Congressional Budget Office
Cost Estimate

September 20, 2022

H.R. 5752, Emergency Relief for Servicemembers Act
As ordered reported by the House Committee on Veterans' Affairs on July 19, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	0	0
Revenues	0	*	*
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	0	0

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000.

H.R. 5752 would amend the Servicemembers Civil Relief Act (SCRA) to expand the type of consumer contracts that service members may terminate and the circumstances under which they may be terminated. It also would increase the portability of professional licenses for service members and their spouses. Because such contacts and licenses do not directly implicate the federal government, CBO estimates that those changes to the SCRA would not affect the federal budget.

The bill also would provide service members and their spouses additional flexibility to choose their place of residence for the purposes of determining their state and local taxes. For taxpayers who itemize deductions on their federal income tax returns, some or all of their state and local taxes may be deductible. Thus, to the extent that taxpayers reduce their state and local tax liability, they may owe more in federal income taxes; however, CBO and the staff of the Joint Committee on Taxation estimate those additional revenues would be insignificant.

H.R. 5752 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would preempt state laws by requiring states to recognize most occupational licenses of service members and their spouses that have been issued by another state. As a result, states also would be unable to collect fees for issuing occupational licenses to those recently transferred individuals practicing in the state.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

CBO estimates the loss in revenue would not exceed the threshold for intergovernmental mandates established in UMRA ($92 million in 2022, adjusted annually for inflation).

By amending the SCRA, the bill would expand an existing private-sector mandate on consumer service providers by requiring gym and home security service providers to terminate some contracts for military personnel when they receive orders to relocate. It also would allow service members, spouses, and their dependents to terminate consumer contracts listed in the SCRA if a stop movement order is issued in response to a local, national, or global emergency. This would apply retroactively to March 1, 2020. CBO estimates the cost of the mandate would not exceed the threshold for private-sector mandates established in UMRA ($184 million in 2022, adjusted annually for inflation).

The CBO staff contact for this estimate is Paul B.A. Holland (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.