

109TH CONGRESS
2D SESSION

S. 2381

To amend the Congressional Budget and Impoundment Control Act of 1974
to provide line item rescission authority.

IN THE SENATE OF THE UNITED STATES

MARCH 7, 2006

Mr. FRIST (for himself, Mr. McCONNELL, Mr. MCCAIN, Mr. KERRY, Mr. SESSIONS, Mr. ALLEN, Mr. BUNNING, Mr. ALEXANDER, Mr. TALENT, Mr. DEMINT, Mr. GRAHAM, Mr. KYL, Mr. ALLARD, Mrs. DOLE, Mr. ENZI, Mr. BROWNBACK, Mr. ISAKSON, Mr. BURR, Mr. CHAMBLISS, Mr. CHAFEE, Mr. SANTORUM, Mr. THUNE, Mr. GREGG, Mr. SUNUNU, Mr. VITTER, Mr. MARTINEZ, Mr. CRAPO, and Mr. THOMAS) introduced the following bill; which was read twice and referred to the Committee on the Budget

A BILL

To amend the Congressional Budget and Impoundment
Control Act of 1974 to provide line item rescission 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”.

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

2 (a) IN GENERAL.—Title X of the Congressional
3 Budget and Impoundment Control Act of 1974 (2 U.S.C.
4 621 et seq.) is amended by striking part C and inserting
5 the following: “

6 “PART C—LEGISLATIVE LINE ITEM VETO

7 “EXPEDITED CONSIDERATION OF CERTAIN PROPOSED
8 RESCISSIONS

9 “SEC. 1021. (a) PROPOSED RESCISSIONS.—The
10 President may propose, at the time and in the manner
11 provided in subsection (b), the rescission of any dollar
12 amount of discretionary budget authority or the rescission,
13 in whole or in part, of any item of direct spending.

14 “(b) TRANSMITTAL OF SPECIAL MESSAGE.—

15 “(1) SPECIAL MESSAGE.—

16 “(A) IN GENERAL.—The President may
17 transmit to Congress a special message pro-
18 posing to rescind any dollar amount of discre-
19 tionary budget authority or any item of direct
20 spending.

21 “(B) CONTENTS OF SPECIAL MESSAGE.—

22 Each special message shall specify, with respect
23 to the budget authority or item of direct spend-
24 ing proposed to be rescinded—

1 “(i) the amount of budget authority
2 or the specific item of direct spending that
3 the President proposes be rescinded;

4 “(ii) any account, department, or es-
5 tablishment of the Government to which
6 such budget authority or item of direct
7 spending is available for obligation, and
8 the specific project or governmental func-
9 tions involved;

10 “(iii) the reasons why such budget au-
11 thority or item of direct spending should
12 be rescinded;

13 “(iv) to the maximum extent prac-
14 ticable, the estimated fiscal, economic, and
15 budgetary effect (including the effect on
16 outlays and receipts in each fiscal year) of
17 the proposed rescission;

18 “(v) to the maximum extent prac-
19 ticable, all facts, circumstances, and con-
20 siderations relating to or bearing upon the
21 proposed rescission and the decision to ef-
22 fect the proposed rescission, and the esti-
23 mated effect of the proposed rescission
24 upon the objects, purposes, and programs

for which the budget authority or item of direct spending is provided; and

“(vi) a draft bill that, if enacted, would rescind the budget authority or item of direct spending proposed to be rescinded in that special message.

“(2) ENACTMENT OF RESCISSION BILL.—

“(A) DEFICIT REDUCTION.—Amounts of budget authority or items of direct spending which are rescinded pursuant to enactment of a bill as provided under this section shall be dedicated only to deficit reduction and shall not be used as an offset for other spending increases.

“(B) ADJUSTMENT OF COMMITTEE ALLOCATIONS.—Not later than 5 days after the date of enactment of a rescission bill as provided under this section, the chairs of the Committees on the Budget of the Senate and the House of Representatives shall revise levels under section 311(a) of the Congressional Budget Act of 1974 and adjust the committee allocations under section 302(a) of the Congressional Budget Act of 1974 to reflect the rescission, and the appropriate committees shall report revised allocations pursuant to section 302(b) of

1 the Congressional Budget Act of 1974, as ap-
 2 propriate.

3 “(C) ADJUSTMENTS TO CAPS.—After en-
 4 actment of a rescission bill as provided under
 5 this section, the Office of Management and
 6 Budget shall revise applicable limits under the
 7 Balanced Budget and Emergency Deficit Con-
 8 trol Act of 1985, as appropriate.

9 “(c) PROCEDURES FOR EXPEDITED CONSIDER-
 10 ATION.—

11 “(1) IN GENERAL.—

12 “(A) INTRODUCTION.—Before the close of
 13 the second day of session of the Senate and the
 14 House of Representatives, respectively, after the
 15 date of receipt of a special message transmitted
 16 to Congress under subsection (b), the majority
 17 leader or minority leader of each House shall
 18 introduce (by request) a bill to rescind the
 19 amounts of budget authority or items of direct
 20 spending, as specified in the special message
 21 and the President’s draft bill. If the bill is not
 22 introduced as provided in the preceding sen-
 23 tence in either House, then, on the third day of
 24 session of that House after the date of receipt

1 of that special message, any Member of that
2 House may introduce the bill.

3 “(B) REFERRAL AND REPORTING.—The
4 bill shall be referred to the appropriate com-
5 mittee. The committee shall report the bill with-
6 out substantive revision and with or without
7 recommendation. The committee shall report
8 the bill not later than the fifth day of session
9 of that House after the date of introduction of
10 the bill in that House. If the committee fails to
11 report the bill within that period, the committee
12 shall be automatically discharged from consider-
13 ation of the bill, and the bill shall be placed on
14 the appropriate calendar.

15 “(C) FINAL PASSAGE.—A vote on final
16 passage of the bill shall be taken in the Senate
17 and the House of Representatives on or before
18 the close of the 10th day of session of that
19 House after the date of the introduction of the
20 bill in that House. If the bill is passed, the Sec-
21 retary of the Senate or the Clerk of the House
22 of Representatives, as the case may be, shall
23 cause the bill to be transmitted to the other
24 House before the close of the next day of ses-
25 sion of that House.

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

3 “(A) MOTION TO PROCEED TO CONSIDER-
4 ATION.—A motion in the House of Representa-
5 tives to proceed to the consideration of a bill
6 under this subsection shall be highly privileged
7 and not debatable. An amendment to the mo-
8 tion shall not be in order, nor shall it be in
9 order to move to reconsider the vote by which
10 the motion is agreed to or disagreed to.

11 “(B) LIMITS ON DEBATE.—Debate in the
12 House of Representatives on a bill under this
13 subsection shall not exceed 4 hours, which shall
14 be divided equally between those favoring and
15 those opposing the bill. A motion further to
16 limit debate shall not be debatable. It shall not
17 be in order to move to recommit a bill under
18 this subsection or to move to reconsider the
19 vote by which the bill is agreed to or disagreed
20 to.

21 “(C) APPEALS.—Appeals from decisions of
22 the Chair relating to the application of the
23 Rules of the House of Representatives to the
24 procedure relating to a bill under this section
25 shall be decided without debate.

1 “(D) APPLICATION OF HOUSE RULES.—

2 Except to the extent specifically provided in this
 3 section, consideration of a bill under this sec-
 4 tion shall be governed by the Rules of the
 5 House of Representatives. It shall not be in
 6 order in the House of Representatives to con-
 7 sider any bill introduced pursuant to the provi-
 8 sions of this section under a suspension of the
 9 rules or under a special rule.

10 “(3) CONSIDERATION IN THE SENATE.—

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

18 “(B) LIMITS ON DEBATE.—Debate in the
 19 Senate on a bill under this subsection, and all
 20 debatable motions and appeals in connection
 21 therewith (including debate pursuant to sub-
 22 paragraph (D)), shall not exceed 10 hours,
 23 equally divided and controlled in the usual
 24 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 mo-
 7 tion in the Senate to further limit debate on a
 8 bill 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
 19 under paragraph (1)(C) may occur on, the
 20 House 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 Sen-
4 ate bill shall be considered to be the vote
5 on the bill received from the House.

6 “(d) AMENDMENTS AND DIVISIONS PROHIBITED.—
7 No amendment to a bill considered under this section shall
8 be in order in either the Senate or the House of Rep-
9 resentatives. It shall not be in order to demand a division
10 of the question in the House of Representatives (or in a
11 Committee of the Whole). No motion to suspend the appli-
12 cation of this subsection shall be in order in the House
13 of Representatives, nor shall it be in order in the House
14 of Representatives to suspend the application of this sub-
15 section by unanimous consent.

16 “(e) TEMPORARY PRESIDENTIAL AUTHORITY TO
17 WITHHOLD.—

18 “(1) IN GENERAL.—At the same time as the
19 President transmits to Congress a special message
20 pursuant to subsection (b), the President may direct
21 that any dollar amount of discretionary budget au-
22 thority proposed to be rescinded in that special mes-
23 sage shall not be made available for obligation for a
24 period not to exceed 180 calendar days from the

1 date the President transmits the special message to
2 Congress.

3 “(2) EARLY AVAILABILITY.—The President
4 may make any dollar amount of discretionary budget
5 authority deferred pursuant to paragraph (1) avail-
6 able at a time earlier than the time specified by the
7 President if the President determines that continu-
8 ation of the deferral would not further the purposes
9 of this Act.

10 “(f) TEMPORARY PRESIDENTIAL AUTHORITY TO
11 SUSPEND.—

12 “(1) IN GENERAL.—At the same time as the
13 President transmits to Congress a special message
14 pursuant to subsection (b), the President may sus-
15 pend the execution of any item of direct spending
16 proposed to be rescinded in that special message for
17 a period not to exceed 180 calendar days from the
18 date the President transmits the special message to
19 Congress.

20 “(2) EARLY AVAILABILITY.—The President
21 may terminate the suspension of any item of direct
22 spending at a time earlier than the time specified by
23 the President if the President determines that con-
24 tinuation of the suspension would not further the
25 purposes of this Act.

1 “(g) DEFINITIONS.—For purposes of this section—

2 “(1) the term ‘appropriation law’ means any
3 general or special appropriation Act, and any Act or
4 joint resolution making supplemental, deficiency, or
5 continuing appropriations;

6 “(2) the term ‘deferral’ has, with respect to any
7 dollar amount of discretionary budget authority, the
8 same meaning as the phrase ‘deferral of budget au-
9 thority’ defined in section 1011(1) in part B (2
10 U.S.C. 682(1));

11 “(3) the term ‘dollar amount of discretionary
12 budget authority’ means the entire dollar amount of
13 budget authority and obligation limitations—

14 “(A) specified in an appropriation law, or
15 the entire dollar amount of budget authority re-
16 quired to be allocated by a specific proviso in an
17 appropriation law for which a specific dollar fig-
18 ure was not included;

19 “(B) represented separately in any table,
20 chart, or explanatory text included in the state-
21 ment of managers or the governing committee
22 report accompanying such law;

23 “(C) required to be allocated for a specific
24 program, project, or activity in a law (other
25 than an appropriation law) that mandates the

1 expenditure of budget authority from accounts,
 2 programs, projects, or activities for which budg-
 3 et authority is provided in an appropriation law;

4 “(D) represented by the product of the es-
 5 timated procurement cost and the total quantity
 6 of items specified in an appropriation law or in-
 7 cluded in the statement of managers or the gov-
 8 erning committee report accompanying such
 9 law; or

10 “(E) represented by the product of the es-
 11 timated procurement cost and the total quantity
 12 of items required to be provided in a law (other
 13 than an appropriation law) that mandates the
 14 expenditure of budget authority from accounts,
 15 programs, projects, or activities for which dollar
 16 amount of discretionary budget authority is
 17 provided in an appropriation law;

18 “(4) the terms ‘rescind’ or ‘rescission’ mean to
 19 modify or repeal a provision of law to prevent—

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

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

1 “(C) in the case of the food stamp pro-
2 gram, to prevent the specific provision of law
3 that provides such benefit from having legal
4 force or effect;

5 “(5) the term ‘direct spending’ means budget
6 authority provided by law (other than an appropria-
7 tion law); entitlement authority; and the food stamp
8 program;

9 “(6) the term ‘item of direct spending’ means
10 any specific provision of law enacted after the effec-
11 tive date of the Legislative Line Item Veto Act of
12 2006 that is estimated to result in a change in
13 budget authority or outlays for direct spending rel-
14 ative to the most recent levels calculated pursuant to
15 section 257 of the Balanced Budget and Emergency
16 Deficit Control Act of 1985 and included with a
17 budget submission under section 1105(a) of title 31,
18 United States Code, and with respect to estimates
19 made after that budget submission that are not in-
20 cluded with it, estimates consistent with the eco-
21 nomic and technical assumptions underlying the
22 most recently submitted President’s budget;

23 “(7) the term ‘suspend the execution’ means,
24 with respect to an item of direct spending or a tar-
25 geted tax benefit, to stop for a specified period, in

1 whole or in part, the carrying into effect of the spe-
2 cific provision of law that provides such benefit; and

3 “(8)(A) the term ‘targeted tax benefit’ means—

4 “(i) any revenue-losing provision that pro-
5 vides a Federal tax deduction, credit, exclusion,
6 or preference to 100 or fewer beneficiaries
7 under the Internal Revenue Code of 1986 in
8 any fiscal year for which the provision is in ef-
9 fect; and

10 “(ii) any Federal tax provision that pro-
11 vides temporary or permanent transitional relief
12 for 10 or fewer beneficiaries in any fiscal year
13 from a change to the Internal Revenue Code of
14 1986;

15 “(B) a provision shall not be treated as de-
16 scribed in subparagraph (A)(i) if the effect of that
17 provision is that—

18 “(i) all persons in the same industry or en-
19 gaged in the same type of activity receive the
20 same treatment;

21 “(ii) all persons owning the same type of
22 property, or issuing the same type of invest-
23 ment, receive the same treatment; or

24 “(iii) any difference in the treatment of
25 persons is based solely on—

1 “(I) in the case of businesses and as-
2 sociations, the size or form of the business
3 or association involved;

4 “(II) in the case of individuals, gen-
5 eral demographic conditions, such as in-
6 come, marital status, number of depend-
7 ents, or tax-return-filing status;

8 “(III) the amount involved; or

9 “(IV) a generally-available election
10 under the Internal Revenue Code of 1986;

11 “(C) a provision shall not be treated as de-
12 scribed in subparagraph (A)(ii) if—

13 “(i) it provides for the retention of prior
14 law with respect to all binding contracts or
15 other legally enforceable obligations in existence
16 on a date contemporaneous with congressional
17 action specifying such date; or

18 “(ii) it is a technical correction to pre-
19 viously enacted legislation that is estimated to
20 have no revenue effect;

21 “(D) for purposes of subparagraph (A)—

22 “(i) all businesses and associations that
23 are members of the same controlled group of
24 corporations (as defined in section 1563(a) of

1 the Internal Revenue Code of 1986) shall be
 2 treated as a single beneficiary;

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

5 “(iii) all holders of the same bond issue
 6 shall be treated as a single beneficiary; and

7 “(iv) if a corporation, partnership, associa-
 8 tion, trust or estate is the beneficiary of a pro-
 9 vision, the shareholders of the corporation, the
 10 partners of the partnership, the members of the
 11 association, or the beneficiaries of the trust or
 12 estate shall not also be treated as beneficiaries
 13 of such provision;

14 “(E) for the purpose of this paragraph, the
 15 term ‘revenue-losing provision’ means any provision
 16 that results in a reduction in Federal tax revenues
 17 for any one of the two following periods—

18 “(i) the first fiscal year for which the pro-
 19 vision is effective; or

20 “(ii) the period of the 5 fiscal years begin-
 21 ning with the first fiscal year for which the pro-
 22 vision is effective; and

23 “(F) the terms used in this paragraph shall
 24 have the same meaning as those terms have gen-

1 erally in the Internal Revenue Code of 1986, unless
 2 otherwise expressly provided.

3 “(h) APPLICATION TO TARGETED TAX BENEFITS.—
 4 The President may propose the repeal of any targeted tax
 5 benefit in any bill that includes such a benefit, under the
 6 same conditions, and subject to the same Congressional
 7 consideration, as a proposal under this section to rescind
 8 an item of direct spending.”.

9 (b) EXERCISE OF RULEMAKING POWERS.—Section
 10 904 of the Congressional Budget Act of 1974 (2 U.S.C.
 11 621 note) is amended—

12 (1) in subsection (a), by striking “and 1017”
 13 and inserting “1017, and 1021”; and

14 (2) in subsection (d), by striking “section
 15 1017” and inserting “sections 1017 and 1021”.

16 (c) CLERICAL AMENDMENTS.—(1) Section 1(a) of
 17 the Congressional Budget and Impoundment Control Act
 18 of 1974 is amended by—

19 (A) striking “Parts A and B” before “title X”
 20 and inserting “Parts A, B, and C”; and

21 (B) striking the last sentence and inserting at
 22 the end the following new sentence: “Part C of title
 23 X also may be cited as the ‘Legislative Line Item
 24 Veto Act of 2006’.”.

1 (2) TABLE OF CONTENTS.—The table of con-
 2 tents set forth in section 1(b) of the Congressional
 3 Budget and Impoundment Control Act of 1974 is
 4 amended by deleting the contents for part C of title
 5 X and inserting the following:

“PART C—LEGISLATIVE LINE ITEM VETO

“Sec. 1021. expedited consideration of certain proposed rescissions.”.

6 (d) SEVERABILITY.—If any provision of this Act or
 7 the amendments made by it is held to be unconstitutional,
 8 the remainder of this Act and the amendments made by
 9 it shall not be affected by the holding.

10 (e) EFFECTIVE DATE.—The amendments made by
 11 this Act shall—

12 (1) take effect on the date of enactment of this
 13 Act; and

14 (2) apply only to any dollar amount of discre-
 15 tionary budget authority, item of direct spending, or
 16 targeted tax benefit provided in an Act enacted on
 17 or after the date of enactment of this Act.

