(2).

21 (2) Section 1601(c)(3).

22 (3) Section 2702(b)(1)(A).

23 (4) Section 2702(b)(2)(A).

24 (5) Section 2702(e).

1 (6) Subparagraphs (A) and (C) of section
2 6103(b)(2).

3 (7) Section 6103(b)(3).

4 (8) Subparagraphs (A) and (C) of section
5 10105(d)(2).

6 (9) Section 10105(d)(3).

7 (b) EFFECTIVE DATE.—The repeals of the provisions
8 listed in subsection (a) shall take effect 180 days after
9 the date of the enactment of this Act.

10 **SEC. 5. AMENDMENT OF TRUTH IN REGULATING ACT TO**
11 **MAKE PERMANENT PILOT PROJECT FOR RE-**
12 **PORT ON RULES.**

13 The purpose of this section is to make permanent the
14 authority to request the performance of regulatory anal-
15 ysis to enhance Congressional responsibility for regulatory
16 decisions developed under the laws enacted by Congress.
17 The Truth in Regulating Act of 2000 (Public Law 106–
18 312; 5 U.S.C. 801 note) is amended—

19 (1) in the heading for section 4, by striking
20 “**PILOT PROJECT FOR**”;

21 (2) by striking section 5 and redesignating sec-
22 tion 6 as section 5; and

23 (3) in section 5 (as redesignated by paragraph
24 (2))—

1 (A) in the heading, by striking “AND DU-
2 RATION OF PILOT PROJECT”;

3 (B) in subsection (a), by striking “(a) EF-
4 FECTIVE DATE.—”; and

5 (C) by striking subsections (b) and (c).

6 **SEC. 6. IMPROVED REGULATORY ACCOUNTING.**

7 (a) REQUIREMENT FOR AGENCIES TO SUBMIT IN-
8 FORMATION ON REGULATIONS AND PAPERWORK TO
9 OMB.—Section 624 of the Treasury and General Govern-
10 ment Appropriations Act, 2001 (as enacted into law by
11 Public Law 106-554; 114 Stat. 2763A-161), is
12 amended—

13 (1) by redesignating subsections (b), (c), and
14 (d) as subsections (c), (d), and (e), respectively, and

15 (2) by inserting after subsection (a) the fol-
16 lowing new subsection:

17 “(b) AGENCY SUBMISSIONS TO OMB.—To carry out
18 subsection (a), the Director of the Office of Management
19 and Budget shall require each agency annually to submit
20 to the Office of Management and Budget an estimate of
21 the total annual costs and benefits of Federal rules and
22 paperwork, to the extent feasible—

23 “(1) for the agency in the aggregate; and

24 “(2) for each agency program.”.

1 (b) INTEGRATION OF OMB ACCOUNTING STATE-
2 MENT AND REPORT INTO PRESIDENT'S BUDGET.—Sec-
3 tion 624 of the Treasury and General Government Appro-
4 priations Act, 2001 (as enacted into law by Public Law
5 106-554; 114 Stat. 2763A-161) is further amended in
6 subsection (a), by striking “with the budget” and inserting
7 “as part of the budget”.

8 (c) REGULATORY BUDGETING.—(1) Chapter 11 of
9 title 31, United States Code, is amended by adding at the
10 end the following new section:

11 **“§ 1120. Regulatory budgeting**

12 “(a) The Director of the Office of Management and
13 Budget, after consultation with the head of each agency,
14 shall designate not less than three agencies (or offices
15 within an agency) to participate in a study on regulatory
16 budgeting for fiscal years 2006 and 2007. The designated
17 agencies shall include three regulatory agencies or offices
18 from among the following: the Department of Labor, the
19 Department of Transportation, the Department of Health
20 and Human Services, and the Environmental Protection
21 Agency.

22 “(b) The study shall address the preparation of regu-
23 latory budgets. Such budgets shall include the presen-
24 tation of the varying estimated levels of benefits that
25 would be associated with the different estimated levels of

1 costs with respect to the regulatory alternatives under con-
2 sideration by the agency (or office within the agency).

3 “(c) The Director of the Office of Management and
4 Budget shall include, in the accounting statement and as-
5 sociated report submitted to Congress for calendar year
6 2006 under section 624 of the Treasury and General Gov-
7 ernment Appropriations Act, 2001 (as enacted into law
8 by Public Law 106-554; 114 Stat. 2763A-161), a presen-
9 tation of the different levels of estimated regulatory bene-
10 fits and costs with respect to the regulatory alternatives
11 under consideration for one or more of the major regu-
12 latory programs of each of the agencies designated under
13 subsection (a).

14 “(d) In the accounting statement and associated re-
15 port submitted to Congress for calendar year 2009 under
16 section 624 of the Treasury and General Government Ap-
17 propriations Act, 2001 (as so enacted), the Director of the
18 Office of Management and Budget shall include a report
19 on the study on regulatory budgeting. The report shall—

20 “(1) assess the feasibility and advisability of in-
21 cluding a regulatory budget as part of the annual
22 budget submitted under section 1105;

23 “(2) describe any difficulties encountered by the
24 Office of Management and Budget and the partici-
25 pating agencies in conducting the study; and

1 “(3) recommend, to the extent the President
2 considers necessary or expedient, proposed legisla-
3 tion regarding regulatory budgets.”.

4 (2) The table of sections at the beginning of such
5 chapter is amended by adding at the end the following
6 new item:

 “1120. Regulatory budgeting.”.