JCT describes revenue-estimation process

A new report from the Joint Committee on Taxation (JCT) staff explains the process involved in estimating the revenue effects of proposed changes to the federal tax code.
URL: https://www.jct.gov/publications/2023/revenue-estimating-process-january-2023/

The report, which was released January 23, describes the scope of a JCT revenue estimate, the tax models the JCT uses to forecast revenue gains and losses for different types of tax proposals under conventional scoring methods, and how factors such as taxpayer behavior and interactions of proposals with other tax code provisions may shape revenue estimates. It also discusses the models the JCT staff uses to conduct "dynamic" analyses that reflect the macroeconomic effects of certain tax proposals.

In addition to explaining these technical issues, the report describes the qualifications of the JCT's revenue-estimating staff, outlines the process that members of Congress need to follow to request a revenue score for a tax proposal, and maps out what transpires between the time a proposal is submitted for scoring and the time a formal revenue estimate is delivered to the lawmaker who requested it.

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