

111TH CONGRESS
1ST SESSION

H. R. 4308

To amend the Internal Revenue Code of 1986 to allow individuals to designate certain amounts on their income tax returns, to require spending reductions equal to 10 times the amounts so designated, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2009

Mr. POSEY (for himself, Mr. HALL of Texas, Mr. PITTS, Mr. BARTLETT, Mr. COLE, Mr. ISSA, Mr. BILBRAY, Mr. GOHMERT, Mrs. BLACKBURN, Mr. FRANKS of Arizona, Mr. AKIN, Mr. GINGREY of Georgia, Mr. MARCHANT, Mr. CONAWAY, Mr. BISHOP of Utah, Ms. FALLIN, Mr. THOMPSON of Pennsylvania, and Mr. LAMBORN) 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 amend the Internal Revenue Code of 1986 to allow individuals to designate certain amounts on their income tax returns, to require spending reductions equal to 10 times the amounts so designated, and for other purposes.

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 “Deficit Reduction
3 Check-Off Act”.

4 **SEC. 2. DESIGNATION OF INCOME TAX PAYMENTS TO RE-**
5 **DUCE THE DEFICIT.**

6 (a) DESIGNATION.—Subchapter A of chapter 61 of
7 the Internal Revenue Code of 1986 (relating to returns
8 and records) is amended by adding at the end the fol-
9 lowing new part:

10 **“PART IX—DESIGNATION ON INCOME TAX**
11 **RETURNS FOR REDUCTION OF DEFICIT**

“Sec. 6097. Designation for reduction of the deficit.

12 **“SEC. 6097. DESIGNATION FOR REDUCTION OF THE DEF-**
13 **ICIT.**

14 “(a) IN GENERAL.—Every individual, regardless of
15 income tax liability for the taxable year, may designate
16 that an amount (not less than \$1 and not more than \$10)
17 shall be paid over for the purpose of reducing the deficit
18 of the United States. In the case of a joint return of hus-
19 band and wife, each spouse may so designate an amount.

20 “(b) INCOME TAX LIABILITY.—For purposes of sub-
21 section (a), the income tax liability of an individual for
22 any taxable year is the amount of the tax imposed by
23 chapter 1 on such individual for such taxable year (as
24 shown on his return), reduced by the sum of the credits

1 (as shown in his return) allowable under part IV of sub-
2 chapter A of chapter 1 (other than subpart C thereof).

3 “(c) MANNER AND TIME OF DESIGNATION.—Rules
4 similar to the rules of section 6096(c) shall apply for pur-
5 poses of this section, except that the designation shall be
6 accompanied by the following statement: ‘The Federal
7 budget will be reduced by an amount equal to ten times
8 the amount you elect in the box.’.

9 “(d) AMOUNT INCREASE.—In the case of each tax-
10 able year beginning after 2011, the maximum dollar
11 amount that may be designated under subsection (a) shall
12 be increased by \$1. In the case of a joint return of hus-
13 band and wife, such amount shall increase by \$2 each tax-
14 able year.”.

15 (b) CLERICAL AMENDMENT.—The table of parts for
16 subchapter A of chapter 61 of such Code is amended by
17 adding at the end the following new item:

“PART IX—DESIGNATION OF INCOME TAX PAYMENTS TO REDUCE THE
DEFICIT.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2010.

21 **SEC. 3. TAXPAYER-GENERATED SEQUESTRATION OF FED-**
22 **ERAL SPENDING TO REDUCE THE DEFICIT.**

23 (a) SEQUESTRATION TO REDUCE DEFICIT.—Part C
24 of the Balanced Budget and Emergency Deficit Control

1 Act of 1985 is amended by inserting after section 253 the
2 following new section:

3 **“SEC. 253A. SEQUESTRATION TO REDUCE THE DEFICIT.**

4 “(a) SEQUESTRATION.—

5 “(1) TIMING.—Within 15 calendar days after
6 the date Congress adjourns to end a session, and on
7 the same day as sequestration (if any) under sec-
8 tions 251, 252, and 253, but after any sequestration
9 required by those sections, there shall be a seques-
10 tration to eliminate the deficit equivalent to the
11 amount calculated under paragraph (2).

12 “(2) CALCULATION.—

13 “(A) OMB CALCULATION.—Before October
14 1st of each calendar year, OMB shall calculate
15 the total amount designated under section 6097
16 of the Internal Revenue Code of 1986.

17 “(B) FEDERAL SPENDING REDUCTION.—

18 In accordance with the deadline under para-
19 graph (1), OMB shall apply an across the board
20 reduction in Federal spending in an amount
21 equal to the product of—

22 “(i) the amount calculated under sub-
23 paragraph (A); and

24 “(ii) 10.

1 “(3) CARRYOVER.—Any amounts not calculated
2 by OMB by the October 1st deadline, as set forth
3 in subparagraph (2)(A), shall be applied to the fol-
4 lowing fiscal year Federal spending reduction pursu-
5 ant to this section.

6 “(b) APPLICABILITY.—

7 “(1) IN GENERAL.—Except as provided by
8 paragraph (2), each account of the United States
9 shall be reduced by a dollar amount calculated by
10 multiplying the level of budgetary resources in that
11 account at that time by the uniform percentage nec-
12 essary to carry out subsection (a). All obligational
13 authority so reduced shall be done in a manner that
14 makes such reductions permanent.

15 “(2) EXEMPT ACCOUNTS.—The following pro-
16 grams shall be exempt from reduction under any
17 order issued under this section:

18 “(A) Benefits payable under the old-age,
19 survivors, and disability insurance program es-
20 tablished under title II of the Social Security
21 Act.

22 “(B) Benefits payable under section 3(a),
23 3(f)(3), 4(a), or 4(f) of the Railroad Retirement
24 Act of 1974.

1 for the budget year estimates for each of the fol-
2 lowing:

3 “(A) The aggregate amount designated
4 under section 6097 of the Internal Revenue
5 Code of 1986 for the last calendar year ending
6 before the budget year.

7 “(B) The amount of reductions required
8 under section 253A and the deficit remaining
9 after those reductions have been made.

10 “(C) The sequestration percentage nec-
11 essary to achieve the required reduction in ac-
12 counts under section 253A(a).”; and

13 (4) in subsection (f), by redesignating para-
14 graphs (4) and (5) as paragraphs (5) and (6), re-
15 spectively, and by inserting after paragraph (3) the
16 following new paragraph:

17 “(4) REPORTS ON SEQUESTRATION TO REDUCE
18 THE DEFICIT.—The final reports shall contain all of
19 the information contained in the deficit taxation des-
20 ignation report required on October 1.”.

21 (c) EFFECTIVE DATE.—Notwithstanding section
22 275(b) of the Balanced Budget and Emergency Deficit
23 Control Act of 1985, the expiration date set forth in that
24 section shall not apply to the amendments made by this
25 Act. On the date specified in section 253A of the Balanced

1 Budget and Emergency Deficit Control Act of 1985, as
2 amended by this section, the President shall issue an order
3 fully implementing the sequestration required by section
4 253A of such Act, as amended by this section. This order
5 shall be effective on issuance.

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