

Union Calendar No. 283

109TH CONGRESS
2^D SESSION

H. R. 4890

[Report No. 109–505, Parts I and II]

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2006

Mr. RYAN of Wisconsin (for himself, Mr. DREIER, Mr. FEENEY, Mr. CHOCOLA, Mr. GREEN of Wisconsin, Mr. KINGSTON, Mr. HENSARLING, Mr. HERGER, Mr. HAYWORTH, Mr. ISTOOK, Mr. SHAYS, Mr. WILSON of South Carolina, Mr. SESSIONS, Mr. RYUN of Kansas, Mr. GARRETT of New Jersey, Mr. FLAKE, Mr. CANTOR, Mrs. MUSGRAVE, Mr. CONAWAY, Mr. MATHESON, Mr. INGLIS of South Carolina, Mr. PENCE, Mr. FORTUÑO, Mr. BACHUS, Mr. UPTON, Mr. PLATTS, Mr. BURTON of Indiana, Mr. MCHENRY, Mr. MORAN of Kansas, Mr. PITTS, Mr. ROYCE, Mr. POMBO, Mr. SHADEGG, Mr. BEAUPREZ, Mrs. BONO, Mr. KIRK, Mr. MACK, Mr. TERRY, Mr. KENNEDY of Minnesota, Mr. PUTNAM, Mr. KLINE, Mr. CANNON, Mr. RENZI, Mr. GALLEGLY, Mrs. BLACKBURN, Mr. SENSENBRENNER, Mr. ENGLISH of Pennsylvania, and Mr. UDALL of Colorado) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JUNE 16, 2006

Reported from the Committee on the Budget with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JUNE 19, 2006

Additional sponsors: Mr. SHIMKUS, Mr. GERLACH, Mr. HOSTETTLER, Mr. ISSA, Mr. BRADLEY of New Hampshire, Mr. CAMPBELL of California, Mr. BRADY of Texas, Mr. JINDAL, Mrs. MYRICK, Mr. CHABOT, Mr. NEUGEBAUER, Mr. COLE of Oklahoma, Mr. KING of Iowa, Ms. FOXX,

Mr. GOODE, Mr. DOOLITTLE, Mr. BARRETT of South Carolina, Mr. BARTLETT of Maryland, Mr. GOHMERT, Mr. PRICE of Georgia, Mr. MARCHANT, Mr. RAMSTAD, Mr. BASS, Mr. MILLER of Florida, Mrs. SCHMIDT, Mr. NORWOOD, Ms. GINNY BROWN-WAITE of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. HEFLEY, Mr. GINGREY, Mr. AKIN, Mr. PORTER, Mr. CASTLE, Mr. TANCREDO, Mr. McCAUL of Texas, Mr. FRANKS of Arizona, Mr. COBLE, Mr. DENT, Mrs. DRAKE, Mrs. JO ANN DAVIS of Virginia, Mr. THORNBERRY, Mr. RADANOVICH, Mr. PEARCE, Mr. WELDON of Florida, Mr. SAM JOHNSON of Texas, Mr. COOPER, Mr. McCRERY, Mr. CUELLAR, Mr. HASTINGS of Washington, Mr. CAMP of Michigan, Mr. GILLMOR, Mr. HOEKSTRA, Mr. DEAL of Georgia, Mr. WELLER, Mr. GOODLATTE, Mr. CRENSHAW, Mr. HYDE, Mr. McCOTTER, Mr. SMITH of Texas, Mr. BAKER, Mr. SHAW, Mr. FORTENBERRY, and Miss McMORRIS

JUNE 19, 2006

Reported from the Committee on Rules with an amendment; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 7, 2006]

A BILL

To amend the Congressional 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,*

3 **SECTION 1. SHORT TITLE.**

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

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

7 *(a) IN GENERAL.—Title X of the Congressional Budget*
 8 *and Impoundment Control Act of 1974 (2 U.S.C. 621 et*
 9 *seq.) is amended by striking all of part B (except for sec-*

1 tions 1016 and 1013, which are redesignated as sections
2 1019 and 1020, respectively) and part C and inserting the
3 following:

4 “PART B—LEGISLATIVE LINE ITEM VETO

5 “LINE ITEM VETO AUTHORITY

6 “SEC. 1011. (a) PROPOSED CANCELLATIONS.—Within
7 45 calendar days after the enactment of any bill or joint
8 resolution providing any discretionary budget authority,
9 item of direct spending, or targeted tax benefit, the Presi-
10 dent may propose, in the manner provided in subsection
11 (b), the cancellation of any dollar amount of such discre-
12 tionary budget authority, item of direct spending, or tar-
13 geted tax benefit. If the 45 calendar-day period expires dur-
14 ing a period where either House of Congress stands ad-
15 journed sine die at the end of a Congress or for a period
16 greater than 45 calendar days, the President may propose
17 a cancellation under this section and transmit a special
18 message under subsection (b) on the first calendar day of
19 session following such a period of adjournment.

20 “(b) TRANSMITTAL OF SPECIAL MESSAGE.—

21 “(1) SPECIAL MESSAGE.—

22 “(A) IN GENERAL.—The President may
23 transmit to the Congress a special message pro-
24 posing to cancel any dollar amounts of discre-

1 *tionary budget authority, items of direct spend-*
2 *ing, or targeted tax benefits.*

3 “(B) *CONTENTS OF SPECIAL MESSAGE.—*
4 *Each special message shall specify, with respect*
5 *to the discretionary budget authority, items of*
6 *direct spending proposed, or targeted tax benefits*
7 *to be canceled—*

8 “(i) *the dollar amount of discretionary*
9 *budget authority, the specific item of direct*
10 *spending (that OMB, after consultation*
11 *with CBO, estimates to increase budget au-*
12 *thority or outlays as required by section*
13 *1017(9)), or the targeted tax benefit that the*
14 *President proposes be canceled;*

15 “(ii) *any account, department, or es-*
16 *tablishment of the Government to which*
17 *such discretionary budget authority is*
18 *available for obligation, and the specific*
19 *project or governmental functions involved;*

20 “(iii) *the reasons why such discre-*
21 *tionary budget authority, item of direct*
22 *spending, or targeted tax benefit should be*
23 *canceled;*

24 “(iv) *to the maximum extent prac-*
25 *ticable, the estimated fiscal, economic, and*

1 *budgetary effect (including the effect on out-*
2 *lays and receipts in each fiscal year) of the*
3 *proposed cancellation;*

4 *“(v) to the maximum extent prac-*
5 *ticable, all facts, circumstances, and consid-*
6 *erations relating to or bearing upon the*
7 *proposed cancellation and the decision to ef-*
8 *fect the proposed cancellation, and the esti-*
9 *mated effect of the proposed cancellation*
10 *upon the objects, purposes, or programs for*
11 *which the discretionary budget authority,*
12 *item of direct spending, or the targeted tax*
13 *benefit is provided;*

14 *“(vi) a numbered list of cancellations*
15 *to be included in an approval bill that, if*
16 *enacted, would cancel discretionary budget*
17 *authority, items of direct spending, or tar-*
18 *geted tax benefits proposed in that special*
19 *message; and*

20 *“(vii) if the special message is trans-*
21 *mitted subsequent to or at the same time as*
22 *another special message, a detailed expla-*
23 *nation why the proposed cancellations are*
24 *not substantially similar to any other pro-*
25 *posed cancellation in such other message.*

1 “(C) *DUPLICATIVE PROPOSALS PROHIB-*
2 *ITED.—The President may not propose to cancel*
3 *the same or substantially similar discretionary*
4 *budget authority, item of direct spending, or tar-*
5 *geted tax benefit more than one time under this*
6 *Act.*

7 “(D) *MAXIMUM NUMBER OF SPECIAL MES-*
8 *SAGES.—The President may not transmit to the*
9 *Congress more than 5 special messages under*
10 *this subsection related to any bill or joint resolu-*
11 *tion described in subsection (a), but may trans-*
12 *mit not more than 10 special messages for any*
13 *omnibus budget reconciliation or appropriation*
14 *measure.*

15 “(2) *ENACTMENT OF APPROVAL BILL.—*

16 “(A) *DEFICIT REDUCTION.—Amounts of*
17 *budget authority, items of direct spending, or*
18 *targeted tax benefits which are canceled pursuant*
19 *to enactment of a bill as provided under this sec-*
20 *tion shall be dedicated only to reducing the def-*
21 *icit or increasing the surplus.*

22 “(B) *ADJUSTMENT OF LEVELS IN THE CON-*
23 *CURRENT RESOLUTION ON THE BUDGET.—Not*
24 *later than 5 days after the date of enactment of*
25 *an approval bill as provided under this section,*

1 *the chairs of the Committees on the Budget of the*
2 *Senate and the House of Representatives shall re-*
3 *visе allocations and aggregates and other appro-*
4 *priate levels under the appropriate concurrent*
5 *resolution on the budget to reflect the cancella-*
6 *tion, and the applicable committees shall report*
7 *revised suballocations pursuant to section 302(b),*
8 *as appropriate.*

9 “(C) *ADJUSTMENTS TO STATUTORY LIM-*
10 *ITS.—After enactment of an approval bill as*
11 *provided under this section, the Office of Man-*
12 *agement and Budget shall revise applicable lim-*
13 *its under the Balanced Budget and Emergency*
14 *Deficit Control Act of 1985, as appropriate.*

15 “*PROCEDURES FOR EXPEDITED CONSIDERATION*

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

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

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

25 “(A) *REFERRAL AND REPORTING.—Any*
26 *committee of the House of Representatives to*

1 *which an approval bill is referred shall report it*
2 *to the House without amendment not later than*
3 *the seventh legislative day after the date of its*
4 *introduction. If a committee fails to report the*
5 *bill within that period or the House has adopted*
6 *a concurrent resolution providing for adjourn-*
7 *ment sine die at the end of a Congress, it shall*
8 *be in order to move that the House discharge the*
9 *committee from further consideration of the bill.*
10 *Such a motion shall be in order only at a time*
11 *designated by the Speaker in the legislative*
12 *schedule within two legislative days after the day*
13 *on which the proponent announces his intention*
14 *to offer the motion. Such a motion shall not be*
15 *in order after a committee has reported an ap-*
16 *proval bill with respect to that special message*
17 *or after the House has disposed of a motion to*
18 *discharge with respect to that special message.*
19 *The previous question shall be considered as or-*
20 *dered on the motion to its adoption without in-*
21 *tervening motion except twenty minutes of de-*
22 *bate equally divided and controlled by the pro-*
23 *ponent and an opponent. If such a motion is*
24 *adopted, the House shall proceed immediately to*
25 *consider the approval bill in accordance with*

1 *subparagraph (C). A motion to reconsider the*
2 *vote by which the motion is disposed of shall not*
3 *be in order.*

4 “(B) *PROCEEDING TO CONSIDERATION.—*
5 *After an approval bill is reported or a committee*
6 *has been discharged from further consideration,*
7 *or the House has adopted a concurrent resolution*
8 *providing for adjournment sine die at the end of*
9 *a Congress, it shall be in order to move to pro-*
10 *ceed to consider the approval bill in the House.*
11 *Such a motion shall be in order only at a time*
12 *designated by the Speaker in the legislative*
13 *schedule within two legislative days after the day*
14 *on which the proponent announces his intention*
15 *to offer the motion. Such a motion shall not be*
16 *in order after the House has disposed of a mo-*
17 *tion to proceed with respect to that special mes-*
18 *sage. The previous question shall be considered as*
19 *ordered on the motion to its adoption without*
20 *intervening motion. A motion to reconsider the*
21 *vote by which the motion is disposed of shall not*
22 *be in order.*

23 “(C) *CONSIDERATION.—The approval bill*
24 *shall be considered as read. All points of order*
25 *against an approval bill and against its consid-*

1 *eration are waived. The previous question shall*
2 *be considered as ordered on an approval bill to*
3 *its passage without intervening motion except*
4 *five hours of debate equally divided and con-*
5 *trolled by the proponent and an opponent and*
6 *one motion to limit debate on the bill. A motion*
7 *to reconsider the vote on passage of the bill shall*
8 *not be in order.*

9 *“(D) SENATE BILL.—An approval bill re-*
10 *ceived from the Senate shall not be referred to*
11 *committee.*

12 *“(3) CONSIDERATION IN THE SENATE.—*

13 *“(A) MOTION TO PROCEED TO CONSIDER-*
14 *ATION.—A motion to proceed to the consider-*
15 *ation of a bill under this subsection in the Sen-*
16 *ate shall not be debatable. It shall not be in order*
17 *to move to reconsider the vote by which the mo-*
18 *tion to proceed is agreed to or disagreed to.*

19 *“(B) LIMITS ON DEBATE.—Debate in the*
20 *Senate on a bill under this subsection, and all*
21 *debatable motions and appeals in connection*
22 *therewith (including debate pursuant to subpara-*
23 *graph (D)), shall not exceed 10 hours, equally di-*
24 *vided and controlled in the usual form.*

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

6 “(D) *MOTION TO LIMIT DEBATE.*—*A motion*
7 *in the Senate to further limit debate on a bill*
8 *under this subsection is not debatable.*

9 “(E) *MOTION TO RECOMMIT.*—*A motion to*
10 *recommit a bill under this subsection is not in*
11 *order.*

12 “(F) *CONSIDERATION OF THE HOUSE*
13 *BILL.*—

14 “(i) *IN GENERAL.*—*If the Senate has*
15 *received the House companion bill to the*
16 *bill introduced in the Senate prior to the*
17 *vote required under paragraph (1)(C), then*
18 *the Senate may consider, and the vote under*
19 *paragraph (1)(C) may occur on, the House*
20 *companion bill.*

21 “(ii) *PROCEDURE AFTER VOTE ON*
22 *SENATE BILL.*—*If the Senate votes, pursu-*
23 *ant to paragraph (1)(C), on the bill intro-*
24 *duced in the Senate, then immediately fol-*
25 *lowing that vote, or upon receipt of the*

1 *House companion bill, the House bill shall*
2 *be deemed to be considered, read the third*
3 *time, and the vote on passage of the Senate*
4 *bill shall be considered to be the vote on the*
5 *bill received from the House.*

6 “(b) *AMENDMENTS PROHIBITED.*—*No amendment to,*
7 *or motion to strike a provision from, a bill considered under*
8 *this section shall be in order in either the Senate or the*
9 *House of Representatives.*

10 “*PRESIDENTIAL DEFERRAL AUTHORITY*

11 “*SEC. 1013. (a) TEMPORARY PRESIDENTIAL AUTHOR-*
12 *ITY TO WITHHOLD DISCRETIONARY BUDGET AUTHOR-*
13 *ITY.*—

14 “(1) *IN GENERAL.*—*At the same time as the*
15 *President transmits to the Congress a special message*
16 *pursuant to section 1011(b), the President may direct*
17 *that any dollar amount of discretionary budget au-*
18 *thority to be canceled in that special message shall*
19 *not be made available for obligation for a period not*
20 *to exceed 45 calendar days from the date the Presi-*
21 *dent transmits the special message to the Congress.*

22 “(2) *EARLY AVAILABILITY.*—*The President shall*
23 *make any dollar amount of discretionary budget au-*
24 *thority deferred pursuant to paragraph (1) available*
25 *at a time earlier than the time specified by the Presi-*

1 *dent if the President determines that continuation of*
2 *the deferral would not further the purposes of this Act.*

3 “(b) *TEMPORARY PRESIDENTIAL AUTHORITY TO SUS-*
4 *PEND DIRECT SPENDING.—*

5 “(1) *IN GENERAL.—At the same time as the*
6 *President transmits to the Congress a special message*
7 *pursuant to section 1011(b), the President may sus-*
8 *pend the implementation of any item of direct spend-*
9 *ing proposed to be canceled in that special message*
10 *for a period not to exceed 45 calendar days from the*
11 *date the President transmits the special message to*
12 *the Congress.*

13 “(2) *EARLY AVAILABILITY.—The President shall*
14 *terminate the suspension of any item of direct spend-*
15 *ing at a time earlier than the time specified by the*
16 *President if the President determines that continu-*
17 *ation of the suspension would not further the purposes*
18 *of this Act.*

19 “(c) *TEMPORARY PRESIDENTIAL AUTHORITY TO SUS-*
20 *PEND A TARGETED TAX BENEFIT.—*

21 “(1) *IN GENERAL.—At the same time as the*
22 *President transmits to the Congress a special message*
23 *pursuant to section 1011(b), the President may sus-*
24 *pend the implementation of any targeted tax benefit*
25 *proposed to be repealed in that special message for a*

1 *period not to exceed 45 calendar days from the date*
2 *the President transmits the special message to the*
3 *Congress.*

4 “(2) *EARLY AVAILABILITY.*—*The President shall*
5 *terminate the suspension of any targeted tax benefit*
6 *at a time earlier than the time specified by the Presi-*
7 *dent if the President determines that continuation of*
8 *the suspension would not further the purposes of this*
9 *Act.*

10 “(d) *EXTENSION OF 45-DAY PERIOD.*—*The President*
11 *may transmit to the Congress not more than one supple-*
12 *mental special message to extend the period to suspend the*
13 *implementation of any discretionary budget authority, item*
14 *of direct spending, or targeted tax benefit, as applicable,*
15 *by an additional 45 calendar days. Any such supplemental*
16 *message may not be transmitted to the Congress before the*
17 *40th day of the 45-day period set forth in the preceding*
18 *message or later than the last day of such period.*

19 “*IDENTIFICATION OF TARGETED TAX BENEFITS*

20 “*SEC. 1014. (a) STATEMENT.*—*The chairman of the*
21 *Committee on Ways and Means of the House of Representa-*
22 *tives and the chairman of the Committee on Finance of the*
23 *Senate acting jointly (hereafter in this subsection referred*
24 *to as the ‘chairmen’) shall review any revenue or reconcili-*
25 *ation bill or joint resolution which includes any amendment*
26 *to the Internal Revenue Code of 1986 that is being prepared*

1 *for filing by a committee of conference of the two Houses,*
 2 *and shall identify whether such bill or joint resolution con-*
 3 *tains any targeted tax benefits. The chairmen shall provide*
 4 *to the committee of conference a statement identifying any*
 5 *such targeted tax benefits or declaring that the bill or joint*
 6 *resolution does not contain any targeted tax benefits. Any*
 7 *such statement shall be made available to any Member of*
 8 *Congress by the chairmen immediately upon request.*

9 “(b) *STATEMENT INCLUDED IN LEGISLATION.*—

10 “(1) *IN GENERAL.*—*Notwithstanding any other*
 11 *rule of the House of Representatives or any rule or*
 12 *precedent of the Senate, any revenue or reconciliation*
 13 *bill or joint resolution which includes any amend-*
 14 *ment to the Internal Revenue Code of 1986 reported*
 15 *by a committee of conference of the two Houses may*
 16 *include, as a separate section of such bill or joint res-*
 17 *olution, the information contained in the statement of*
 18 *the chairmen, but only in the manner set forth in*
 19 *paragraph (2).*

20 “(2) *APPLICABILITY.*—*The separate section per-*
 21 *mitted under subparagraph (A) shall read as follows:*
 22 *‘Section 1021 of the Congressional Budget and Im-*
 23 *poundment Control Act of 1974 shall*
 24 _____ *apply to*

1 _____.’, with the blank spaces
2 being filled in with—

3 “(A) in any case in which the chairmen
4 identify targeted tax benefits in the statement re-
5 quired under subsection (a), the word ‘only’ in
6 the first blank space and a list of all of the spe-
7 cific provisions of the bill or joint resolution
8 identified by the chairmen in such statement in
9 the second blank space; or

10 “(B) in any case in which the chairmen de-
11 clare that there are no targeted tax benefits in
12 the statement required under subsection (a), the
13 word ‘not’ in the first blank space and the
14 phrase ‘any provision of this Act’ in the second
15 blank space.

16 “(c) *PRESIDENT’S AUTHORITY.*—If any revenue or rec-
17 onciliation bill or joint resolution is signed into law—

18 “(1) with a separate section described in sub-
19 section (b)(2), then the President may use the author-
20 ity granted in this section only with respect to any
21 targeted tax benefit in that law, if any, identified in
22 such separate section; or

23 “(2) without a separate section described in sub-
24 section (b)(2), then the President may use the author-

1 *ity granted in this section with respect to any tar-*
2 *geted tax benefit in that law.*

3 *“TREATMENT OF CANCELLATIONS*

4 *“SEC. 1015. The cancellation of any dollar amount of*
5 *discretionary budget authority, item of direct spending, or*
6 *targeted tax benefit shall take effect only upon enactment*
7 *of the applicable approval bill. If an approval bill is not*
8 *enacted into law before the end of the applicable period*
9 *under section 1013, then all proposed cancellations con-*
10 *tained in that bill shall be null and void and any such*
11 *dollar amount of discretionary budget authority, item of di-*
12 *rect spending, or targeted tax benefit shall be effective as*
13 *of the original date provided in the law to which the pro-*
14 *posed cancellations applied.*

15 *“REPORTS BY COMPTROLLER GENERAL*

16 *“SEC. 1016. With respect to each special message*
17 *under this part, the Comptroller General shall issue to the*
18 *Congress a report determining whether any discretionary*
19 *budget authority is not made available for obligation or*
20 *item of direct spending or targeted tax benefit continues to*
21 *be suspended after the deferral authority set forth in section*
22 *1013 of the President has expired.*

23 *“DEFINITIONS*

24 *“SEC. 1017. As used in this part:*

25 *“(1) APPROPRIATION LAW.—The term ‘appro-*
26 *priation law’ means an Act referred to in section 105*

1 *of title 1, United States Code, including any general*
2 *or special appropriation Act, or any Act making sup-*
3 *plemental, deficiency, or continuing appropriations,*
4 *that has been signed into law pursuant to Article I,*
5 *section 7, of the Constitution of the United States.*

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

12 “(A) *the title of which is as follows: ‘A bill*
13 *approving the proposed cancellations transmitted*
14 *by the President on _____’, the blank space*
15 *being filled in with the date of transmission of*
16 *the relevant special message and the public law*
17 *number to which the message relates;*

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

19 “(C) *which provides only the following after*
20 *the enacting clause: ‘That the Congress approves*
21 *of proposed cancellations _____’, the blank*
22 *space being filled in with a list of the cancella-*
23 *tions contained in the President’s special mes-*
24 *sage, ‘as transmitted by the President in a spe-*
25 *cial message on _____’, the blank space being*

1 *filled in with the appropriate date, ‘regarding*
2 *_____.’, the blank space being filled in with*
3 *the public law number to which the special mes-*
4 *sage relates;*

5 *“(D) which only includes proposed cancella-*
6 *tions that are estimated by CBO to meet the defi-*
7 *inition of discretionary budgetary authority or*
8 *items of direct spending, or that are identified as*
9 *targeted tax benefits pursuant to section 1014;*

10 *“(E) if any proposed cancellation other*
11 *than discretionary budget authority or targeted*
12 *tax benefits is estimated by CBO to not meet the*
13 *definition of item of direct spending, then the*
14 *approval bill shall include at the end: ‘The Presi-*
15 *dent shall cease the suspension of the implemen-*
16 *tation of the following under section 1013 of the*
17 *Legislative Line Item Veto Act of 2006:*
18 *_____’, the blank space being filled in with*
19 *the list of such proposed cancellations; and*

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

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

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

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

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

11 “(C) *in the case of the food stamp program,*
12 *to prevent the specific provision of law that pro-*
13 *vides such benefit from having legal force or ef-*
14 *fect; or*

15 “(D) *a targeted tax benefit from having*
16 *legal force or effect; and*

17 *to make any necessary, conforming statutory change*
18 *to ensure that such targeted tax benefit is not imple-*
19 *mented and that any budgetary resources are appro-*
20 *priately canceled.*

21 “(5) *CBO.*—*The term ‘CBO’ means the Director*
22 *of the Congressional Budget Office.*

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

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

3 “(B) entitlement authority; and

4 “(C) the food stamp program.

5 “(7) DOLLAR AMOUNT OF DISCRETIONARY BUDG-
6 ET AUTHORITY.—(A) Except as provided in subpara-
7 graph (B), the term “dollar amount of discretionary
8 budget authority” means the entire dollar amount of
9 budget authority—

10 “(i) specified in an appropriation law, or
11 the entire dollar amount of budget authority or
12 obligation limitation required to be allocated by
13 a specific proviso in an appropriation law for
14 which a specific dollar figure was not included;

15 “(ii) represented separately in any table,
16 chart, or explanatory text included in the state-
17 ment of managers or the governing committee re-
18 port accompanying such law;

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

1 “(iv) represented by the product of the esti-
2 mated procurement cost and the total quantity of
3 items specified in an appropriation law or in-
4 cluded in the statement of managers or the gov-
5 erning committee report accompanying such law;
6 or

7 “(v) represented by the product of the esti-
8 mated procurement cost and the total quantity of
9 items required to be provided in a law (other
10 than an appropriation law) that mandates the
11 expenditure of budget authority from accounts,
12 programs, projects, or activities for which budget
13 authority is provided in an appropriation law.

14 “(B) The term ‘dollar amount of discretionary
15 budget authority’ does not include—

16 “(i) direct spending;

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

20 “(iii) any existing budget authority can-
21 celed in an appropriation law; or

22 “(iv) any restriction, condition, or limita-
23 tion in an appropriation law or the accom-
24 panying statement of managers or committee re-
25 ports on the expenditure of budget authority for

1 *an account, program, project, or activity, or on*
2 *activities involving such expenditure.*

3 “(8) *ITEM OF DIRECT SPENDING.*—*The term*
4 *‘item of direct spending’ means any provision of law*
5 *that results in an increase in budget authority or out-*
6 *lays for direct spending relative to the most recent*
7 *levels calculated consistent with the methodology used*
8 *to calculate a baseline under section 257 of the Bal-*
9 *anced Budget and Emergency Deficit Control Act of*
10 *1985 and included with a budget submission under*
11 *section 1105(a) of title 31, United States Code, in the*
12 *first year or the 5-year period for which the item is*
13 *effective. However, such item does not include an ex-*
14 *tension or reauthorization of existing direct spending,*
15 *but instead only refers to provisions of law that in-*
16 *crease such direct spending.*

17 “(9) *OMB.*—*The term ‘OMB’ means the Director*
18 *of the Office of Management and Budget.*

19 “(10) *OMNIBUS RECONCILIATION OR APPROPRIA-*
20 *TION MEASURE.*—*The term ‘omnibus reconciliation or*
21 *appropriation measure’ means—*

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

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

5 “(11) *TARGETED TAX BENEFIT*.—(A) The term
6 ‘targeted tax benefit’ means any revenue-losing provi-
7 sion that provides a Federal tax deduction, credit, ex-
8 clusion, or preference to only one beneficiary (deter-
9 mined with respect to either present law or any pro-
10 vision of which the provision is a part) under the In-
11 ternal Revenue Code of 1986 in any year for which
12 the provision is in effect;

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

14 “(i) all businesses and associations that are
15 members of the same controlled group of corpora-
16 tions (as defined in section 1563(a) of the Inter-
17 nal Revenue Code of 1986) shall be treated as a
18 single beneficiary;

19 “(ii) all shareholders, partners, members, or
20 beneficiaries of a corporation, partnership, asso-
21 ciation, or trust or estate, respectively, shall be
22 treated as a single beneficiary;

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

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

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

5 “(vi) all contributors to a charitable organi-
6 zation shall be treated as a single beneficiary;

7 “(vii) all holders of the same bond issue
8 shall be treated as a single beneficiary; and

9 “(viii) if a corporation, partnership, asso-
10 ciation, trust or estate is the beneficiary of a
11 provision, the shareholders of the corporation, the
12 partners of the partnership, the members of the
13 association, or the beneficiaries of the trust or es-
14 tate shall not also be treated as beneficiaries of
15 such provision;

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

22 “(i) the first fiscal year for which the provi-
23 sion is effective; or

1 *lays resulting from such proposed cancellation relative to*
 2 *the most recent levels calculated consistent with the method-*
 3 *ology used to calculate a baseline under section 257 of the*
 4 *Balanced Budget and Emergency Deficit Control Act of*
 5 *1985 and included with a budget submission under section*
 6 *1105(a) of title 31, United States Code, and transmit such*
 7 *estimate to the chairmen of the Committees on the Budget*
 8 *of the House of Representatives and Senate.”.*

9 (c) *CLERICAL AMENDMENTS.—(1) Section 1(a) of the*
 10 *Congressional Budget and Impoundment Control Act of*
 11 *1974 is amended by striking the last sentence.*

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

16 (3) *TABLE OF CONTENTS.—The table of contents set*
 17 *forth in section 1(b) of the Congressional Budget and Im-*
 18 *poundment Control Act of 1974 is amended by deleting the*
 19 *contents for parts B and C of title X and inserting the fol-*
 20 *lowing:*

“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.”.

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

7 **SEC. 4. SENSE OF CONGRESS ON ABUSE OF PROPOSED CAN-**
8 **CELLATIONS.**

9 *It is the sense of Congress no President or any execu-*
10 *tive branch official should condition the inclusion or exclu-*
11 *sion or threaten to condition the inclusion or exclusion of*
12 *any proposed cancellation in any special message under*
13 *this section upon any vote cast or to be cast by any Member*
14 *of either House of Congress.*

Union Calendar No. 283

109TH CONGRESS
2^D SESSION

H. R. 4890

[Report No. 109-505, Parts I and II]

A BILL

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

JUNE 19, 2006

Reported from the Committee on Rules with an amendment; committed to the Committee of the Whole House on the State of the Union and ordered to be printed