§ 935. Calculating a sequestration

(a) Reducing nonexempt budgetary resources by a uniform percentage

(1) In general

OMB shall calculate the uniform percentage by which the budgetary resources of nonexempt direct spending programs are to be sequestered such that the outlay savings resulting from that sequestration, as calculated under subsection (b), shall offset the budget-year debit, if any, on the applicable PAYGO scorecard. If the uniform percentage calculated under the prior sentence exceeds 4 percent, the Medicare programs described in section 906(d) of this title shall be reduced by 4 percent and the uniform percentage by which the budgetary resources of all other nonexempt direct spending programs are to be sequestered shall be increased, as necessary, so that the sequestration of Medicare and of all other nonexempt direct spending programs together produce the required outlay savings.

(2) Programs and activities in unified budget only

Subject to the exemptions set forth in section 11,[1] OMB shall determine the uniform percentage required under paragraph (1) with respect to programs and activities contained in the unified budget only.

(b) Outlay savings

In determining the amount by which a sequestration offsets a budget-year debit, OMB shall count—

(1) the amount by which the sequestration in a crop year of crop support payments, pursuant to section 906(j) of this title, reduces outlays in the budget year and the subsequent fiscal year;

(2) the amount by which the sequestration of Medicare payments in the 12-month period following the sequestration order, pursuant to section 906(d) of this title, reduces outlays in the budget year and the subsequent fiscal year; and

(3) the amount by which the sequestration in the budget year of the budgetary resources of other nonexempt mandatory programs reduces outlays in the budget year and in the subsequent fiscal year.

(Pub. L. 111–139, title I, §6, Feb. 12, 2010, 124 Stat. 16.)

Editorial Notes

References in Text

Section 11, referred to in subsec. (a)(2), means section 11 of Pub. L. 111–139, which amended section 905 of this title.

§ 936. Adjustment for current policies

(a) Purpose

The purpose of this section is to provide for adjustments of estimates of budgetary effects of PAYGO legislation for legislation affecting 4 areas of the budget—

(1) payments made under section 1395w–4 of title 42 (referred to in this section as ''Payment for Physicians' Services'');

(2) the Estate and Gift Tax under subtitle B of title 26;

(3) the AMT; and

(4) provisions of EGTRRA or JGTRRA that amended title 26 (or provisions in later statutes further amending the amendments made by EGTRRA or JGTRRA), other than—

(A) the provisions of those 2 Acts that were made permanent by the Pension Protection Act of 2006 (Public Law 109–280);

(B) amendments to the Estate and Gift Tax referred to in paragraph (2);

(C) the AMT referred to in paragraph (3); and

(D) the income tax rates on ordinary income that apply to individuals with adjusted gross incomes greater than $200,000 for a single filer and $250,000 for joint filers.

(b) Duration

This section shall remain in effect through December 31, 2011.

(c) Medicare payments to physicians

(1) Criteria

Legislation that includes provisions amending or superseding the system for updating payments under subsections (d) and (f) of section 1395w–4 of title 42 shall trigger the current policy adjustment required by this chapter.

(2) Adjustment

The amount of the maximum current policy adjustment shall be the difference between—

(A) estimated net outlays attributable to the payment rates and related parameters in accordance with subsections (d) and (f) of section 1395w–4 of title 42 (as scheduled on December 31, 2009, to be in effect); and

(B) what those net outlays would have been if—

(i) the nominal payment rates and related parameters in effect for 2009 had been in effect through December 31, 2014, without change; and

(ii) thereafter, the nominal payment rates and related parameters described in subparagraph (A) had applied and the assumption described in clause (i) had never applied.

(3) Limitation

If the provisions in the legislation that cause it to meet the criteria in paragraph (1) cover a time period that ends before December 31, 2014, subject to the maximum adjustment provided for under paragraph (2), the amount of each current policy adjustment made pursuant to this section shall be limited to the difference between—

(A) estimated net outlays attributable to the payment rates and related parameters specified in section 1395w–4 of title 42 (as scheduled on December 31, 2009, to be in effect for the period of time covered by the relevant provisions of the eligible legislation); and

(B) what those net outlays would have been if the nominal payment rates and related parameters in effect for 2009 had been in effect, without change, for the same pe-

[1] See References in Text note below.