

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4890

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## AN ACT

To amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Legislative Line Item  
3 Veto Act of 2006”.

4 **SEC. 2. LEGISLATIVE LINE ITEM VETO.**

5 (a) IN GENERAL.—Title X of the Congressional  
6 Budget and Impoundment Control Act of 1974 (2 U.S.C.  
7 621 et seq.) is amended by striking all of part B (except  
8 for sections 1016 and 1013, which are redesignated as sec-  
9 tions 1019 and 1020, respectively) and part C and insert-  
10 ing the following:

11 “PART B—LEGISLATIVE LINE-ITEM VETO

12 “LINE ITEM VETO AUTHORITY

13 “SEC. 1011. (a) PROPOSED CANCELLATIONS.—With-  
14 in 45 calendar days after the enactment of any bill or joint  
15 resolution providing any discretionary budget authority,  
16 item of direct spending, or targeted tax benefit, the Presi-  
17 dent may propose, in the manner provided in subsection  
18 (b), the cancellation of any dollar amount of such discre-  
19 tionary budget authority, item of direct spending, or tar-  
20 geted tax benefit. If the 45 calendar-day period expires  
21 during a period where either House of Congress stands  
22 adjourned sine die at the end of a Congress or for a period  
23 greater than 45 calendar days, the President may propose  
24 a cancellation under this section and transmit a special  
25 message under subsection (b) on the first calendar day  
26 of session following such a period of adjournment.

1 “(b) TRANSMITTAL OF SPECIAL MESSAGE.—

2 “(1) SPECIAL MESSAGE.—

3 “(A) IN GENERAL.—The President may  
4 transmit to the Congress a special message pro-  
5 posing to cancel any dollar amounts of discre-  
6 tionary budget authority, items of direct spend-  
7 ing, or targeted tax benefits.

8 “(B) CONTENTS OF SPECIAL MESSAGE.—

9 Each special message shall specify, with respect  
10 to the discretionary budget authority, items of  
11 direct spending proposed, or targeted tax bene-  
12 fits to be canceled—

13 “(i) the dollar amount of discretionary  
14 budget authority, the specific item of direct  
15 spending (that OMB, after consultation  
16 with CBO, estimates to increase budget  
17 authority or outlays as required by section  
18 1017(9)), or the targeted tax benefit that  
19 the President proposes be canceled;

20 “(ii) any account, department, or es-  
21 tablishment of the Government to which  
22 such discretionary budget authority is  
23 available for obligation, and the specific  
24 project or governmental functions involved;

1           “(iii) the reasons why such discre-  
2           tionary budget authority, item of direct  
3           spending, or targeted tax benefit should be  
4           canceled;

5           “(iv) to the maximum extent prac-  
6           ticable, the estimated fiscal, economic, and  
7           budgetary effect (including the effect on  
8           outlays and receipts in each fiscal year) of  
9           the proposed cancellation;

10          “(v) to the maximum extent prac-  
11          ticable, all facts, circumstances, and con-  
12          siderations relating to or bearing upon the  
13          proposed cancellation and the decision to  
14          effect the proposed cancellation, and the  
15          estimated effect of the proposed cancella-  
16          tion upon the objects, purposes, or pro-  
17          grams for which the discretionary budget  
18          authority, item of direct spending, or the  
19          targeted tax benefit is provided;

20          “(vi) a numbered list of cancellations  
21          to be included in an approval bill that, if  
22          enacted, would cancel discretionary budget  
23          authority, items of direct spending, or tar-  
24          geted tax benefits proposed in that special  
25          message; and

1           “(vii) if the special message is trans-  
2           mitted subsequent to or at the same time  
3           as another special message, a detailed ex-  
4           planation why the proposed cancellations  
5           are not substantially similar to any other  
6           proposed cancellation in such other mes-  
7           sage.

8           “(C) DUPLICATIVE PROPOSALS PROHIB-  
9           ITED.—The President may not propose to can-  
10          cel the same or substantially similar discre-  
11          tionary budget authority, item of direct spend-  
12          ing, or targeted tax benefit more than one time  
13          under this Act.

14          “(D) MAXIMUM NUMBER OF SPECIAL MES-  
15          SAGES.—The President may not transmit to the  
16          Congress more than 5 special messages under  
17          this subsection related to any bill or joint reso-  
18          lution described in subsection (a), but may  
19          transmit not more than 10 special messages for  
20          any omnibus budget reconciliation or appropria-  
21          tion measure.

22          “(2) ENACTMENT OF APPROVAL BILL.—

23          “(A) DEFICIT REDUCTION.—Amounts of  
24          budget authority, items of direct spending, or  
25          targeted tax benefits which are canceled pursu-

1 ant to enactment of a bill as provided under  
2 this section shall be dedicated only to reducing  
3 the deficit or increasing the surplus.

4 “(B) ADJUSTMENT OF LEVELS IN THE  
5 CONCURRENT RESOLUTION ON THE BUDGET.—  
6 Not later than 5 days after the date of enact-  
7 ment of an approval bill as provided under this  
8 section, the chairs of the Committees on the  
9 Budget of the Senate and the House of Rep-  
10 resentatives shall revise allocations and aggre-  
11 gates and other appropriate levels under the ap-  
12 propriate concurrent resolution on the budget to  
13 reflect the cancellation, and the applicable com-  
14 mittees shall report revised suballocations pur-  
15 suant to section 302(b), as appropriate.

16 “(C) ADJUSTMENTS TO STATUTORY LIM-  
17 ITS.—After enactment of an approval bill as  
18 provided under this section, the Office of Man-  
19 agement and Budget shall revise applicable lim-  
20 its under the Balanced Budget and Emergency  
21 Deficit Control Act of 1985, as appropriate.

22 “(D) TRUST FUNDS AND SPECIAL  
23 FUNDS.—Notwithstanding subparagraph (A),  
24 nothing in this part shall be construed to re-  
25 quire or allow the deposit of amounts derived

1 from a trust fund or special fund which are  
2 canceled pursuant to enactment of a bill as pro-  
3 vided under this section to any other fund.

4 “PROCEDURES FOR EXPEDITED CONSIDERATION

5 “SEC. 1012. (a) EXPEDITED CONSIDERATION.—

6 “(1) IN GENERAL.—The majority leader of each  
7 House or his designee shall (by request) introduce  
8 an approval bill as defined in section 1017 not later  
9 than the fifth day of session of that House after the  
10 date of receipt of a special message transmitted to  
11 the Congress under section 1011(b).

12 “(2) CONSIDERATION IN THE HOUSE OF REP-  
13 RESENTATIVES.—

14 “(A) REFERRAL AND REPORTING.—Any  
15 committee of the House of Representatives to  
16 which an approval bill is referred shall report it  
17 to the House without amendment not later than  
18 the seventh legislative day after the date of its  
19 introduction. If a committee fails to report the  
20 bill within that period or the House has adopt-  
21 ed a concurrent resolution providing for ad-  
22 journment sine die at the end of a Congress, it  
23 shall be in order to move that the House dis-  
24 charge the committee from further consider-  
25 ation of the bill. Such a motion shall be in  
26 order only at a time designated by the Speaker

1 in the legislative schedule within two legislative  
2 days after the day on which the proponent an-  
3 nounces his intention to offer the motion. Such  
4 a motion shall not be in order after a committee  
5 has reported an approval bill with respect to  
6 that special message or after the House has dis-  
7 posed of a motion to discharge with respect to  
8 that special message. The previous question  
9 shall be considered as ordered on the motion to  
10 its adoption without intervening motion except  
11 twenty minutes of debate equally divided and  
12 controlled by the proponent and an opponent. If  
13 such a motion is adopted, the House shall pro-  
14 ceed immediately to consider the approval bill  
15 in accordance with subparagraph (C). A motion  
16 to reconsider the vote by which the motion is  
17 disposed of shall not be in order.

18 “(B) PROCEEDING TO CONSIDERATION.—

19 After an approval bill is reported or a com-  
20 mittee has been discharged from further consid-  
21 eration, or the House has adopted a concurrent  
22 resolution providing for adjournment sine die at  
23 the end of a Congress, it shall be in order to  
24 move to proceed to consider the approval bill in  
25 the House. Such a motion shall be in order only



1 at a time designated by the Speaker in the leg-  
2 islative schedule within two legislative days  
3 after the day on which the proponent announces  
4 his intention to offer the motion. Such a motion  
5 shall not be in order after the House has dis-  
6 posed of a motion to proceed with respect to  
7 that special message. The previous question  
8 shall be considered as ordered on the motion to  
9 its adoption without intervening motion. A mo-  
10 tion to reconsider the vote by which the motion  
11 is disposed of shall not be in order.

12 “(C) CONSIDERATION.—The approval bill  
13 shall be considered as read. All points of order  
14 against an approval bill and against its consid-  
15 eration are waived. The previous question shall  
16 be considered as ordered on an approval bill to  
17 its passage without intervening motion except  
18 five hours of debate equally divided and con-  
19 trolled by the proponent and an opponent and  
20 one motion to limit debate on the bill. A motion  
21 to reconsider the vote on passage of the bill  
22 shall not be in order.

23 “(D) SENATE BILL.—An approval bill re-  
24 ceived from the Senate shall not be referred to  
25 committee.

1 “(3) CONSIDERATION IN THE SENATE.—

2 “(A) MOTION TO PROCEED TO CONSIDER-  
3 ATION.—A motion to proceed to the consider-  
4 ation of a bill under this subsection in the Sen-  
5 ate shall not be debatable. It shall not be in  
6 order to move to reconsider the vote by which  
7 the motion to proceed is agreed to or disagreed  
8 to.

9 “(B) LIMITS ON DEBATE.—Debate in the  
10 Senate on a bill under this subsection, and all  
11 debatable motions and appeals in connection  
12 therewith (including debate pursuant to sub-  
13 paragraph (D)), shall not exceed 10 hours,  
14 equally divided and controlled in the usual  
15 form.

16 “(C) APPEALS.—Debate in the Senate on  
17 any debatable motion or appeal in connection  
18 with a bill under this subsection shall be limited  
19 to not more than 1 hour, to be equally divided  
20 and controlled in the usual form.

21 “(D) MOTION TO LIMIT DEBATE.—A mo-  
22 tion in the Senate to further limit debate on a  
23 bill under this subsection is not debatable.

1           “(E) MOTION TO RECOMMIT.—A motion to  
2           recommit a bill under this subsection is not in  
3           order.

4           “(F) CONSIDERATION OF THE HOUSE  
5           BILL.—

6                   “(i) IN GENERAL.—If the Senate has  
7                   received the House companion bill to the  
8                   bill introduced in the Senate prior to the  
9                   vote required under paragraph (1)(C), then  
10                  the Senate may consider, and the vote  
11                  under paragraph (1)(C) may occur on, the  
12                  House companion bill.

13                   “(ii) PROCEDURE AFTER VOTE ON  
14                   SENATE BILL.—If the Senate votes, pursu-  
15                   ant to paragraph (1)(C), on the bill intro-  
16                   duced in the Senate, then immediately fol-  
17                   lowing that vote, or upon receipt of the  
18                   House companion bill, the House bill shall  
19                   be deemed to be considered, read the third  
20                   time, and the vote on passage of the Sen-  
21                   ate bill shall be considered to be the vote  
22                   on the bill received from the House.

23           “(b) AMENDMENTS PROHIBITED.—No amendment  
24           to, or motion to strike a provision from, a bill considered

1 under this section shall be in order in either the Senate  
2 or the House of Representatives.

3 “PRESIDENTIAL DEFERRAL AUTHORITY

4 “SEC. 1013. (a) TEMPORARY PRESIDENTIAL AU-  
5 THORITY TO WITHHOLD DISCRETIONARY BUDGET AU-  
6 THORITY.—

7 “(1) IN GENERAL.—At the same time as the  
8 President transmits to the Congress a special mes-  
9 sage pursuant to section 1011(b), the President may  
10 direct that any dollar amount of discretionary budg-  
11 et authority to be canceled in that special message  
12 shall not be made available for obligation for a pe-  
13 riod not to exceed 45 calendar days from the date  
14 the President transmits the special message to the  
15 Congress.

16 “(2) EARLY AVAILABILITY.—The President  
17 shall make any dollar amount of discretionary budg-  
18 et authority deferred pursuant to paragraph (1)  
19 available at a time earlier than the time specified by  
20 the President if the President determines that con-  
21 tinuation of the deferral would not further the pur-  
22 poses of this Act.

23 “(b) TEMPORARY PRESIDENTIAL AUTHORITY TO  
24 SUSPEND DIRECT SPENDING.—

25 “(1) IN GENERAL.—At the same time as the  
26 President transmits to the Congress a special mes-

1       sage pursuant to section 1011(b), the President may  
2       suspend the implementation of any item of direct  
3       spending proposed to be canceled in that special  
4       message for a period not to exceed 45 calendar days  
5       from the date the President transmits the special  
6       message to the Congress.

7               “(2) EARLY AVAILABILITY.—The President  
8       shall terminate the suspension of any item of direct  
9       spending at a time earlier than the time specified by  
10       the President if the President determines that con-  
11       tinuation of the suspension would not further the  
12       purposes of this Act.

13       “(c) TEMPORARY PRESIDENTIAL AUTHORITY TO  
14       SUSPEND A TARGETED TAX BENEFIT.—

15               “(1) IN GENERAL.—At the same time as the  
16       President transmits to the Congress a special mes-  
17       sage pursuant to section 1011(b), the President may  
18       suspend the implementation of any targeted tax ben-  
19       efit proposed to be repealed in that special message  
20       for a period not to exceed 45 calendar days from the  
21       date the President transmits the special message to  
22       the Congress.

23               “(2) EARLY AVAILABILITY.—The President  
24       shall terminate the suspension of any targeted tax  
25       benefit at a time earlier than the time specified by

1 the President if the President determines that con-  
2 tinuation of the suspension would not further the  
3 purposes of this Act.

4 “(d) EXTENSION OF 45-DAY PERIOD.—The Presi-  
5 dent may transmit to the Congress not more than one sup-  
6 plemental special message to extend the period to suspend  
7 the implementation of any discretionary budget authority,  
8 item of direct spending, or targeted tax benefit, as applica-  
9 ble, by an additional 45 calendar days. Any such supple-  
10 mental message may not be transmitted to the Congress  
11 before the 40th day of the 45-day period set forth in the  
12 preceding message or later than the last day of such pe-  
13 riod.

14 “IDENTIFICATION OF TARGETED TAX BENEFITS

15 “SEC. 1014. (a) STATEMENT.—The chairman of the  
16 Committee on Ways and Means of the House of Rep-  
17 resentatives and the chairman of the Committee on Fi-  
18 nance of the Senate acting jointly (hereafter in this sub-  
19 section referred to as the ‘chairmen’) shall review any rev-  
20 enue or reconciliation bill or joint resolution which in-  
21 cludes any amendment to the Internal Revenue Code of  
22 1986 that is being prepared for filing by a committee of  
23 conference of the two Houses, and shall identify whether  
24 such bill or joint resolution contains any targeted tax ben-  
25 efits. The chairmen shall provide to the committee of con-  
26 ference a statement identifying any such targeted tax ben-

1 efits or declaring that the bill or joint resolution does not  
 2 contain any targeted tax benefits. Any such statement  
 3 shall be made available to any Member of Congress by  
 4 the chairmen immediately upon request.

5 “(b) STATEMENT INCLUDED IN LEGISLATION.—

6 “(1) IN GENERAL.—Notwithstanding any other  
 7 rule of the House of Representatives or any rule or  
 8 precedent of the Senate, any revenue or reconcili-  
 9 ation bill or joint resolution which includes any  
 10 amendment to the Internal Revenue Code of 1986  
 11 reported by a committee of conference of the two  
 12 Houses may include, as a separate section of such  
 13 bill or joint resolution, the information contained in  
 14 the statement of the chairmen, but only in the man-  
 15 ner set forth in paragraph (2).

16 “(2) APPLICABILITY.—The separate section  
 17 permitted under subparagraph (A) shall read as fol-  
 18 lows: ‘Section 1021 of the Congressional Budget and  
 19 Impoundment Control Act of 1974 shall  
 20 \_\_\_\_\_ apply to \_\_\_\_\_.’, with  
 21 the blank spaces being filled in with—

22 “(A) in any case in which the chairmen  
 23 identify targeted tax benefits in the statement  
 24 required under subsection (a), the word ‘only’  
 25 in the first blank space and a list of all of the

1 specific provisions of the bill or joint resolution  
2 identified by the chairmen in such statement in  
3 the second blank space; or

4 “(B) in any case in which the chairmen de-  
5 clare that there are no targeted tax benefits in  
6 the statement required under subsection (a),  
7 the word ‘not’ in the first blank space and the  
8 phrase ‘any provision of this Act’ in the second  
9 blank space.

10 “(c) IDENTIFICATION IN REVENUE ESTIMATE.—

11 With respect to any revenue or reconciliation bill or joint  
12 resolution with respect to which the chairmen provide a  
13 statement under subsection (a), the Joint Committee on  
14 Taxation shall—

15 “(1) in the case of a statement described in  
16 subsection (b)(2)(A), list the targeted tax benefits  
17 identified by the chairmen in such statement in any  
18 revenue estimate prepared by the Joint Committee  
19 on Taxation for any conference report which accom-  
20 panies such bill or joint resolution, or

21 “(2) in the case of a statement described in 13  
22 subsection (b)(2)(B), indicate in such revenue esti-  
23 mate that no provision in such bill or joint resolution  
24 has been identified as a targeted tax benefit.



1       “(d) PRESIDENT’S AUTHORITY.—If any revenue or  
2 reconciliation bill or joint resolution is signed into law—

3           “(1) with a separate section described in sub-  
4 section (b)(2), then the President may use the au-  
5 thority granted in this section only with respect to  
6 any targeted tax benefit in that law, if any, identi-  
7 fied in such separate section; or

8           “(2) without a separate section described in  
9 subsection (b)(2), then the President may use the  
10 authority granted in this section with respect to any  
11 targeted tax benefit in that law.

12           “TREATMENT OF CANCELLATIONS

13       “SEC. 1015. The cancellation of any dollar amount  
14 of discretionary budget authority, item of direct spending,  
15 or targeted tax benefit shall take effect only upon enact-  
16 ment of the applicable approval bill. If an approval bill  
17 is not enacted into law before the end of the applicable  
18 period under section 1013, then all proposed cancellations  
19 contained in that bill shall be null and void and any such  
20 dollar amount of discretionary budget authority, item of  
21 direct spending, or targeted tax benefit shall be effective  
22 as of the original date provided in the law to which the  
23 proposed cancellations applied.

24           “REPORTS BY COMPTROLLER GENERAL

25       “SEC. 1016. With respect to each special message  
26 under this part, the Comptroller General shall issue to the

1 Congress a report determining whether any discretionary  
2 budget authority is not made available for obligation or  
3 item of direct spending or targeted tax benefit continues  
4 to be suspended after the deferral authority set forth in  
5 section 1013 of the President has expired.

6 “DEFINITIONS

7 “SEC. 1017. As used in this part:

8 “(1) APPROPRIATION LAW.—The term ‘appro-  
9 priation law’ means an Act referred to in section  
10 105 of title 1, United States Code, including any  
11 general or special appropriation Act, or any Act  
12 making supplemental, deficiency, or continuing ap-  
13 propriations, that has been signed into law pursuant  
14 to Article I, section 7, of the Constitution of the  
15 United States.

16 “(2) APPROVAL BILL.—The term ‘approval bill’  
17 means a bill or joint resolution which only approves  
18 proposed cancellations of dollar amounts of discre-  
19 tionary budget authority, items of new direct spend-  
20 ing, or targeted tax benefits in a special message  
21 transmitted by the President under this part and—

22 “(A) the title of which is as follows: ‘A bill  
23 approving the proposed cancellations trans-  
24 mitted by the President on \_\_\_\_\_’, the blank  
25 space being filled in with the date of trans-  
26 mission of the relevant special message and the

1 public law number to which the message re-  
2 lates;

3 “(B) which does not have a preamble; and

4 “(C) which provides only the following  
5 after the enacting clause: ‘That the Congress  
6 approves of proposed cancellations \_\_\_\_\_’, the  
7 blank space being filled in with a list of the  
8 cancellations contained in the President’s spe-  
9 cial message, ‘as transmitted by the President  
10 in a special message on \_\_\_\_\_’, the blank  
11 space being filled in with the appropriate date,  
12 ‘regarding \_\_\_\_\_.’, the blank space being  
13 filled in with the public law number to which  
14 the special message relates;

15 “(D) which only includes proposed can-  
16 cellations that are estimated by CBO to meet  
17 the definition of discretionary budgetary au-  
18 thority or items of direct spending, or that are  
19 identified as targeted tax benefits pursuant to  
20 section 1014;

21 “(E) if any proposed cancellation other  
22 than discretionary budget authority or targeted  
23 tax benefits is estimated by CBO to not meet  
24 the definition of item of direct spending, then  
25 the approval bill shall include at the end: ‘The

1 President shall cease the suspension of the im-  
2 plementation of the following under section  
3 1013 of the Legislative Line Item Veto Act of  
4 2006: \_\_\_\_\_’, the blank space being filled in  
5 with the list of such proposed cancellations; and

6 “(F) if no CBO estimate is available, then  
7 the entire list of legislative provisions proposed  
8 by the President is inserted in the second blank  
9 space in subparagraph (C).

10 “(3) CALENDAR DAY.—The term ‘calendar day’  
11 means a standard 24-hour period beginning at mid-  
12 night.

13 “(4) CANCEL OR CANCELLATION.—The terms  
14 ‘cancel’ or ‘cancellation’ means to prevent—

15 “(A) budget authority from having legal  
16 force or effect;

17 “(B) in the case of entitlement authority,  
18 to prevent the specific legal obligation of the  
19 United States from having legal force or effect;

20 “(C) in the case of the food stamp pro-  
21 gram, to prevent the specific provision of law  
22 that provides such benefit from having legal  
23 force or effect; or

24 “(D) a targeted tax benefit from having  
25 legal force or effect; and

1 to make any necessary, conforming statutory change  
2 to ensure that such targeted tax benefit is not imple-  
3 mented and that any budgetary resources are appro-  
4 priately canceled.

5 “(5) CBO.—The term ‘CBO’ means the Direc-  
6 tor of the Congressional Budget Office.

7 “(6) DIRECT SPENDING.—The term ‘direct  
8 spending’ means—

9 “(A) budget authority provided by law  
10 (other than an appropriation law);

11 “(B) entitlement authority; and

12 “(C) the food stamp program.

13 “(7) DOLLAR AMOUNT OF DISCRETIONARY  
14 BUDGET AUTHORITY.—(A) Except as provided in  
15 subparagraph (B), the term ‘dollar amount of dis-  
16 cretionary budget authority’ means the entire dollar  
17 amount of budget authority—

18 “(i) specified in an appropriation law,  
19 or the entire dollar amount of budget au-  
20 thority or obligation limitation required to  
21 be allocated by a specific proviso in an ap-  
22 propriation law for which a specific dollar  
23 figure was not included;

24 “(ii) represented separately in any  
25 table, chart, or explanatory text included

1 in the statement of managers or the gov-  
2 erning committee report accompanying  
3 such law;

4 “(iii) required to be allocated for a  
5 specific program, project, or activity in a  
6 law (other than an appropriation law) that  
7 mandates the expenditure of budget au-  
8 thority from accounts, programs, projects,  
9 or activities for which budget authority is  
10 provided in an appropriation law;

11 “(iv) represented by the product of  
12 the estimated procurement cost and the  
13 total quantity of items specified in an ap-  
14 propriation law or included in the state-  
15 ment of managers or the governing com-  
16 mittee report accompanying such law; or

17 “(v) represented by the product of the  
18 estimated procurement cost and the total  
19 quantity of items required to be provided  
20 in a law (other than an appropriation law)  
21 that mandates the expenditure of budget  
22 authority from accounts, programs,  
23 projects, or activities for which budget au-  
24 thority is provided in an appropriation law.

1           “(B) The term ‘dollar amount of discre-  
2           tionary budget authority’ does not include—

3                   “(i) direct spending;

4                   “(ii) budget authority in an appro-  
5                   priation law which funds direct spending  
6                   provided for in other law;

7                   “(iii) any existing budget authority  
8                   canceled in an appropriation law; or

9                   “(iv) any restriction, condition, or lim-  
10                  itation in an appropriation law or the ac-  
11                  companying statement of managers or  
12                  committee reports on the expenditure of  
13                  budget authority for an account, program,  
14                  project, or activity, or on activities involv-  
15                  ing such expenditure.

16               “(8) ITEM OF DIRECT SPENDING.—The term  
17               ‘item of direct spending’ means any provision of law  
18               that results in an increase in budget authority or  
19               outlays for direct spending relative to the most re-  
20               cent levels calculated consistent with the method-  
21               ology used to calculate a baseline under section 257  
22               of the Balanced Budget and Emergency Deficit Con-  
23               trol Act of 1985 and included with a budget submis-  
24               sion under section 1105(a) of title 31, United States  
25               Code, in the first year or the 5-year period for which

1 the item is effective. However, such item does not in-  
2 clude an extension or reauthorization of existing di-  
3 rect spending, but instead only refers to provisions  
4 of law that increase such direct spending.

5 “(9) OMB.—The term ‘OMB’ means the Direc-  
6 tor of the Office of Management and Budget.

7 “(10) OMNIBUS RECONCILIATION OR APPRO-  
8 PRIATION MEASURE.—The term ‘omnibus reconcili-  
9 ation or appropriation measure’ means—

10 “(A) in the case of a reconciliation bill, any  
11 such bill that is reported to its House by the  
12 Committee on the Budget; or

13 “(B) in the case of an appropriation meas-  
14 ure, any such measure that provides appropria-  
15 tions for programs, projects, or activities falling  
16 within 2 or more section 302(b) suballocations.

17 “(11) TARGETED TAX BENEFIT.—(A) The term  
18 ‘targeted tax benefit’ means any revenue-losing pro-  
19 vision that provides a Federal tax deduction, credit,  
20 exclusion, or preference to only one beneficiary (de-  
21 termined with respect to either present law or any  
22 provision of which the provision is a part) under the  
23 Internal Revenue Code of 1986 in any year for  
24 which the provision is in effect;

25 “(B) for purposes of subparagraph (A)—



1           “(i) all businesses and associations  
2 that are members of the same controlled  
3 group of corporations (as defined in sec-  
4 tion 1563(a) of the Internal Revenue Code  
5 of 1986) shall be treated as a single bene-  
6 ficiary;

7           “(ii) all shareholders, partners, mem-  
8 bers, or beneficiaries of a corporation,  
9 partnership, association, or trust or estate,  
10 respectively, shall be treated as a single  
11 beneficiary;

12           “(iii) all employees of an employer  
13 shall be treated as a single beneficiary;

14           “(iv) all qualified plans of an em-  
15 ployer shall be treated as a single bene-  
16 ficiary;

17           “(v) all beneficiaries of a qualified  
18 plan shall be treated as a single bene-  
19 ficiary;

20           “(vi) all contributors to a charitable  
21 organization shall be treated as a single  
22 beneficiary;

23           “(vii) all holders of the same bond  
24 issue shall be treated as a single bene-  
25 ficiary; and

1           “(viii) if a corporation, partnership,  
2           association, trust or estate is the bene-  
3           ficiary of a provision, the shareholders of  
4           the corporation, the partners of the part-  
5           nership, the members of the association, or  
6           the beneficiaries of the trust or estate shall  
7           not also be treated as beneficiaries of such  
8           provision;

9           “(C) for the purpose of this paragraph, the  
10          term ‘revenue-losing provision’ means any pro-  
11          vision that is estimated to result in a reduction  
12          in Federal tax revenues (determined with re-  
13          spect to either present law or any provision of  
14          which the provision is a part) for any one of the  
15          two following periods—

16                 “(i) the first fiscal year for which the  
17                 provision is effective; or

18                 “(ii) the period of the 5 fiscal years  
19                 beginning with the first fiscal year for  
20                 which the provision is effective; and

21           “(D) the terms used in this paragraph  
22          shall have the same meaning as those terms  
23          have generally in the Internal Revenue Code of  
24          1986, unless otherwise expressly provided.

1 “EXPIRATION

2 “SEC. 1018. This title shall have no force or effect  
3 on or after October 1, 2012.”.

4 **SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.**

5 (a) EXERCISE OF RULEMAKING POWERS.—Section  
6 904 of the Congressional Budget Act of 1974 (2 U.S.C.  
7 621 note) is amended—

8 (1) in subsection (a), by striking “1017” and  
9 inserting “1012”; and

10 (2) in subsection (d), by striking “section  
11 1017” and inserting “section 1012”.

12 (b) ANALYSIS BY CONGRESSIONAL BUDGET OF-  
13 FICE.—Section 402 of the Congressional Budget Act of  
14 1974 is amended by inserting “(a)” after “402.” and by  
15 adding at the end the following new subsection:

16 “(b) Upon the receipt of a special message under sec-  
17 tion 1011 proposing to cancel any item of direct spending,  
18 the Director of the Congressional Budget Office shall pre-  
19 pare an estimate of the savings in budget authority or out-  
20 lays resulting from such proposed cancellation relative to  
21 the most recent levels calculated consistent with the meth-  
22 odology used to calculate a baseline under section 257 of  
23 the Balanced Budget and Emergency Deficit Control Act  
24 of 1985 and included with a budget submission under sec-  
25 tion 1105(a) of title 31, United States Code, and transmit

1 such estimate to the chairmen of the Committees on the  
2 Budget of the House of Representatives and Senate.”.

3 (c) CLERICAL AMENDMENTS.—(1) Section 1(a) of  
4 the Congressional Budget and Impoundment Control Act  
5 of 1974 is amended by striking the last sentence.

6 (2) Section 1022(c) of such Act (as redesignated) is  
7 amended is amended by striking “rescinded or that is to  
8 be reserved” and insert “canceled” and by striking  
9 “1012” and inserting “1011”.

10 (3) TABLE OF CONTENTS.—The table of contents set  
11 forth in section 1(b) of the Congressional Budget and Im-  
12 poundment Control Act of 1974 is amended by deleting  
13 the contents for parts B and C of title X and inserting  
14 the following:

“PART B—LEGISLATIVE LINE-ITEM VETO

- “Sec. 1011. Line item veto authority.
- “Sec. 1012. Procedures for expedited consideration.
- “Sec. 1013. Presidential deferral authority.
- “Sec. 1014. Identification of targeted tax benefits.
- “Sec. 1015. Treatment of cancellations.
- “Sec. 1016. Reports by comptroller general.
- “Sec. 1017. Definitions.
- “Sec. 1018. Expiration.
- “Sec. 1019. Suits by Comptroller General.
- “Sec. 1020. Proposed Deferrals of budget authority.”.

15 (d) EFFECTIVE DATE.—The amendments made by  
16 this Act shall take effect on the date of its enactment and  
17 apply only to any dollar amount of discretionary budget  
18 authority, item of direct spending, or targeted tax benefit

1 provided in an Act enacted on or after the date of enact-  
2 ment of this Act.

3 **SEC. 4. SENSE OF CONGRESS ON ABUSE OF PROPOSED**  
4 **CANCELLATIONS.**

5 It is the sense of Congress no President or any execu-  
6 tive branch official should condition the inclusion or exclu-  
7 sion or threaten to condition the inclusion or exclusion of  
8 any proposed cancellation in any special message under  
9 this section upon any vote cast or to be cast by any Mem-  
10 ber of either House of Congress.

Passed the House of Representatives June 22, 2006.

Attest:

*Clerk.*

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

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**H. R. 4890**

**AN ACT**

To amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority.