

111TH CONGRESS
2D SESSION

H. R. 5157

To amend title 31, United States Code, to provide for the issuance of
War on Debt Bonds.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2010

Mr. OWENS introduced the following bill; which was referred to the Committee
on Ways and Means

A BILL

To amend title 31, United States Code, to provide for the
issuance of War on Debt Bonds.

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 “War on Debt Act of
5 2010”.

6 **SEC. 2. WAR ON DEBT BONDS.**

7 (a) IN GENERAL.—Subchapter I of chapter 31 of
8 subtitle III of title 31, United States Code, is amended
9 by inserting after section 3105 the following new section:

1 **“§ 3105a. War on Debt Bonds**

2 “(a) The Secretary shall establish and administer a
3 new series of United States savings bonds, to be known
4 as ‘War on Debt Bonds’. Proceeds from the bonds shall
5 be used first solely to reduce the amount of foreign-held
6 public debt, and then to reduce other public debt.

7 “(b) A War on Debt Bond shall not mature, and may
8 not be redeemed by the holder, earlier than 30 years from
9 the date of issue. An amount equal to $\frac{1}{30}$ of the principal
10 amount of any such bond shall be paid to the holder of
11 such bond on the 5th anniversary, and each anniversary
12 thereafter, and shall not be includible in gross income
13 under the Internal Revenue Code of 1986. Interest shall
14 be paid annually on the anniversary date of issuance, and
15 shall not be includible in gross income under such Code.

16 “(c) War on Debt Bonds shall be issued at face value
17 and in denominations of not less than \$10,000, and shall
18 bear interest at a rate determined by the Secretary to be
19 equal to 90 percent of the interest rate for substantially
20 similar AA rated State bonds, adjusted annually.

21 “(d) If during any fiscal year during which any War
22 on Debt Bond is outstanding—

23 “(1) the Federal budget deficit for such fiscal
24 year exceeds 3 percent of gross domestic product (as
25 most recently computed and published by the De-
26 partment of Commerce); or

1 “(2) the public debt exceeds 10 percent of gross
 2 domestic product (as so computed and published);
 3 then any such bond may be redeemed without regard to
 4 subsection (b).

5 “(e) A War on Debt Bond may only be held by—

6 “(1) a citizen or resident of the United States;

7 “(2) a domestic partnership, or domestic cor-
 8 poration, not more than 1 percent of the ownership
 9 interest of which is held (directly or indirectly) by a
 10 person who is not a United States person (as de-
 11 fined in section 7701(a)(30) of the Internal Revenue
 12 Code of 1986); or

13 “(3) an estate or trust which is a United States
 14 person (as so defined), unless there is a beneficiary
 15 of the trust who is not a United States person (as
 16 so defined).”.

17 (b) CLERICAL AMENDMENT.—The table of sections
 18 subchapter I of chapter 31 of subtitle III of title 31,
 19 United States Code, is amended by inserting after section
 20 3105 the following new item:

“3105. War on Debt Bonds.”.

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