

107TH CONGRESS
1ST SESSION

H. R. 927

To provide for a tax reduction in the case of low economic growth.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2001

Mr. OBEY (for himself, Mr. MORAN of Virginia, and Mr. FRANK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Budget, 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

A BILL

To provide for a tax reduction in the case of low economic growth.

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 “Standby Authority to
5 Fight Economic Recession Tax Cut Act of 2001”.

6 **SEC. 2. TAX REDUCTION IN THE EVENT OF LOW GROWTH.**

7 (a) LOW-GROWTH REPORT.—

8 (1) IN GENERAL.—At any time, the Director of
9 the Office of Management and Budget (hereafter in

1 this section referred to as the “Director”) may no-
2 tify the President and the Congress if the Direc-
3 tor—

4 (A) determines that paragraph (2) was
5 met for the 2 quarters preceding the quarter
6 during which the notification is given, or

7 (B)(i) projects that paragraph (2) will be
8 met for the quarter during which the notifica-
9 tion is given, and

10 (ii) determines that such paragraph was
11 met for the preceding quarter.

12 (2) REQUIREMENT.—This paragraph is met if
13 either—

14 (A) economic growth as measured by the
15 change in real Gross Domestic Product (GDP)
16 at an annual rate is estimated to be less than
17 1.5 percent, or

18 (B) there is a decrease in the number of
19 employed individuals.

20 Nothing in this section shall be construed as pre-
21 venting the Director from taking into account esti-
22 mates which are subject to revision.

23 (b) PRESIDENTIAL AUTHORIZATION OF TEMPORARY
24 TAX REDUCTIONS.—

1 (1) PRESIDENTIAL DECLARATION.—After noti-
2 fication under subsection (a), the President may
3 issue a declaration that temporary income tax reduc-
4 tions are required for a specified calendar year to
5 provide a quick and necessary fiscal stimulus to the
6 economy. Any such declaration shall be transmitted
7 to the Congress.

8 (2) TEMPORARY TAX MODIFICATIONS.—If the
9 President transmits a declaration under paragraph
10 (1) to the Congress, effective for taxable years be-
11 ginning in the calendar year specified in such dec-
12 laration—

13 (A) the rates applicable to the first income
14 bracket in the tax tables contained in section 1
15 of the Internal Revenue Code of 1986 shall be
16 reduced by a number of percentage points (not
17 to exceed 3 percentage points) specified in such
18 declaration,

19 (B) the amounts set fourth as tax in such
20 tables shall be adjusted to reflect such rate re-
21 duction, and

22 (C) the withholding tables or procedures
23 prescribed under section 3402(a) of such Code
24 shall be modified as specified in such declara-

1 tion (including having different withholding
2 rates apply to portions of a calendar year).

3 **SEC. 3. TREATMENT UNDER PAY-AS-YOU-GO PROCEDURES.**

4 Any reduction or increase in receipts resulting from
5 section 2 of this Act shall not be considered for any pur-
6 pose under the Balanced Budget and Emergency Deficit
7 Control Act of 1985.

○