

**Estimated Changes in Direct Spending and Revenues Under H.R. 3617, the MORE Act, as Reported by the House Committee on the Judiciary on March 24, 2022, and Posted on the Website of the House Committee on Rules as Committee Print 117-37 on March 24, 2022**

<https://docs.house.gov/billssthisweek/20220328/BILLS-117HR3617RH-RCP117-37.pdf>

	By Fiscal Year, Millions of Dollars										2022-2026	2022-2031
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
<b>Increases in Direct Spending</b>												
<b>Estimated Outlays for Federal Benefit Programs<sup>a</sup></b>												
Medicaid	0	20	15	18	25	30	29	26	22	15	78	200
Social Security ( <i>off-budget</i> )	0	2	2	3	3	3	3	3	3	2	10	24
Exchange Subsidies	0	3	4	4	6	6	6	6	5	6	17	46
Medicare	0	2	2	2	2	3	3	2	2	2	8	20
Supplemental Security Income	0	3	2	2	3	3	3	3	3	2	10	24
SNAP	0	3	3	3	4	4	4	3	3	3	13	30
Total	0	33	28	32	43	49	48	43	38	30	136	344
<b>Opportunity Trust Fund</b>												
Estimated Budget Authority	0	443	738	864	918	933	943	958	978	1,000	2,963	7,775
Estimated Outlays	0	29	137	293	480	642	745	804	843	874	939	4,847
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority <sup>a</sup>	0	476	766	896	961	982	991	1,001	1,016	1,030	3,099	8,119
Estimated Outlays	0	62	165	325	523	691	793	847	881	904	1,075	5,191
<i>On-Budget Outlays</i>	0	60	163	322	520	688	790	844	878	902	1,065	5,167
<i>Off-Budget Outlays</i>	0	2	2	3	3	3	3	3	3	2	10	24
<b>Increases or Decreases (-) in Revenues</b>												
Cannabis Products Net Excise Tax	0	314	542	638	664	671	682	698	718	737	2,158	5,664
Other Revenues	0	-532	-135	-37	159	371	552	678	680	682	-546	2,417
Exchange Subsidies	0	*	*	*	-1	-1	-1	-1	-1	-1	-2	-6
Total Changes in Revenues	0	-218	407	600	822	1,041	1,233	1,376	1,398	1,418	1,611	8,075
<b>Net Increase or Decrease (-) in the Deficit</b>												
<b>From Changes in Direct Spending and Revenues</b>												
Effect on the Deficit	0	280	-242	-275	-299	-350	-440	-529	-517	-514	-536	-2,884
<i>On-Budget Deficit</i>	0	278	-244	-278	-302	-353	-443	-532	-520	-516	-546	-2,908
<i>Off-Budget Deficit</i>	0	2	2	3	3	3	3	3	3	2	10	24

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Staff Contact: Jon Sperl

Components may not sum to totals because of rounding. Estimates are relative to CBO's July 2021 baseline. SNAP = Supplemental Nutrition Assistance Program; \* = between zero and -\$500,000.

a. For federal benefits programs, budget authority is equal to outlays.

H.R. 3617 would federally decriminalize cannabis (marijuana), expunge the records of people convicted of federal cannabis offenses, and require resentencing of some federal prisoners. As a result, CBO estimates, thousands of current inmates would be released earlier than under current law. In the future, decriminalization also would reduce the number of people in federal prisons and the amount of time they serve. CBO estimates that over the 2022-2031 period, H.R. 3617 would reduce time served by current and future inmates by 37,000 person-years. CBO's analysis accounts for time served by offenders convicted of cannabis-only crimes and time served by people convicted of a crime in addition to a cannabis offense.

Federal prisoners generally are not eligible for federal benefit programs. By reducing the prison population, CBO and the staff of the Joint Committee on Taxation (JCT) estimate, H.R. 3617 would increase the number of people eligible for federal benefits, compared with current law. That change would increase direct spending for federal benefit programs by \$344 million over the 2022-2031 period and reduce revenues by \$6 million over that same period.

CBO and JCT estimate that H.R. 3617 would increase revenues, on net, by about \$8.1 billion over the 2022-2031 period by creating an occupational tax on cannabis producers and warehouse operators and by increasing compliance with business income taxes. Those increases would be partially offset by allowing businesses to claim certain deductions and credits for expenses that would include the costs of producing, importing, and marketing cannabis products. In addition, the bill would impose an excise tax on cannabis products produced in or imported into the United States.

H.R. 3617 would create a new Opportunity Trust Fund and would appropriate to the fund amounts equivalent to the net revenues received from the occupational tax and from excise taxes on cannabis products. CBO estimates that about \$7.8 billion would be appropriated to the fund over the 2022-2031 period, of which the Department of Justice would spend about \$3.4 billion to provide job training and legal aid, among other services, to people harmed by what was termed the war on drugs. CBO also estimates that the Small Business Administration would provide about \$1.4 billion in grants to states and localities to make business loans to related small businesses and to develop cannabis-licensing rules.

Finally, H.R. 3617 would reduce the Bureau of Prisons' costs by reducing both the number of people in federal facilities and the amount of time they serve. CBO estimates that the provision would result in net savings of about \$800 million over the 2022-2031 period, assuming appropriation actions consistent with the anticipated changes in prison populations. Those savings are not reflected in the table because they are subject to future appropriation action.