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,
SECTION 1. SHORT TITLE.

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

SEC. 2. LEGISLATIVE LINE ITEM VETO.

(a) IN GENERAL.—Title X of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621 et seq.) is amended by striking all of part B (except for sections 1016 and 1013, which are redesignated as sections 1019 and 1020, respectively) and part C and inserting the following:

“PART B—LEGISLATIVE LINE-ITEM VETO

“LINE ITEM VETO AUTHORITY

“Sec. 1011. (a) PROPOSED CANCELLATIONS.—Within 45 calendar days after the enactment of any bill or joint resolution providing any discretionary budget authority, item of direct spending, or targeted tax benefit, the President may propose, in the manner provided in subsection (b), the cancellation of any dollar amount of such discretionary budget authority, item of direct spending, or targeted tax benefit. If the 45 calendar-day period expires during a period where either House of Congress stands adjourned sine die at the end of a Congress or for a period greater than 45 calendar days, the President may propose a cancellation under this section and transmit a special message under subsection (b) on the first calendar day of session following such a period of adjournment.
“(b) TRANSMITTAL OF SPECIAL MESSAGE.—

“(1) SPECIAL MESSAGE.—

“(A) IN GENERAL.—The President may transmit to the Congress a special message proposing to cancel any dollar amounts of discretionary budget authority, items of direct spending, or targeted tax benefits.

“(B) CONTENTS OF SPECIAL MESSAGE.—

Each special message shall specify, with respect to the discretionary budget authority, items of direct spending proposed, or targeted tax benefits to be canceled—

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

“(ii) any account, department, or establishment of the Government to which such discretionary budget authority is available for obligation, and the specific project or governmental functions involved;
“(iii) the reasons why such discretionary budget authority, item of direct spending, or targeted tax benefit should be canceled;

“(iv) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect (including the effect on outlays and receipts in each fiscal year) of the proposed cancellation;

“(v) to the maximum extent practicable, all facts, circumstances, and considerations relating to or bearing upon the proposed cancellation and the decision to effect the proposed cancellation, and the estimated effect of the proposed cancellation upon the objects, purposes, or programs for which the discretionary budget authority, item of direct spending, or the targeted tax benefit is provided;

“(vi) a numbered list of cancellations to be included in an approval bill that, if enacted, would cancel discretionary budget authority, items of direct spending, or targeted tax benefits proposed in that special message; and
“(vii) if the special message is transmitted subsequent to or at the same time as another special message, a detailed explanation why the proposed cancellations are not substantially similar to any other proposed cancellation in such other message.

“(C) Duplicative proposals prohibited.—The President may not propose to cancel the same or substantially similar discretionary budget authority, item of direct spending, or targeted tax benefit more than one time under this Act.

“(D) Maximum number of special messages.—The President may not transmit to the Congress more than 5 special messages under this subsection related to any bill or joint resolution described in subsection (a), but may transmit not more than 10 special messages for any omnibus budget reconciliation or appropriation measure.

“(2) Enactment of approval bill.—

“(A) Deficit reduction.—Amounts of budget authority, items of direct spending, or targeted tax benefits which are canceled pursu-
ant to enactment of a bill as provided under this section shall be dedicated only to reducing the deficit or increasing the surplus.

“(B) Adjustment of Levels in the Concurrent Resolution on the Budget.—Not later than 5 days after the date of enactment of an approval bill as provided under this section, the chairs of the Committees on the Budget of the Senate and the House of Representatives shall revise allocations and aggregates and other appropriate levels under the appropriate concurrent resolution on the budget to reflect the cancellation, and the applicable committees shall report revised suballocations pursuant to section 302(b), as appropriate.

“(C) Adjustments to Statutory Limits.—After enactment of an approval bill as provided under this section, the Office of Management and Budget shall revise applicable limits under the Balanced Budget and Emergency Deficit Control Act of 1985, as appropriate.

“(D) Trust Funds and Special Funds.—Notwithstanding subparagraph (A), nothing in this part shall be construed to require or allow the deposit of amounts derived
from a trust fund or special fund which are
canceled pursuant to enactment of a bill as pro-
vided under this section to any other fund.

“PROCEEDURES FOR EXPEDITED CONSIDERATION

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

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

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

“(A) REFERRAL AND REPORTING.—Any
committee of the House of Representatives to
which an approval bill is referred shall report it
to the House without amendment not later than
the seventh legislative day after the date of its
introduction. If a committee fails to report the
bill within that period or the House has adopt-
ed a concurrent resolution providing for ad-
journment sine die at the end of a Congress, it
shall be in order to move that the House dis-
charge the committee from further consider-
ation of the bill. Such a motion shall be in
order only at a time designated by the Speaker
in the legislative schedule within two legislative
days after the day on which the proponent an-
nounces his intention to offer the motion. Such
a motion shall not be in order after a committee
has reported an approval bill with respect to
that special message or after the House has dis-
posed of a motion to discharge with respect to
that special message. The previous question
shall be considered as ordered on the motion to
its adoption without intervening motion except
twenty minutes of debate equally divided and
controlled by the proponent and an opponent. If
such a motion is adopted, the House shall pro-
ceed immediately to consider the approval bill
in accordance with subparagraph (C). A motion
to reconsider the vote by which the motion is
disposed of shall not be in order.

“(B) PROCEEDING TO CONSIDERATION.—
After an approval bill is reported or a com-
mittee has been discharged from further consid-
eration, or the House has adopted a concurrent
resolution providing for adjournment sine die at
the end of a Congress, it shall be in order to
move to proceed to consider the approval bill in
the House. Such a motion shall be in order only
at a time designated by the Speaker in the legis-
lative schedule within two legislative days
after the day on which the proponent announces
his intention to offer the motion. Such a motion
shall not be in order after the House has dis-
posed of a motion to proceed with respect to
that special message. The previous question
shall be considered as ordered on the motion to
its adoption without intervening motion. A mo-
tion to reconsider the vote by which the motion
is disposed of shall not be in order.

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

“(D) SENATE BILL.—An approval bill re-
ceived from the Senate shall not be referred to
committee.
“(3) Consideration in the Senate.—

“(A) Motion to proceed to consideration.—A motion to proceed to the consideration of a bill under this subsection in the Senate shall not be debatable. It shall not be in order to move to reconsider the vote by which the motion to proceed is agreed to or disagreed to.

“(B) Limits on debate.—Debate in the Senate on a bill under this subsection, and all debatable motions and appeals in connection therewith (including debate pursuant to subparagraph (D)), shall not exceed 10 hours, equally divided and controlled in the usual form.

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

“(D) Motion to limit debate.—A motion in the Senate to further limit debate on a bill under this subsection is not debatable.
“(E) Motion to recommit.—A motion to recommit a bill under this subsection is not in order.

“(F) Consideration of the house bill.—

“(i) In general.—If the Senate has received the House companion bill to the bill introduced in the Senate prior to the vote required under paragraph (1)(C), then the Senate may consider, and the vote under paragraph (1)(C) may occur on, the House companion bill.

“(ii) Procedure after vote on Senate bill.—If the Senate votes, pursuant to paragraph (1)(C), on the bill introduced in the Senate, then immediately following that vote, or upon receipt of the House companion bill, the House bill shall be deemed to be considered, read the third time, and the vote on passage of the Senate bill shall be considered to be the vote on the bill received from the House.

“(b) Amendments prohibited.—No amendment to, or motion to strike a provision from, a bill considered
under this section shall be in order in either the Senate or the House of Representatives.

"PRESIDENTIAL DEFERRAL AUTHORITY

"Sec. 1013. (a) Temporary Presidential Authority to Withhold Discretionary Budget Authority.—

"(1) In general.—At the same time as the President transmits to the Congress a special message pursuant to section 1011(b), the President may direct that any dollar amount of discretionary budget authority to be canceled in that special message shall not be made available for obligation for a period not to exceed 45 calendar days from the date the President transmits the special message to the Congress.

"(2) Early availability.—The President shall make any dollar amount of discretionary budget authority deferred pursuant to paragraph (1) available at a time earlier than the time specified by the President if the President determines that continuation of the deferral would not further the purposes of this Act.

"(b) Temporary Presidential Authority to Suspend Direct Spending.—

"(1) In general.—At the same time as the President transmits to the Congress a special mes-
sage pursuant to section 1011(b), the President may suspend the implementation of any item of direct spending proposed to be canceled in that special message for a period not to exceed 45 calendar days from the date the President transmits the special message to the Congress.

“(2) Early Availability.—The President shall terminate the suspension of any item of direct spending at a time earlier than the time specified by the President if the President determines that continuation of the suspension would not further the purposes of this Act.

“(c) Temporary Presidential Authority to Suspend a Targeted Tax Benefit.—

“(1) In general.—At the same time as the President transmits to the Congress a special message pursuant to section 1011(b), the President may suspend the implementation of any targeted tax benefit proposed to be repealed in that special message for a period not to exceed 45 calendar days from the date the President transmits the special message to the Congress.

“(2) Early Availability.—The President shall terminate the suspension of any targeted tax benefit at a time earlier than the time specified by
the President if the President determines that continuation of the suspension would not further the purposes of this Act.

“(d) Extension of 45-Day Period.—The President may transmit to the Congress not more than one supplemental special message to extend the period to suspend the implementation of any discretionary budget authority, item of direct spending, or targeted tax benefit, as applicable, by an additional 45 calendar days. Any such supplemental message may not be transmitted to the Congress before the 40th day of the 45-day period set forth in the preceding message or later than the last day of such period.

“Identification of Targeted Tax Benefits

“Sec. 1014. (a) Statement.—The chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate acting jointly (hereafter in this subsection referred to as the ‘chairmen’) shall review any revenue or reconciliation bill or joint resolution which includes any amendment to the Internal Revenue Code of 1986 that is being prepared for filing by a committee of conference of the two Houses, and shall identify whether such bill or joint resolution contains any targeted tax benefits. The chairmen shall provide to the committee of conference a statement identifying any such targeted tax ben-
efits or declaring that the bill or joint resolution does not contain any targeted tax benefits. Any such statement shall be made available to any Member of Congress by the chairmen immediately upon request.

“(b) Statement Included in Legislation.—

“(1) In general.—Notwithstanding any other rule of the House of Representatives or any rule or precedent of the Senate, any revenue or reconciliation bill or joint resolution which includes any amendment to the Internal Revenue Code of 1986 reported by a committee of conference of the two Houses may include, as a separate section of such bill or joint resolution, the information contained in the statement of the chairmen, but only in the manner set forth in paragraph (2).

“(2) Applicability.—The separate section permitted under subparagraph (A) shall read as follows: ‘Section 1021 of the Congressional Budget and Impoundment Control Act of 1974 shall __________apply to __________.’, with the blank spaces being filled in with—

“(A) in any case in which the chairmen identify targeted tax benefits in the statement required under subsection (a), the word ‘only’ in the first blank space and a list of all of the
specific provisions of the bill or joint resolution identified by the chairmen in such statement in the second blank space; or

“(B) in any case in which the chairmen declare that there are no targeted tax benefits in the statement required under subsection (a), the word ‘not’ in the first blank space and the phrase ‘any provision of this Act’ in the second blank space.

“(c) IDENTIFICATION IN REVENUE ESTIMATE.—

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

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

“(2) in the case of a statement described in subsection (b)(2)(B), indicate in such revenue estimate that no provision in such bill or joint resolution has been identified as a targeted tax benefit.
“(d) President's Authority.—If any revenue or reconciliation bill or joint resolution is signed into law—

“(1) with a separate section described in subsection (b)(2), then the President may use the authority granted in this section only with respect to any targeted tax benefit in that law, if any, identified in such separate section; or

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

“TREATMENT OF CANCELLATIONS

“Sec. 1015. The cancellation of any dollar amount of discretionary budget authority, item of direct spending, or targeted tax benefit shall take effect only upon enactment of the applicable approval bill. If an approval bill is not enacted into law before the end of the applicable period under section 1013, then all proposed cancellations contained in that bill shall be null and void and any such dollar amount of discretionary budget authority, item of direct spending, or targeted tax benefit shall be effective as of the original date provided in the law to which the proposed cancellations applied.

“REPORTS BY COMPTROLLER GENERAL

“Sec. 1016. With respect to each special message under this part, the Comptroller General shall issue to the
Congress a report determining whether any discretionary
budget authority is not made available for obligation or
item of direct spending or targeted tax benefit continues
to be suspended after the deferral authority set forth in
section 1013 of the President has expired.

"DEFINITIONS"

"SEC. 1017. As used in this part:

"(1) APPROPRIATION LAW.—The term ‘appropri-
station law’ means an Act referred to in section
105 of title 1, United States Code, including any
general or special appropriation Act, or any Act
making supplemental, deficiency, or continuing ap-
propriations, that has been signed into law pursuant
to Article I, section 7, of the Constitution of the
United States.

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

"(A) the title of which is as follows: ‘A bill
approving the proposed cancellations trans-
mited by the President on ______’, the blank
space being filled in with the date of trans-
mision of the relevant special message and the
public law number to which the message relates;

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

“(C) which provides only the following after the enacting clause: ‘That the Congress approves of proposed cancellations ______’, the blank space being filled in with a list of the cancellations contained in the President’s special message, ‘as transmitted by the President in a special message on ______’, the blank space being filled in with the appropriate date, ‘regarding ______’, the blank space being filled in with the public law number to which the special message relates;

“(D) which only includes proposed cancellations that are estimated by CBO to meet the definition of discretionary budgetary authority or items of direct spending, or that are identified as targeted tax benefits pursuant to section 1014;

“(E) if any proposed cancellation other than discretionary budget authority or targeted tax benefits is estimated by CBO to not meet the definition of item of direct spending, then the approval bill shall include at the end: ‘The
President shall cease the suspension of the implementation of the following under section 1013 of the Legislative Line Item Veto Act of 2006: __________, the blank space being filled in with the list of such proposed cancellations; and

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

“(3) CALENDAR DAY.—The term ‘calendar day’ means a standard 24-hour period beginning at midnight.

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

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

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

“(C) in the case of the food stamp program, to prevent the specific provision of law that provides such benefit from having legal force or effect; or

“(D) a targeted tax benefit from having legal force or effect; and
to make any necessary, conforming statutory change
to ensure that such targeted tax benefit is not imple-
mented and that any budgetary resources are appro-
priately canceled.

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

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

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

“(B) entitlement authority; and

“(C) the food stamp program.

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

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

“(ii) represented separately in any
table, chart, or explanatory text included
in the statement of managers or the governing committee report accompanying such law;

“(iii) required to be allocated for a specific program, project, or activity in a law (other than an appropriation law) that mandates the expenditure of budget authority from accounts, programs, projects, or activities for which budget authority is provided in an appropriation law;

“(iv) represented by the product of the estimated procurement cost and the total quantity of items specified in an appropriation law or included in the statement of managers or the governing committee report accompanying such law; or

“(v) represented by the product of the estimated procurement cost and the total quantity of items required to be provided in a law (other than an appropriation law) that mandates the expenditure of budget authority from accounts, programs, projects, or activities for which budget authority is provided in an appropriation law.
“(B) The term ‘dollar amount of discretionary budget authority’ does not include—

“(i) direct spending;

“(ii) budget authority in an appropriation law which funds direct spending provided for in other law;

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

“(iv) any restriction, condition, or limitation in an appropriation law or the accompanying statement of managers or committee reports on the expenditure of budget authority for an account, program, project, or activity, or on activities involving such expenditure.

“(8) Item of direct spending.—The term ‘item of direct spending’ means any provision of law that results in an increase in budget authority or outlays for direct spending relative to the most recent levels calculated consistent with the methodology used to calculate a baseline under section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 and included with a budget submission under section 1105(a) of title 31, United States Code, in the first year or the 5-year period for which
the item is effective. However, such item does not in-
clude an extension or reauthorization of existing di-
rect spending, but instead only refers to provisions
of law that increase such direct spending.

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

“(10) Omnibus reconciliation or appro-
priation measure.—The term ‘omnibus reconcili-
ation or appropriation measure’ means—

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

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

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

“(B) for purposes of subparagraph (A)—
“(i) all businesses and associations that are members of the same controlled group of corporations (as defined in section 1563(a) of the Internal Revenue Code of 1986) shall be treated as a single beneficiary;

“(ii) all shareholders, partners, members, or beneficiaries of a corporation, partnership, association, or trust or estate, respectively, shall be treated as a single beneficiary;

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

“(iv) all qualified plans of an employer shall be treated as a single beneficiary;

“(v) all beneficiaries of a qualified plan shall be treated as a single beneficiary;

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

“(vii) all holders of the same bond issue shall be treated as a single beneficiary; and
“(viii) if a corporation, partnership, association, trust or estate is the beneficiary of a provision, the shareholders of the corporation, the partners of the partnership, the members of the association, or the beneficiaries of the trust or estate shall not also be treated as beneficiaries of such provision;

“(C) for the purpose of this paragraph, the term ‘revenue-losing provision’ means any provision that is estimated to result in a reduction in Federal tax revenues (determined with respect to either present law or any provision of which the provision is a part) for any one of the two following periods—

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

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

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

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

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

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

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

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

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

“(b) Upon the receipt of a special message under section 1011 proposing to cancel any item of direct spending, the Director of the Congressional Budget Office shall prepare an estimate of the savings in budget authority or outlays resulting from such proposed cancellation relative to the most recent levels calculated consistent with the methodology used to calculate a baseline under section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 and included with a budget submission under section 1105(a) of title 31, United States Code, and transmit
such estimate to the chairmen of the Committees on the
Budget of the House of Representatives and Senate.”.

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

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

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

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

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

It is the sense of Congress no President or any executive branch official should condition the inclusion or exclusion or threaten to condition the inclusion or exclusion of any proposed cancellation in any special message under this section upon any vote cast or to be cast by any Member of either House of Congress.

Passed the House of Representatives June 22, 2006.

Attest:

Clerk.
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.