

House votes to bypass spending cut requirements triggered by American Rescue Plan

The House voted 246-175 on March 19 to approve legislation (H.R. 1868) intended to avert cuts to Medicare and certain other mandatory spending programs that were triggered following the enactment of President Biden's American Rescue Plan.

URL: <https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117hr1868ih.pdf>

The House-approved bill, which is sponsored by Budget Committee Chairman John Yarmuth, D-Ky., addresses a requirement in the Statutory Pay-As-You-Go Act of 2010 that Congress adopt across-the-board cuts (sequestration) to a defined set of programs if certain legislation affecting mandatory spending or revenues increases net federal deficits.

The American Rescue Plan (P.L. 117-2), which President Biden signed into law on March 11, increases the federal deficit by nearly \$1.9 trillion between 2021 and 2031, according to an estimate by the nonpartisan Congressional Budget Office. Typically, Congress can avoid triggering sequestration requirements that stem from a bill scored as increasing the deficit by designating it as emergency legislation or otherwise excluding it from the pay-as-you-go rules. Because the American Rescue Plan moved through Congress under budget reconciliation protections, however, it was subject to certain content restrictions that prevented lawmakers from including a provision to avert the sequestration requirements. As a result, lawmakers have to address the sequestration issue in separate legislation. (Congress took similar action following the enactment of 2017's Tax Cuts and Jobs Act, legislation which, like the American Rescue Plan, resulted in a hike in federal deficits and was advanced under budget reconciliation.)

URL: https://www.cbo.gov/system/files/2021-03/Estimated_Budgetary_Effects_of_HR_1319_as_passed_0.pdf

H.R. 1868 would protect Medicare and other programs from pay-as-you-go sequestration. It also would extend a separate Medicare sequester relief provision enacted last year in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) that expires March 31, and make technical corrections to certain nontax provisions enacted in previous COVID relief legislation.

Plans for moving the legislation in the Senate are currently unclear.

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