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1 **TITLE I—RECOMMENDED**
 2 **LEVELS AND AMOUNTS**
 3 **Subtitle A—Recommended Levels**
 4 **and Amounts**

5 **SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.**

6 The following budgetary levels are appropriate for
 7 each of fiscal years 2008 through 2012:

8 (1) FEDERAL REVENUES.—For purposes of the
 9 enforcement of this resolution:

10 (A) The recommended levels of Federal
 11 revenues are as follows:

12 Fiscal year 2008: \$2,002,088,000,000.

13 Fiscal year 2009: \$2,097,634,000,000.

1 Fiscal year 2010: \$2,148,718,000,000.

2 Fiscal year 2011: \$2,244,002,000,000.

3 Fiscal year 2012: \$2,374,337,000,000.

4 (B) The amounts by which the aggregate
5 levels of Federal revenues should be decreased
6 are as follows:

7 Fiscal year 2008: \$48,912,000,000.

8 Fiscal year 2009: \$9,366,000,000.

9 Fiscal year 2010: \$15,282,000,000.

10 Fiscal year 2011: \$150,998,000,000.

11 Fiscal year 2012: \$222,663,000,000.

12 (2) NEW BUDGET AUTHORITY.—For purposes
13 of the enforcement of this resolution, the appropriate
14 levels of total new budget authority are as follows:

15 Fiscal year 2008: \$2,452,253,000,000.

16 Fiscal year 2009: \$2,432,323,000,000.

17 Fiscal year 2010: \$2,464,843,000,000.

18 Fiscal year 2011: \$2,575,993,000,000.

19 Fiscal year 2012: \$2,613,919,000,000.

20 (3) BUDGET OUTLAYS.—For purposes of the
21 enforcement of this resolution, the appropriate levels
22 of total budget outlays are as follows:

23 Fiscal year 2008: \$2,427,922,000,000.

24 Fiscal year 2009: \$2,484,251,000,000.

25 Fiscal year 2010: \$2,468,400,000,000.

1 Fiscal year 2011: \$2,529,608,000,000.

2 Fiscal year 2012: \$2,530,737,000,000.

3 (4) DEFICITS (ON-BUDGET).—For purposes of
4 the enforcement of this resolution, the amounts of
5 the deficits (on-budget) are as follows:

6 Fiscal year 2008: \$425,834,000,000.

7 Fiscal year 2009: \$386,617,000,000.

8 Fiscal year 2010: \$319,682,000,000.

9 Fiscal year 2011: \$285,609,000,000.

10 Fiscal year 2012: \$156,400,000,000.

11 (5) DEBT SUBJECT TO LIMIT.—Pursuant to
12 section 301(a)(5) of the Congressional Budget Act
13 of 1974, the appropriate levels of the public debt are
14 as follows:

15 Fiscal year 2008: \$9,476,349,000,000.

16 Fiscal year 2009: \$9,979,952,000,000.

17 Fiscal year 2010: \$10,418,522,000,000.

18 Fiscal year 2011: \$10,820,002,000,000.

19 Fiscal year 2012: \$11,105,786,000,000.

20 (6) DEBT HELD BY THE PUBLIC.—The appro-
21 priate levels of debt held by the public are as follows:

22 Fiscal year 2008: \$5,284,759,000,000.

23 Fiscal year 2009: \$5,467,610,000,000.

24 Fiscal year 2010: \$5,570,986,000,000.

25 Fiscal year 2011: \$5,624,371,000,000.

1 Fiscal year 2012: \$5,537,610,000,000.

2 **Subtitle B—Major Functional**
3 **Categories**

4 **SEC. 111. PRINCIPLE FEDERAL ACTIVITIES.**

5 The Congress determines and declares that the ap-
6 propriate levels of new discretionary and mandatory budg-
7 et authority and outlays for the Federal Government's
8 principle Federal activities for fiscal years 2008 through
9 2012 are as follows:

10 (1) National Defense (050):

11 Fiscal year 2008:

12 (A) New budget authority,
13 \$648,770,000,000.

14 (B) Outlays, \$617,792,000,000.

15 Fiscal year 2009:

16 (A) New budget authority,
17 \$584,705,000,000.

18 (B) Outlays, \$626,892,000,000.

19 Fiscal year 2010:

20 (A) New budget authority,
21 \$550,790,000,000.

22 (B) Outlays, \$561,384,000,000.

23 Fiscal year 2011:

24 (A) New budget authority,
25 \$564,117,000,000.

1 (B) Outlays, \$536,057,000,000.

2 Fiscal year 2012:

3 (A) New budget authority,
4 \$579,375,000,000.

5 (B) Outlays, \$525,407,000,000.

6 (2) International Affairs (150):

7 Fiscal year 2008:

8 (A) New budget authority,
9 \$31,989,000,000.

10 (B) Outlays, \$31,637,000,000.

11 Fiscal year 2009:

12 (A) New budget authority,
13 \$32,387,000,000.

14 (B) Outlays, \$30,263,000,000.

15 Fiscal year 2010:

16 (A) New budget authority,
17 \$32,199,000,000.

18 (B) Outlays, \$29,873,000,000.

19 Fiscal year 2011:

20 (A) New budget authority,
21 \$32,268,000,000.

22 (B) Outlays, \$29,679,000,000.

23 Fiscal year 2012:

24 (A) New budget authority,
25 \$32,336,000,000.

1 (B) Outlays, \$29,774,000,000.

2 (3) Veterans Benefits and Services (700):

3 Fiscal year 2008:

4 (A) New budget authority,
5 \$84,493,000,000.

6 (B) Outlays, \$84,512,000,000.

7 Fiscal year 2009:

8 (A) New budget authority,
9 \$89,019,000,000.

10 (B) Outlays, \$89,033,000,000.

11 Fiscal year 2010:

12 (A) New budget authority,
13 \$92,397,000,000.

14 (B) Outlays, \$90,798,000,000.

15 Fiscal year 2011:

16 (A) New budget authority,
17 \$98,286,000,000.

18 (B) Outlays, \$96,779,000,000.

19 Fiscal year 2012:

20 (A) New budget authority,
21 \$96,528,000,000.

22 (B) Outlays, \$94,838,000,000.

23 (4) Administration of Justice (750):

24 Fiscal year 2008:

1 (A) New budget authority,
2 \$45,765,000,000.

3 (B) Outlays, \$46,432,000,000.

4 Fiscal year 2009:

5 (A) New budget authority,
6 \$45,471,000,000.

7 (B) Outlays, \$46,631,000,000.

8 Fiscal year 2010:

9 (A) New budget authority,
10 \$45,742,000,000.

11 (B) Outlays, \$46,466,000,000.

12 Fiscal year 2011:

13 (A) New budget authority,
14 \$45,995,000,000.

15 (B) Outlays, \$46,323,000,000.

16 Fiscal year 2012:

17 (A) New budget authority,
18 \$46,198,000,000.

19 (B) Outlays, \$46,166,000,000.

20 **SEC. 112. DOMESTIC DISCRETIONARY PROGRAMS.**

21 (a) DECLARATION.—The Congress determines and
22 declares that the following levels are the appropriate totals
23 of new discretionary budget authority and outlays for fed-
24 erally supported domestic priorities for fiscal years 2008
25 through 2012:

1 (1) NEW BUDGET AUTHORITY.—For purposes
2 of this resolution, the appropriate levels of new dis-
3 cretionary budget authority for federally supported
4 domestic priorities are as follows:

5 Fiscal year 2008: \$292,800,000,000.

6 Fiscal year 2009: \$295,564,000,000.

7 Fiscal year 2010: \$293,278,000,000.

8 Fiscal year 2011: \$293,002,000,000.

9 Fiscal year 2012: \$293,302,000,000.

10 (2) OUTLAYS.—For purposes of this resolution,
11 the appropriate levels of outlays for federally sup-
12 ported domestic priorities are as follows:

13 Fiscal year 2008: \$369,548,000,000.

14 Fiscal year 2009: \$363,600,000,000.

15 Fiscal year 2010: \$358,033,000,000.

16 Fiscal year 2011: \$351,707,000,000.

17 Fiscal year 2012: \$347,325,000,000.

18 (b) SUBDIVISIONS.—These aggregate amounts are to
19 be subdivided by the Committee on Appropriations.

20 **SEC. 113. MAJOR DOMESTIC ENTITLEMENTS.**

21 The Congress determines and declares that the fol-
22 lowing levels are the appropriate totals of new mandatory
23 budget authority and outlays for the Federal Govern-
24 ment's principle entitlement programs for fiscal years
25 2008 through 2012:

1 (1) Medicare (570 mandatory):

2 Fiscal year 2008:

3 (A) New budget authority,
4 \$374,888,000,000.

5 (B) Outlays, \$374,964,000,000.

6 Fiscal year 2009:

7 (A) New budget authority,
8 \$394,116,000,000.

9 (B) Outlays, \$393,804,000,000.

10 Fiscal year 2010:

11 (A) New budget authority,
12 \$409,473,000,000.

13 (B) Outlays, \$409,730,000,000.

14 Fiscal year 2011:

15 (A) New budget authority,
16 \$445,312,000,000.

17 (B) Outlays, \$445,359,000,000.

18 Fiscal year 2012:

19 (A) New budget authority,
20 \$431,401,000,000.

21 (B) Outlays, \$431,057,000,000.

22 (2) Medicaid (550 mandatory):

23 Fiscal year 2008:

24 (A) New budget authority,
25 \$223,389,000,000.

1 (B) Outlays, \$223,837,000,000.

2 Fiscal year 2009:

3 (A) New budget authority,

4 \$235,128,000,000.

5 (B) Outlays, \$236,849,000,000.

6 Fiscal year 2010:

7 (A) New budget authority,

8 \$249,592,000,000.

9 (B) Outlays, \$249,840,000,000.

10 Fiscal year 2011:

11 (A) New budget authority,

12 \$264,095,000,000.

13 (B) Outlays, \$265,040,000,000.

14 Fiscal year 2012:

15 (A) New budget authority,

16 \$279,920,000,000.

17 (B) Outlays, \$281,389,000,000.

18 (3) Income Security (600 mandatory):

19 Fiscal year 2008:

20 (A) New budget authority,

21 \$327,076,000,000.

22 (B) Outlays, \$325,432,000,000.

23 Fiscal year 2009:

24 (A) New budget authority,

25 \$333,545,000,000.

1 (B) Outlays, \$329,632,000,000.

2 Fiscal year 2010:

3 (A) New budget authority,
4 \$341,943,000,000.

5 (B) Outlays, \$338,354,000,000.

6 Fiscal year 2011:

7 (A) New budget authority,
8 \$355,686,000,000.

9 (B) Outlays, \$352,150,000,000.

10 Fiscal year 2012:

11 (A) New budget authority,
12 \$354,709,000,000.

13 (B) Outlays, \$351,228,000,000.

14 (4) Agriculture (350 mandatory):

15 Fiscal year 2008:

16 (A) New budget authority,
17 \$14,563,000,000.

18 (B) Outlays, \$13,624,000,000.

19 Fiscal year 2009:

20 (A) New budget authority,
21 \$14,416,000,000.

22 (B) Outlays, \$13,652,000,000.

23 Fiscal year 2010:

24 (A) New budget authority,
25 \$14,221,000,000.

1 (B) Outlays, \$13,390,000,000.

2 Fiscal year 2011:

3 (A) New budget authority,
4 \$13,735,000,000.

5 (B) Outlays, \$13,147,000,000.

6 Fiscal year 2012:

7 (A) New budget authority,
8 \$13,332,000,000.

9 (B) Outlays, \$12,916,000,000.

10 (5) Student Loans (500 mandatory):

11 Fiscal year 2008:

12 (A) New budget authority,
13 \$8,008,000,000.

14 (B) Outlays, \$5,251,000,000.

15 Fiscal year 2009:

16 (A) New budget authority,
17 \$10,664,000,000.

18 (B) Outlays, \$9,120,000,000.

19 Fiscal year 2010:

20 (A) New budget authority,
21 \$11,592,000,000.

22 (B) Outlays, \$9,761,000,000.

23 Fiscal year 2011:

24 (A) New budget authority,
25 \$10,526,000,000.

1 (B) Outlays, \$9,897,000,000.

2 Fiscal year 2012:

3 (A) New budget authority,

4 \$10,186,000,000.

5 (B) Outlays, \$8,590,000,000.

6 (6) All Other Domestic Entitlements (multiple
7 functions):

8 Fiscal year 2008:

9 (A) New budget authority,

10 \$61,736,000,000.

11 (B) Outlays, -\$3,339,000,000.

12 Fiscal year 2009:

13 (A) New budget authority,

14 \$52,175,000,000.

15 (B) Outlays, -\$4,671,000,000.

16 Fiscal year 2010:

17 (A) New budget authority,

18 \$51,657,000,000.

19 (B) Outlays, -\$4,917,000,000.

20 Fiscal year 2011:

21 (A) New budget authority,

22 \$51,215,000,000.

23 (B) Outlays, -\$5,257,000,000.

24 Fiscal year 2012:

1 (A) New budget authority,
2 \$51,223,000,000.

3 (B) Outlays, -\$4,504,000,000.

4 **SEC. 114. GOVERNMENT AND FINANCIAL MANAGEMENT.**

5 The Congress determines and declares that the fol-
6 lowing levels are the appropriate totals of new and discre-
7 tionary mandatory budget authority and outlays for the
8 Federal Government's operations and financial manage-
9 ment activities for fiscal years 2008 through 2012:

10 (1) General Government (800):

11 Fiscal year 2008:

12 (A) New budget authority,
13 \$17,873,000,000.

14 (B) Outlays, \$18,353,000,000.

15 Fiscal year 2009:

16 (A) New budget authority,
17 \$17,844,000,000.

18 (B) Outlays, \$18,013,000,000.

19 Fiscal year 2010:

20 (A) New budget authority,
21 \$20,270,000,000.

22 (B) Outlays, \$20,262,000,000.

23 Fiscal year 2011:

24 (A) New budget authority,
25 \$17,801,000,000.

1 (B) Outlays, \$17,649,000,000.

2 Fiscal year 2012:

3 (A) New budget authority,

4 \$18,264,000,000.

5 (B) Outlays, \$18,230,000,000.

6 (2) Net Interest (900):

7 Fiscal year 2008:

8 (A) New budget authority,

9 \$370,521,000,000.

10 (B) Outlays, \$370,421,000,000.

11 Fiscal year 2009:

12 (A) New budget authority,

13 \$388,836,000,000.

14 (B) Outlays, \$387,436,000,000.

15 Fiscal year 2010:

16 (A) New budget authority,

17 \$410,258,000,000.

18 (B) Outlays, \$405,258,000,000.

19 Fiscal year 2011:

20 (A) New budget authority,

21 \$431,411,000,000.

22 (B) Outlays, \$421,411,000,000.

23 Fiscal year 2012:

24 (A) New budget authority,

25 \$450,561,000,000.

1 (B) Outlays, \$434,561,000,000.

2 (3) Allowances (920):

3 Fiscal year 2008:

4 (A) New budget authority,

5 \$6,439,000,000.

6 (B) Outlays, \$5,544,000,000.

7 Fiscal year 2009:

8 (A) New budget authority,

9 -\$11,795,000,000.

10 (B) Outlays, -\$6,242,000,000.

11 Fiscal year 2010:

12 (A) New budget authority,

13 -\$5,709,000,000.

14 (B) Outlays, -\$6,972,000,000.

15 Fiscal year 2011:

16 (A) New budget authority,

17 -\$150,000,000.

18 (B) Outlays, -\$3,007,000,000.

19 Fiscal year 2012:

20 (A) New budget authority,

21 \$4,167,000,000.

22 (B) Outlays, \$1,286,000,000.

23 (4) Offsetting Receipts (950):

24 Fiscal year 2008:

1 (A) New budget authority,
2 -\$71,009,000,000.

3 (B) Outlays, -\$71,009,000,000.

4 Fiscal year 2009:

5 (A) New budget authority,
6 -\$66,578,000,000.

7 (B) Outlays, -\$66,587,000,000.

8 Fiscal year 2010:

9 (A) New budget authority,
10 -\$71,869,000,000.

11 (B) Outlays, -\$71,869,000,000.

12 Fiscal year 2011:

13 (A) New budget authority,
14 -\$69,623,000,000.

15 (B) Outlays, -\$69,643,000,000.

16 Fiscal year 2012:

17 (A) New budget authority,
18 -\$72,789,000,000.

19 (B) Outlays, -\$72,792,000,000.

20 **TITLE II—RECONCILIATION**

21 **SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENT-** 22 **ATIVES.**

23 (a) SUBMISSION TO PROVIDE FOR THE REFORM OF
24 MANDATORY SPENDING.—(1) Not later than June 8,
25 2007, the House committees named in paragraph (2) shall

1 submit their recommendations to the House Committee on
2 the Budget. After receiving those recommendations, the
3 House Committee on the Budget shall report to the House
4 a reconciliation bill carrying out all such recommendations
5 without substantive revision.

6 (2) INSTRUCTIONS.—

7 (A) COMMITTEE ON AGRICULTURE.—The
8 House Committee on Agriculture shall report
9 changes in laws within its jurisdiction sufficient to
10 reduce direct spending by \$452,000,000 for fiscal
11 year 2008, \$3,277,000,000 for fiscal year 2012, and
12 \$9,849,000,000 for the period of fiscal years 2008
13 through 2012.

14 (B) COMMITTEE ON ARMED SERVICES.—The
15 House Committee on Armed Services shall report
16 changes in laws within its jurisdiction sufficient to
17 reduce direct spending by \$50,000,000 for fiscal
18 year 2008, \$100,000,000 for fiscal year 2012, and
19 \$410,000,000 for the period of fiscal years 2008
20 through 2012.

21 (C) COMMITTEE ON EDUCATION AND LABOR.—
22 The House Committee on Education and Labor shall
23 report changes in laws within its jurisdiction suffi-
24 cient to reduce direct spending by \$3,456,000,000
25 for fiscal year 2008, \$400,000,000 for fiscal year

1 2012, and \$4,906,000,000 for the period of fiscal
2 years 2008 through 2012.

3 (D) COMMITTEE ON ENERGY AND COM-
4 MERCE.—The House Committee on Energy and
5 Commerce shall report changes in laws within its ju-
6 risdiction sufficient to reduce direct spending by
7 \$8,344,000,000 or fiscal year 2008,
8 \$30,602,000,000 for fiscal year 2012, and
9 \$97,359,000,000 for the period of fiscal years 2008
10 through 2012.

11 (E) COMMITTEE ON FINANCIAL SERVICES.—
12 The House Committee on Financial Services shall
13 report changes in laws within its jurisdiction suffi-
14 cient to reduce direct spending by \$0 for fiscal year
15 2008, \$140,000,000 for fiscal year 2012, and
16 \$400,000,000 for the period of fiscal years 2008
17 through 2012.

18 (F) COMMITTEE ON FOREIGN AFFAIRS.—The
19 House Committee on Foreign Affairs shall report
20 changes in laws within its jurisdiction sufficient to
21 reduce direct spending by \$20,000,000 for fiscal
22 year 2008, \$90,000,000 for fiscal year 2012, and
23 \$250,000,000 for the period of fiscal years 2008
24 through 2012.

1 (G) COMMITTEE ON THE JUDICIARY.—The
2 House Committee on the Judiciary shall report
3 changes in laws within its jurisdiction sufficient to
4 reduce direct spending by \$265,000,000 for fiscal
5 year 2008, \$1,010,000,000 for fiscal year 2012, and
6 \$3,515,000,000 for the period of fiscal years 2008
7 through 2012.

8 (H) COMMITTEE ON NATURAL RESOURCES.—
9 The House Committee on Natural Resources shall
10 report changes in laws within its jurisdiction suffi-
11 cient to reduce direct spending by \$1,507,000,000
12 for fiscal year 2008, \$535,000,000 for fiscal year
13 2012, and \$4,647,000,000 for the period of fiscal
14 years 2008 through 2012.

15 (I) COMMITTEE ON TRANSPORTATION AND IN-
16 FRASTRUCTURE.—The House Committee on Trans-
17 portation and Infrastructure shall report changes in
18 laws within its jurisdiction sufficient to reduce direct
19 spending by \$460,000,000 for fiscal year 2008,
20 \$1,063,000,000 for fiscal year 2012, and
21 \$4,272,000,000 for the period of fiscal years 2008
22 through 2012.

23 (J) COMMITTEE ON WAYS AND MEANS.—The
24 House Committee on Ways and Means shall report
25 changes in laws within its jurisdiction sufficient to

1 reduce direct spending by \$10,109,000,000 for fiscal
2 year 2008, \$41,543,000,000 for fiscal year 2012,
3 and \$153,122,000,000 for the period of fiscal years
4 2008 through 2012, sufficient to reduce revenues by
5 not more than \$48,912,000,000 for fiscal year 2008
6 and by not more than \$447,221,000,000 for the pe-
7 riod of fiscal years 2008 through 2012.

8 (b) SUBMISSION OF REVISED ALLOCATIONS.—(1)

9 Upon the submission to the Committee on the Budget of
10 the House of a recommendation that has complied with
11 its reconciliation instructions solely by virtue of section
12 310(e) of the Congressional Budget Act of 1974, the
13 chairman of that committee may file with the House ap-
14 propriately revised allocations under section 302(a) of
15 such Act and revised functional levels and aggregates.

16 (2) Upon the submission to the House of a conference
17 report recommending a reconciliation bill or resolution in
18 which a committee has complied with its reconciliation in-
19 structions solely by virtue of this section, the chairman
20 of the Committee on the Budget of the House may file
21 with the House appropriately revised allocations under
22 section 302(a) of such Act and revised functional levels
23 and aggregates.

24 (3) Allocations and aggregates revised pursuant to
25 this subsection shall be considered to be allocations and

1 aggregates established by the concurrent resolution on the
2 budget pursuant to section 301 of such Act.

3 **TITLE III—POLICY STATEMENTS**

4 **SEC. 301. POLICY OF THE UNITED STATES CONGRESS ON** 5 **TAXATION.**

6 The United States Congress reaffirms the statement
7 of principle that the Federal Government should not raise
8 taxes on American families or reverse the policies that
9 have led to strong growth in the United States economy,
10 and instead should move towards balancing the budget by
11 reigning in the Federal Government's spending; it is fur-
12 ther the policy assumption underlying this resolution that
13 the tax relief enacted in 2001 and 2003 should be contin-
14 ued.

15 **SEC. 302. POLICY OF THE UNITED STATES CONGRESS ON** 16 **ENTITLEMENT SPENDING.**

17 (a) FINDINGS.—

18 (1) Entitlement growth is unsustainable. Enti-
19 tlements are currently growing at 6 percent per year
20 significantly faster than our entire economy, and
21 more than twice the rate of inflation.

22 (2) Entitlements currently consume more than
23 half of the entire Federal budget. If simply left on
24 “auto-pilot” (assuming no new entitlement spending
25 or benefits):

1 (A) By 2040 social security, medicare, and
2 medicaid alone will consume 20 percent of our
3 economy.

4 (B) By 2040 Americans will have to pay
5 twice the current rate of taxes.

6 (3) Entitlements must be reformed to survive
7 with the retirement of the baby boomers, the situa-
8 tion will only get worse, making the necessary re-
9 forms more sudden and severe.

10 (4) Entitlements aren't all that's at risk. If left
11 unreformed, these programs will also impose a
12 crushing burden on both the budget and the econ-
13 omy. Our now strong economy, which has created
14 millions of jobs and been the key factor in reducing
15 the deficit. Entitlements will eventually crowd out all
16 other priorities such as education, veterans, science,
17 agriculture, environment, even defense and homeland
18 security.

19 (5) The rising costs of government entitlements
20 are a "fiscal cancer" that threaten "catastrophic
21 consequences for our country" and could "bankrupt
22 America" said America's chief accountant, U.S.
23 Comptroller General David Walker.

24 (6) Without "early and meaningful action" to
25 address the rapid growth of entitlements, "the U.S.

1 economy could be seriously weakened, with future
2 generations bearing much of the cost” warned Fed
3 Chairman Ben Bernanke.

4 (7) Spending is the problem. Massive Tax
5 Hikes are Not the Solution. Even if taxes are raised
6 to balance the budget in the short term, entitlements
7 would quickly drive the Federal Government back
8 into deficit.

9 (8) The U.S. Comptroller General testified that
10 the United States Government “cannot grow [its]
11 way out of this problem; eliminating earmarks will
12 not solve the problem; wiping out fraud, waste, and
13 abuse will not solve the problem; ending the war or
14 cutting way back on defense will not solve the prob-
15 lem”.

16 (9) The budget must drive entitlement reform.
17 Entitlement programs are well-intended, and provide
18 a critical safety net for millions of Americans, but
19 their costs are out of control, and growing worse
20 every year typically without regular reform or con-
21 gressional oversight. Congress must use the budget
22 process to promote reforms that will make these pro-
23 grams better, more efficient, and more sustainable
24 for the long term.

1 (b) POLICY ON ENTITLEMENTS.—It is the policy of
 2 this resolution that Congress must immediately address
 3 the out-of-control growth of entitlement spending that
 4 may do substantial harm to the United States economy
 5 and hurt the standard of living of future generations. Fur-
 6 thermore, Congress must also commit itself to consider
 7 during this fiscal year fundamental reform packages to se-
 8 cure the long-term solvency of medicare, medicaid and so-
 9 cial security.

10 **SEC. 303. BONNEVILLE POWER MARKETING ADMINISTRA-**
 11 **TION.**

12 It is the policy of this resolution that it does not spe-
 13 cifically assume any savings from the President's proposal
 14 related to the Bonneville Power Marketing Administra-
 15 tions and the Energy and Commerce Committee will deter-
 16 mine its own policies subject to the applicable numerical
 17 allocation limits and reconciliation directives.

18 **TITLE IV—GENERAL BUDGET**
 19 **ENFORCEMENT**

20 **SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.**

21 (a) IN GENERAL.—(1) In the House, except as pro-
 22 vided in subsection (b), an advance appropriation may not
 23 be reported in a bill or joint resolution making a general
 24 appropriation or continuing appropriation, and may not
 25 be in order as an amendment thereto.

1 (2) Managers on the part of the House may not agree
2 to a Senate amendment that would violate paragraph (1)
3 unless specific authority to agree to the amendment first
4 is given by the House by a separate vote with respect
5 thereto.

6 (b) ADVANCE APPROPRIATION.—In the House, an
7 advance appropriation may be provided for the fiscal years
8 2009 and 2010 for programs, projects, activities, or ac-
9 counts identified in the joint explanatory statement of
10 managers accompanying this resolution under the heading
11 “Accounts Identified for Advance Appropriations” in an
12 aggregate amount not to exceed \$23,565,000,000 in new
13 budget authority in each year.

14 (c) DEFINITION.—In this section, the term “advance
15 appropriation” means any new budget authority provided
16 in a bill or joint resolution making general appropriations
17 or any new budget authority provided in a bill or joint
18 resolution making continuing appropriations for fiscal
19 year 2008 that first becomes available for any fiscal year
20 after 2008.

21 **SEC. 402. CONTINGENCY OPERATIONS RELATED TO THE**
22 **GLOBAL WAR ON TERRORISM AND FOR UN-**
23 **ANTICIPATED DEFENSE NEEDS.**

24 (a) EXEMPTION OF CONTINGENCY OPERATIONS RE-
25 LATED TO THE GLOBAL WAR ON TERRORISM AND FOR

1 UNANTICIPATED DEFENSE NEEDS.—In the House, if any
2 bill or joint resolution is reported, or an amendment is
3 offered thereto or a conference report is filed thereon, that
4 makes appropriations for fiscal year 2008 for contingency
5 operations directly related to the global war on terrorism,
6 and other unanticipated defense-related operations, then
7 the new budget authority, new entitlement authority, out-
8 lays, or receipts resulting therefrom shall not count for
9 purposes of titles III or IV of the Congressional Budget
10 Act of 1974.

11 (b) CURRENT LEVEL.—Amounts included in this res-
12 olution for the purpose set forth in this section shall be
13 considered to be current law for purposes of the prepara-
14 tion of the current level of budget authority and outlays
15 and the appropriate levels shall be adjusted upon the en-
16 actment of such bill.

17 **SEC. 403. APPLICATION AND EFFECT OF CHANGES IN ALLO-**
18 **CATIONS AND AGGREGATES.**

19 (a) APPLICATION.—Any adjustments of allocations
20 and aggregates made pursuant to this resolution shall—

21 (1) apply while that measure is under consider-
22 ation;

23 (2) take effect upon the enactment of that
24 measure; and

1 (3) be published in the Congressional Record as
2 soon as practicable.

3 (b) EFFECT OF CHANGED ALLOCATIONS AND AG-
4 GREGATES.—Revised allocations and aggregates resulting
5 from these adjustments shall be considered for the pur-
6 poses of the Congressional Budget Act of 1974 as alloca-
7 tions and aggregates contained in this resolution.

8 (c) BUDGET COMMITTEE DETERMINATIONS.—For
9 purposes of this resolution—

10 (1) the levels of new budget authority, outlays,
11 direct spending, new entitlement authority, revenues,
12 deficits, and surpluses for a fiscal year or period of
13 fiscal years shall be determined on the basis of esti-
14 mates made by the appropriate Committee on the
15 Budget; and

16 (2) such chairman may make any other nec-
17 essary adjustments to such levels to reflect the tim-
18 ing of responses to reconciliation directives pursuant
19 to section 201 of this resolution.

20 **SEC. 404. ADJUSTMENTS TO REFLECT CHANGES IN CON-**
21 **CEPTS AND DEFINITIONS.**

22 Upon the enactment of a bill or joint resolution pro-
23 viding for a change in concepts or definitions, the appro-
24 priate chairman of the Committee on the Budget shall
25 make adjustments to the levels and allocations in this res-

1 olution in accordance with section 251(b) of the Balanced
 2 Budget and Emergency Deficit Control Act of 1985 (as
 3 in effect prior to September 30, 2002).

4 **SEC. 405. COMPLIANCE WITH SECTION 13301 OF THE BUDG-**
 5 **ET ENFORCEMENT ACT OF 1990.**

6 (a) IN GENERAL.—In the House and the Senate, not-
 7 withstanding section 302(a)(1) of the Congressional
 8 Budget Act of 1974 and section 13301 of the Budget En-
 9 forcement Act of 1990, the joint explanatory statement
 10 accompanying the conference report on any concurrent
 11 resolution on the budget shall include in its allocation
 12 under section 302(a) of the Congressional Budget Act of
 13 1974 to the Committee on Appropriations amounts for the
 14 discretionary administrative expenses of the Social Secu-
 15 rity Administration.

16 (b) SPECIAL RULE.—In the House, for purposes of
 17 applying section 302(f) of the Congressional Budget Act
 18 of 1974, estimates of the level of total new budget author-
 19 ity and total outlays provided by a measure shall include
 20 any discretionary amounts provided for the Social Security
 21 Administration.

22 **SEC. 406. EXERCISE OF RULEMAKING POWERS.**

23 Congress adopts the provisions of this title—

24 (1) as an exercise of the rulemaking power of
 25 the Senate and the House, respectively, and as such

1 they shall be considered as part of the rules of each
2 House, or of that House to which they specifically
3 apply, and such rules shall supersede other rules
4 only to the extent that they are inconsistent there-
5 with; and

6 (2) with full recognition of the constitutional
7 right of either House to change those rules (so far
8 as they relate to that House) at any time, in the
9 same manner, and to the same extent as in the case
10 of any other rule of that House.

11 **SEC. 407. ADJUSTMENTS FOR TAX LEGISLATION.**

12 In the House, if the Committee on Ways and Means
13 reports a bill or joint resolution, or an amendment is of-
14 fered thereto or a conference report is submitted thereon,
15 that amends the Internal Revenue Code of 1986 by ex-
16 tending the expiration dates for Federal tax policies that
17 expired during fiscal year 2008 or that expire during the
18 period of fiscal years 2008 through 2012, then the chair-
19 man of the Committee on the Budget may make appro-
20 priate adjustments in the allocations and aggregates of
21 budget authority, outlays, and revenue set forth in this
22 resolution to reflect the budgetary effects of such legisla-
23 tion, but only to the extent the adjustments would not
24 cause the level of revenue to be less than the level of rev-
25 enue provided for in this resolution for the period of fiscal

1 years 2008 through 2012 and would not cause the deficit
2 to exceed the appropriate level of deficits provided for in
3 this resolution for the period of fiscal years 2008 through
4 2012.

5 **SEC. 408. REPEAL OF THE GEPHARDT RULE.**

6 With respect to the adoption by the Congress of a
7 concurrent resolution on the budget for fiscal year 2008,
8 the clerk of the House shall not prepare an engrossment
9 of a joint resolution increasing or decreasing, as the case
10 may be, the statutory limit on the public debt.

11 **SEC. 409. BUDGET COMPLIANCE STATEMENTS.**

12 Each report of a committee on a public bill or public
13 joint resolution shall contain a budget compliance state-
14 ment prepared by the chairman of the Committee on the
15 Budget, if timely submitted prior to the filing of the re-
16 port, which shall include assessment by such chairman as
17 to whether the bill or joint resolution complies with the
18 requirements of sections 302, 303, 306, 311, and 401 of
19 the Congressional Budget Act of 1974.

20 **SEC. 410. COST ESTIMATES FOR CONFERENCE REPORTS**
21 **AND UNREPORTED MEASURES.**

22 It shall not be in order to consider a conference re-
23 port or an unreported bill or joint resolution unless an
24 estimate of costs as described in clause 3(d)(2) of Rule

1 XIII has been printed in the Congressional Record at least
2 one day before its consideration.

3 **SEC. 411. ROLL CALL VOTES FOR NEW SPENDING.**

4 The yeas and nays shall be considered as ordered
5 when the Speaker puts the question on passage of a bill
6 or joint resolution, or on adoption of a conference report,
7 for which the chairman of the Budget Committee has ad-
8 vised the Speaker that such bill, joint resolution or con-
9 ference report authorizes or provides new budget authority
10 of not less than \$50,000,000. The Speaker may not enter-
11 tain a unanimous consent request or motion to suspend
12 this section.

13 **SEC. 412. BUDGET PROCESS REFORM.**

14 Before September 30, 2007, the chairman or ranking
15 minority member of the Committee on the Budget of the
16 House of Representatives shall introduce, and the com-
17 mittee shall conduct hearings on, budget reform legislation
18 that includes the following provisions:

19 (1) Statutory discretionary spending limits.

20 (2) Provisions to slow the growth of entitlement
21 spending by requiring offsets for new benefits, and
22 examining programs with annual increases higher
23 than the rate of inflation.

24 (3) Presidential legislative line item veto au-
25 thority that preserves Congress' constitutional power

1 of the purse by requiring an expedited up or down
2 vote on the President's proposals.

3 (4) Enforcement tools that restrict the defini-
4 tion of "emergency" so that emergency supplemental
5 appropriation bills include only needs that are sud-
6 den, urgent, unforeseen, unpredictable, unantici-
7 pated, and temporary in nature.

8 (5) Accrual accounting of the Government's
9 long-term obligations.

10 (6) Periodic reporting from the Government Ac-
11 countability Office that examine the causes of long-
12 term deficits and present options to reduce these
13 deficits.

14 (7) Annual audit summaries from the Federal
15 Accounting Standards Advisory Board for all depart-
16 ments of the Government that represent more than
17 20 percent of discretionary spending, with rec-
18 ommendations on how to improve the quality of fi-
19 nancial information available to Congress.

20 **SEC. 413. TREASURY DEPARTMENT STUDY AND REPORT.**

21 (a) REQUEST.—Not later than June 1, 2007, the
22 chairman or ranking member of the Committee on the
23 Budget of the House of Representatives shall submit a re-
24 quest to the Secretary of the Treasury for a study of the

1 impact of the current United States tort system on global
2 competition and gross domestic product (GDP) growth.

3 (b) SUBMISSION OF STUDY.—The results of the
4 study described in subsection (a) shall be submitted by
5 the Secretary of the Treasury to the Committee on the
6 Budget of the House of Representatives not later than
7 September 30, 2007.

8 **SEC. 414. ASSISTANCE BY FEDERAL AGENCIES TO STAND-**
9 **ING COMMITTEES OF THE SENATE AND THE**
10 **HOUSE OF REPRESENTATIVES.**

11 (a) INFORMATION REGARDING AGENCY APPROPRIA-
12 TIONS REQUESTS.—To assist each standing committee of
13 the House of Representatives and the Senate in carrying
14 out its responsibilities, the chairman of each authorizing
15 committee of the House and Senate shall request the head
16 of each Federal agency which administers the laws or
17 parts of laws under the jurisdiction of such committee, to
18 provide to such committee such studies, information, anal-
19 yses, reports, and assistance.

20 (b) INFORMATION REGARDING AGENCY PROGRAM
21 ADMINISTRATION.—To assist each standing committee of
22 the House of Representatives and the Senate in carrying
23 out its responsibilities, the chairman of each authorizing
24 committee of the House and Senate shall request of the
25 head of any agency under his committee's jurisdiction, to

1 furnish to such committee documentation, containing in-
2 formation received, compiled, or maintained by the agency
3 as part of the operation or administration of a program,
4 or specifically compiled pursuant to a request in support
5 of a review of a program, as may be requested by the
6 chairman and ranking minority member of such com-
7 mittee.

8 (c) SUMMARIES BY COMPTROLLER GENERAL.—With-
9 in thirty days after the receipt of a request from a chair-
10 man and ranking minority member of a standing com-
11 mittee having jurisdiction over a program being reviewed
12 and studied by such committee under this section, the
13 Comptroller General of the United States shall furnish to
14 such committee summaries of any audits or reviews of
15 such program which the Comptroller General has com-
16 pleted during the preceding six years.

17 (d) CONGRESSIONAL ASSISTANCE.—Consistent with
18 their duties and functions under law, the Comptroller Gen-
19 eral of the United States, the Director of the Congres-
20 sional Budget Office, and the Director of the Congres-
21 sional Research Service shall continue to furnish (con-
22 sistent with established protocols) to each standing com-
23 mittee of the House of Representatives or the Senate such
24 information, studies, analyses, and reports as the chair-
25 man and ranking minority member may request to assist

1 the committee in conducting reviews and studies of pro-
2 grams under this section.

3 **SEC. 415. BUDGETARY TREATMENT OF THE NATIONAL**
4 **FLOOD INSURANCE PROGRAM.**

5 (a) TREATMENT.—For purposes of the allocations
6 and aggregates in this resolution, the reconciliation direc-
7 tives established by this resolution, and for any other pur-
8 pose under titles III and IV of the Congressional Budget
9 Act of 1974, the budgetary effects of any bill or joint reso-
10 lution, amendment thereto, or conference report thereon,
11 or any recommendations submitted pursuant to section
12 201 that includes the reforms set forth in subsection (b)
13 shall be scored without regard to the obligations resulting
14 from the enactment of Public Law 109–208. Such esti-
15 mate shall assume the liquidating of the National Flood
16 Insurance Fund’s remaining contractual obligations re-
17 sulting from claims made as a result of floods that oc-
18 curred in 2005.

19 (b) LEGISLATION.—The legislation referred to in
20 subsection (a) shall—

21 (1) establish more actuarially sound rates on
22 policies issued by the National Flood Insurance Pro-
23 gram; and

24 (2) end flood insurance subsidies on pre-FIRM
25 structures not used as primary residences.

1 **TITLE V—EMERGENCY RESERVE**
2 **FUND**

3 **SEC. 501. NONDEFENSE RESERVE FUND FOR EMER-**
4 **GENCIES.**

5 (a) NONDEFENSE SET ASIDE.—

6 (1) DISCRETIONARY SET ASIDE FUND.—In the
7 House and except as provided by subsection (b), if
8 a bill or joint resolution is reported, or an amend-
9 ment is offered thereto (or considered as adopted) or
10 a conference report is filed thereon, that provides
11 new discretionary budget authority (and outlays
12 flowing therefrom), and such provision is designated
13 as an emergency pursuant to this section, the chair-
14 man of the Committee on the Budget shall make ad-
15 justments to the allocations and aggregates set forth
16 in this resolution up to the amount of such provi-
17 sions if the requirements set forth in section 504 are
18 met, but the sum of all adjustments made under this
19 paragraph shall not exceed \$6,450,000,000 for fiscal
20 year 2008.

21 (2) OTHER ADJUSTMENTS.—In the House, if a
22 bill or joint resolution is reported or a conference re-
23 port is filed thereon, and a direct spending or receipt
24 provision included therein is designated as an emer-
25 gency pursuant to this paragraph, the chairman of

1 the Committee on the Budget may make adjust-
2 ments to the allocations and aggregates set forth in
3 this resolution.

4 (b) ADDITIONAL ADJUSTMENT PROCEDURES.—In
5 the House, before any adjustment is made pursuant to
6 this section for any bill, joint resolution, or conference re-
7 port that designates a provision an emergency, the enact-
8 ment of which would cause the total amount of the set
9 aside fund set forth in subsection (a)(1) for fiscal year
10 2008 to be exceeded:

11 (1) The chairman of the Committee on the
12 Budget shall convene a meeting of that committee,
13 where it shall be in order, subject to the terms set
14 forth in this section, for one motion described in
15 paragraph (2) to be made to authorize the chairman
16 to make adjustments above the maximum amount of
17 adjustments set forth in subsection (a). If the Chair-
18 man does not call such a meeting within 24 hours
19 of a committee reporting such a measure, any mem-
20 ber of the Committee may call such a meeting.

21 (2) The motion referred to in paragraph (1)
22 shall be in the following form: “I move that the
23 chairman of the Committee on the Budget be au-
24 thorized to adjust the allocations and aggregates set
25 forth in the concurrent resolution on the budget for

1 fiscal year 2008 by the following amount:
2 \$_____ for fiscal year 2008.”, with the blank
3 being filled in with amount determined by the chair-
4 man of the Committee on the Budget. For any
5 measure referred to in subsection (a)(1), such
6 amount shall not exceed the total amount for fiscal
7 year 2008 designated as an emergency in excess of
8 the applicable amount remaining in the set aside
9 fund.

10 (3) The motion set forth in paragraph (2) shall
11 be open for debate and amendment, but any amend-
12 ment offered thereto is only in order if limited to
13 changing an amount in the motion.

14 (4) Except as provided by paragraph (5), the
15 chairman of the Committee on the Budget may not
16 make any adjustments under subsection (a) or sub-
17 section (b) unless or until the committee filing a re-
18 port or joint statement of managers on a conference
19 report on a measure including an emergency des-
20 ignation fulfills the terms set forth in section 504.

21 (5) The chairman of the Committee on the
22 Budget shall make any adjustments he deems nec-
23 essary under this section if he determines the enact-
24 ment of the provision or provisions designated as an
25 emergency is essential to respond to an urgent and

1 imminent need, the chairman determines the excep-
2 tional circumstances referred to in rule 3 of the
3 rules of the committee are met and the committee
4 cannot convene to consider the motion referred to in
5 this section in a timely fashion.

6 (c) APPLICATION OF ADJUSTMENTS.—The adjust-
7 ments made pursuant to subsection (a) or (b) shall—

8 (1) apply while that bill, joint resolution, con-
9 ference report or amendment is under consideration;

10 (2) take effect upon the enactment of that leg-
11 islation; and

12 (3) be published in the Congressional Record as
13 soon as practicable.

14 **SEC. 502. EMERGENCY CRITERIA.**

15 As used in this title:

16 (1) The term “emergency” means a situation
17 that—

18 (A) requires new budget authority and out-
19 lays (or new budget authority and the outlays
20 flowing therefrom) for the prevention or mitiga-
21 tion of, or response to, loss of life or property,
22 or a threat to national security; and

23 (B) is unanticipated.

24 (2) The term “unanticipated” means that the
25 underlying situation is—

1 (A) sudden, which means quickly coming
2 into being or not building up over time;

3 (B) urgent, which means a pressing and
4 compelling need requiring immediate action;

5 (C) unforeseen, which means not predicted
6 or anticipated as an emerging need; and

7 (D) temporary, which means not of a per-
8 manent duration.

9 **SEC. 503. DEVELOPMENT OF GUIDELINES FOR APPLICA-**
10 **TION OF EMERGENCY DEFINITION.**

11 In the House, as soon as practicable after the adop-
12 tion of this resolution, the chairman of the Committee on
13 the Budget shall, after consultation with the chairmen of
14 the applicable committees, the Ranking Member of the
15 Committee on the Budget, and the Director of the Con-
16 gressional Budget Office, prepare additional guidelines for
17 application of the definition of an emergency and shall
18 issue a committee print from the Committee on the Budg-
19 et for this purpose.

20 **SEC. 504. COMMITTEE NOTIFICATION OF EMERGENCY LEG-**
21 **ISLATION.**

22 (a) COMMITTEE NOTIFICATION.—Whenever a com-
23 mittee of the House (including a committee of conference)
24 reports any bill or joint resolution that includes a provision
25 designated as an emergency pursuant to this title, the re-

1 port accompanying that bill or joint resolution (or the joint
 2 explanatory statement of managers in the case of a con-
 3 ference report on any such bill or joint resolution) shall
 4 identify all provisions that provide amounts designated as
 5 an emergency and shall provide an explanation of the
 6 manner in which the provision meets the criteria set forth
 7 in section 502.

8 (b) CONGRESSIONAL RECORD.—If such a measure is
 9 to be considered by the House without being reported by
 10 the committee of jurisdiction, then the committee shall
 11 cause the explanation to be published in the Congressional
 12 Record as soon as practicable.

13 **SEC. 505. UP-TO-DATE TABULATIONS.**

14 The Committee on the Budget of the House shall
 15 publish in the Congressional Record up-to-date tabulations
 16 of amounts remaining in the set aside fund set forth in
 17 section 501, or authorized in excess thereof, as soon as
 18 practicable after the enactment of such amounts des-
 19 ignated as emergencies.

20 **TITLE VI—LEGISLATIVE LINE**
 21 **ITEM VETO AUTHORITY**

22 **SEC. 601. PRESIDENTIAL RECOMMENDATIONS.**

23 (a) PROPOSED CANCELLATIONS.—If, within 45 cal-
 24 endar days after the enactment of any bill or joint resolu-
 25 tion providing any discretionary budget authority, item of

1 direct spending, limited tariff benefit, or targeted tax ben-
2 efit, the President proposes, in the manner provided in
3 subsection (b), the cancellation of any dollar amount of
4 such discretionary budget authority, item of direct spend-
5 ing, or targeted tax benefit, such recommendation shall
6 be introduced as a freestanding measure consistent with
7 the terms of this title and shall be eligible for the expe-
8 dited procedures set forth herein. If the 45 calendar-day
9 period expires during a period where either House of Con-
10 gress stands adjourned sine die at the end of a Congress
11 or for a period greater than 45 calendar days, the Presi-
12 dent may propose a cancellation under this section and
13 transmit a special message under subsection (b) on the
14 first calendar day of session following such a period of
15 adjournment.

16 (b) TRANSMITTAL OF SPECIAL MESSAGE.—

17 (1) SPECIAL MESSAGE.—

18 (A) CONTENTS OF SPECIAL MESSAGE.—

19 Each special message shall specify, with respect
20 to the discretionary budget authority, items of
21 direct spending proposed, limited tariff benefits,
22 or targeted tax benefits to be canceled—

23 (i) the dollar amount of discretionary
24 budget authority, the specific item of direct
25 spending (that OMB, after consultation

1 with CBO, estimates to increase budget
2 authority or outlays as required by section
3 1017(9)), the limited tariff benefit, or the
4 targeted tax benefit that the President pro-
5 poses be canceled;

6 (ii) any account, department, or es-
7 tablishment of the Government to which
8 such discretionary budget authority is
9 available for obligation, and the specific
10 project or governmental functions involved;

11 (iii) the reasons why such discre-
12 tionary budget authority, item of direct
13 spending, limited tariff benefit, or targeted
14 tax benefit should be canceled;

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

20 (v) to the maximum extent prac-
21 ticable, all facts, circumstances, and con-
22 siderations relating to or bearing upon the
23 proposed cancellation and the decision to
24 propose the cancellation, and the estimated
25 effect of the proposed cancellation upon

1 the objects, purposes, or programs for
2 which the discretionary budget authority,
3 item of direct spending, limited tariff ben-
4 efit, or the targeted tax benefit is provided;

5 (vi) a numbered list of cancellations to
6 be included in an approval bill that, if en-
7 acted, would cancel discretionary budget
8 authority, items of direct spending, limited
9 tariff benefit, or targeted tax benefits pro-
10 posed in that special message; and

11 (vii) if the special message is trans-
12 mitted subsequent to or at the same time
13 as another special message, a detailed ex-
14 planation why the proposed cancellations
15 are not substantially similar to any other
16 proposed cancellation in such other mes-
17 sage.

18 (B) DUPLICATIVE PROPOSALS PROHIB-
19 ITED.—The President may not propose to can-
20 cel the same or substantially similar discre-
21 tionary budget authority, item of direct spend-
22 ing, limited tariff benefit, or targeted tax ben-
23 efit more than one time under this Act.

24 (C) MAXIMUM NUMBER OF SPECIAL MES-
25 SAGES.—The President may not transmit to the

1 Congress more than 5 special messages under
2 this subsection related to any bill or joint reso-
3 lution described in subsection (a), but may
4 transmit not more than 10 special messages for
5 any omnibus budget reconciliation or appropria-
6 tion measure.

7 (2) ENACTMENT OF APPROVAL BILL.—

8 (A) DEFICIT REDUCTION.—Amounts of
9 budget authority, items of direct spending, lim-
10 ited tariff benefit, or targeted tax benefits
11 which are canceled pursuant to enactment of a
12 bill as provided under this section shall be dedi-
13 cated only to reducing the deficit or increasing
14 the surplus.

15 (B) ADJUSTMENT OF LEVELS IN THE CON-
16 CURRENT RESOLUTION ON THE BUDGET.—Not
17 later than 5 days after the date of enactment
18 of an approval bill as provided under this sec-
19 tion, the chairs of the Committees on the Budg-
20 et of the Senate and the House of Representa-
21 tives shall revise allocations and aggregates and
22 other appropriate levels under the appropriate
23 concurrent resolution on the budget to reflect
24 the cancellation, and the applicable committees

1 shall report revised suballocations pursuant to
2 section 302(b), as appropriate.

3 (C) TRUST FUNDS AND SPECIAL FUNDS.—
4 Notwithstanding subparagraph (A), nothing in
5 this title shall be construed to require or allow
6 the deposit of amounts derived from a trust
7 fund or special fund which are canceled pursu-
8 ant to enactment of a bill as provided under
9 this section to any other fund.

10 **SEC. 602. PROCEDURES IN UNITED STATES CONGRESS.**

11 (a) EXPEDITED CONSIDERATION.—

12 (1) IN GENERAL.—The majority leader or mi-
13 nority leader of each House or his designee shall (by
14 request) introduce an approval bill as defined in sec-
15 tion 1017 not later than the third day of session of
16 that House after the date of receipt of a special mes-
17 sage transmitted to the Congress under section
18 1011(b). If the bill is not introduced as provided in
19 the preceding sentence in either House, then, on the
20 fourth day of session of that House after the date
21 of receipt of the special message, any Member of
22 that House may introduce the bill.

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

1 (A) REFERRAL AND REPORTING.—Any
2 committee of the House of Representatives to
3 which an approval bill is referred shall report it
4 to the House without amendment not later than
5 the seventh legislative day after the date of its
6 introduction. If a committee fails to report the
7 bill within that period or the House has adopt-
8 ed a concurrent resolution providing for ad-
9 journment sine die at the end of a Congress,
10 such committee shall be automatically dis-
11 charged from further consideration of the bill
12 and it shall be placed on the appropriate cal-
13 endar.

14 (B) PROCEEDING TO CONSIDERATION.—
15 After an approval bill is reported by or dis-
16 charged from committee or the House has
17 adopted a concurrent resolution providing for
18 adjournment sine die at the end of a Congress,
19 it shall be in order to move to proceed to con-
20 sider the approval bill in the House. Such a mo-
21 tion shall be in order only at a time designated
22 by the Speaker in the legislative schedule within
23 two legislative days after the day on which the
24 proponent announces his intention to offer the
25 motion. Such a motion shall not be in order

1 after the House has disposed of a motion to
2 proceed with respect to that special message.
3 The previous question shall be considered as or-
4 dered on the motion to its adoption without in-
5 tervening motion. A motion to reconsider the
6 vote by which the motion is disposed of shall
7 not be in order.

8 (C) CONSIDERATION.—The approval bill
9 shall be considered as read. All points of order
10 against an approval bill and against its consid-
11 eration are waived. The previous question shall
12 be considered as ordered on an approval bill to
13 its passage without intervening motion except
14 five hours of debate equally divided and con-
15 trolled by the proponent and an opponent and
16 one motion to limit debate on the bill. A motion
17 to reconsider the vote on passage of the bill
18 shall not be in order.

19 (D) SENATE BILL.—An approval bill re-
20 ceived from the Senate shall not be referred to
21 committee.

22 (3) CONSIDERATION IN THE SENATE.—

23 (A) MOTION TO PROCEED TO CONSIDER-
24 ATION.—A motion to proceed to the consider-
25 ation of a bill under this subsection in the Sen-

1 ate shall not be debatable. It shall not be in
2 order to move to reconsider the vote by which
3 the motion to proceed is agreed to or disagreed
4 to.

5 (B) LIMITS ON DEBATE.—Debate in the
6 Senate on a bill under this subsection, and all
7 debatable motions and appeals in connection
8 therewith (including debate pursuant to sub-
9 paragraph (D)), shall not exceed 10 hours,
10 equally divided and controlled in the usual
11 form.

12 (C) APPEALS.—Debate in the Senate on
13 any debatable motion or appeal in connection
14 with a bill under this subsection shall be limited
15 to not more than 1 hour, to be equally divided
16 and controlled in the usual form.

17 (D) MOTION TO LIMIT DEBATE.—A motion
18 in the Senate to further limit debate on a bill
19 under this subsection is not debatable.

20 (E) MOTION TO RECOMMIT.—A motion to
21 recommit a bill under this subsection is not in
22 order.

23 (F) CONSIDERATION OF THE HOUSE
24 BILL.—

1 (i) IN GENERAL.—If the Senate has
2 received the House companion bill to the
3 bill introduced in the Senate prior to the
4 vote required under paragraph (1)(C), then
5 the Senate may consider, and the vote
6 under paragraph (1)(C) may occur on, the
7 House companion bill.

8 (ii) PROCEDURES AFTER VOTE ON
9 SENATE BILL.—If the Senate votes, pursu-
10 ant to paragraph (1)(C), on the bill intro-
11 duced in the Senate, then immediately fol-
12 lowing that vote, or upon receipt of the
13 House companion bill, the House bill shall
14 be deemed to be considered, read the third
15 time, and the vote on passage of the Sen-
16 ate bill shall be considered to be the vote
17 on the bill received from the House.

18 (b) AMENDMENTS PROHIBITED.—No amendment to,
19 or motion to strike a provision from, a bill considered
20 under this section shall be in order in either the Senate
21 or the House of Representatives.

22 **SEC. 603. IDENTIFICATION OF TARGETED TAX BENEFITS.**

23 (a) STATEMENT.—The chairman of the Committee
24 on Ways and Means of the House of Representatives and
25 the chairman of the Committee on Finance of the Senate

1 acting jointly (hereafter in this subsection referred to as
2 “the chairmen” shall review any revenue or reconciliation
3 bill or joint resolution which includes any amendment to
4 the Internal Revenue Code of 1986 that is being prepared
5 for filing by a committee of conference of the two Houses,
6 and shall identify whether such bill or joint resolution con-
7 tains any targeted tax benefits. The chairmen shall pro-
8 vide to the committee of conference a statement identi-
9 fying any such targeted tax benefits or declaring that the
10 bill or joint resolution does not contain any targeted tax
11 benefits. Any such statement shall be made available to
12 any Member of Congress by the chairmen immediately
13 upon request.

14 (b) STATEMENT INCLUDED IN LEGISLATION.—

15 (1) IN GENERAL.—Notwithstanding any other
16 rule of the House of Representatives or any rule or
17 precedent of the Senate, any revenue or reconcili-
18 ation bill or joint resolution which includes any
19 amendment to the Internal Revenue Code of 1986
20 reported by a committee of conference of the two
21 Houses may include, as a separate section of such
22 bill or joint resolution, the information contained in
23 the statement of the chairmen, but only in the man-
24 ner set forth in paragraph (2).

1 (2) APPLICABILITY.—The separate section per-
 2 mitted under subparagraph (A) shall read as follows:
 3 “Section 1021 of the Congressional Budget and Im-
 4 poundment Control Act of 1974 shall _____
 5 apply to _____, _____,000,000”,
 6 with the blank spaces being filled in with—

7 (A) in any case in which the chairmen
 8 identify targeted tax benefits in the statement
 9 required under subsection (a), the word “only”
 10 in the first blank space and a list of all of the
 11 specific provisions of the bill or joint resolution
 12 in the second blank space; or

13 (B) in any case in which the chairmen de-
 14 clare that there are no targeted tax benefits in
 15 the statement required under subsection (a),
 16 the word “not” in the first blank space and the
 17 phrase “any provision of this Act” in the sec-
 18 ond blank space.

19 (c) IDENTIFICATION IN REVENUE ESTIMATE.—With
 20 respect to any revenue or reconciliation bill or joint resolu-
 21 tion with respect to which the chairmen provide a state-
 22 ment under subsection (a), the Joint Committee on Tax-
 23 ation shall—

24 (1) in the case of a statement described in sub-
 25 section (b)(2)(A), list the targeted tax benefits in

1 any revenue estimate prepared by the Joint Com-
2 mittee on Taxation for any conference report which
3 accompanies such bill or joint resolution, or

4 (2) in the case of a statement described in sec-
5 tion 13(b)(2)(B), indicate in such revenue estimate
6 that no provision in such bill or joint resolution has
7 been identified as a targeted tax benefit.

8 (d) PRESIDENT'S AUTHORITY.—If any revenue or
9 reconciliation bill or joint resolution is signed into law—

10 (1) with a separate section described in sub-
11 section (b)(2), then the President may use the au-
12 thority granted in this section only with respect to
13 any targeted tax benefit in that law, if any, identi-
14 fied in such separate section; or

15 (2) without a separate section described in sub-
16 section (b)(2), then the President may use the au-
17 thority granted in this section with respect to any
18 targeted tax benefit in that law.

19 **SEC. 604. ADDITIONAL MATTERS.**

20 (a) DEFINITIONS.—

21 (1) APPROPRIATION LAW.—The term “appro-
22 priation law” means an Act referred to in section
23 105 of title I, United States Code, including any
24 general or special appropriation Act, or any Act
25 making supplemental, deficiency, or continuing ap-

1 appropriations, that has been signed into law pursuant
2 to Article I, section 7, of the Constitution of the
3 United States.

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

11 (A) the title of which is as follows: “A bill
12 approving the proposed cancellations trans-
13 mitted by the President on _____”, the
14 blank space being filled in with the date of
15 transmission of the relevant special message
16 and the public law number to which the mes-
17 sage 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 ap-
21 proves of proposed cancellations _____, the
22 blank space being filled in with a list of the
23 cancellations contained in the President’s spe-
24 cial message, as transmitted by the President in
25 a special message on _____, the blank space

1 being filled in with the appropriate date, re-
2 garding _____, the blank space being filled
3 in with the Public Law number to which the
4 special message relates;

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

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

21 (F) if no CBO estimate is available, then
22 the entire list of legislative provisions proposed
23 by the President is inserted in the second blank
24 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
10 United 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;

15 (D) a limited tariff benefit from having
16 legal force or effect, and to make any necessary,
17 conforming statutory change to ensure that
18 such limited tariff benefit is not implemented;
19 or

20 (E) a targeted tax benefit from having
21 legal force or effect, and to make any necessary,
22 conforming statutory change to ensure that
23 such targeted tax benefit is not implemented
24 and that any budgetary resources are appro-
25 priately canceled.

1 (5) CBO.—The term “CBO” means the Direc-
2 tor of the Congressional Budget Office.

3 (6) DIRECT SPENDING.—The term “direct
4 spending” means—

5 (A) budget authority provided by law
6 (other than an appropriation law);

7 (B) entitlement authority; and

8 (C) the food stamp program.

9 (7) DOLLAR AMOUNT OF DISCRETIONARY
10 BUDGET AUTHORITY.—(A) Except as provided in
11 subparagraph (B), the term “dollar amount of dis-
12 cretionary budget authority” means the entire dollar
13 amount of budget authority—

14 (i) specified in an appropriation law, or the
15 entire dollar amount of budget authority or ob-
16 ligation limitation required to be allocated by a
17 specific proviso in an appropriation law for
18 which a specific dollar figure was not included;

19 (ii) 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 (iii) 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 (iv) represented by the product of the esti-
5 mated 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 (v) represented by the product of the esti-
11 mated 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 budg-
16 et authority is provided in an appropriation law.

17 (B) The term “dollar amount of discretionary
18 budget authority” does not include—

19 (i) direct spending;

20 (ii) budget authority in an appropriation
21 law which funds direct spending provided for in
22 other law;

23 (iii) any existing budget authority canceled
24 in an appropriation law; or

1 (iv) any restriction, condition, or limitation
2 in an appropriation law or the accompanying
3 statement of managers or committee reports on
4 the expenditure of budget authority for an ac-
5 count, program, project, or activity, or on ac-
6 tivities involving such expenditure.

7 (8) ITEM OF DIRECT SPENDING.—The term
8 “item of direct spending” means any provision of
9 law that results in an increase in budget authority
10 or outlays for direct spending relative to the most
11 recent levels calculated consistent with the method-
12 ology used to calculate a baseline under section 257
13 of the Balanced Budget and Emergency Deficit Con-
14 trol Act of 1985 and included with a budget submis-
15 sion under section 1105(a) of title 31, United States
16 Code, in the first year or the 5-year period for which
17 the item is effective. However, such item does not in-
18 clude an extension or reauthorization of existing di-
19 rect spending, but instead only refers to provisions
20 of law that increase such direct spending.

21 (9) LIMITED TARIFF BENEFIT.—The term
22 “limited tariff benefit” means any provision of law
23 that modifies the Harmonized Tariff Schedule of the
24 United States in a manner that benefits 10 or fewer
25 entities (as defined in paragraph (12)(B)).

1 (10) OMB.—The term “OMB” means the Di-
2 rector of the Office of Management and Budget.

3 (11) OMNIBUS RECONCILIATION OR APPROPRIA-
4 TION MEASURE.—The term “omnibus reconciliation”
5 or “appropriation measure” means—

6 (A) in the case of a reconciliation bill, any
7 such bill that is reported to its House by the
8 Committee on the Budget; or

9 (B) in the case of an appropriation meas-
10 ure, any such measure that provides appropria-
11 tions for programs, projects, or activities falling
12 within 2 or more section 302(b) suballocations.

13 (12) TARGETED TAX BENEFIT.—

14 (A) The “term targeted tax benefit” means
15 any revenue-losing provision that provides a
16 Federal tax deduction, credit, exclusion, or pref-
17 erence to ten or fewer beneficiaries (determined
18 with respect to either present law or any provi-
19 sion of which the provision is a part) under the
20 Internal Revenue Code of 1986 in any year for
21 which the provision is in effect;

22 (B) FOR PURPOSES OF SUBPARAGRAPH
23 (A).—

24 (i) all businesses and associations that
25 are members of the same controlled group

1 of corporations (as defined in section
2 1563(a) of the Internal Revenue Code of
3 1986) shall be treated as a single bene-
4 ficiary;

5 (ii) all shareholders, partners, mem-
6 bers, or beneficiaries of a corporation,
7 partnership, association, or trust or estate,
8 respectively, shall be treated as a single
9 beneficiary;

10 (iii) all employees of an employer shall
11 be treated as a single beneficiary;

12 (iv) all qualified plans of an employer
13 shall be treated as a single beneficiary;

14 (v) all beneficiaries of a qualified plan
15 shall be treated as a single beneficiary;

16 (vi) all contributors to a charitable or-
17 ganization shall be treated as a single ben-
18 eficiary;

19 (vii) all holders of the same bond
20 issue shall be treated as a single bene-
21 ficiary; and

22 (viii) if a corporation, partnership, as-
23 sociation, trust or estate is the beneficiary
24 of a provision, the shareholders of the cor-
25 poration, the partners of the partnership,

1 the members of the association, or the
2 beneficiaries of the trust or estate shall not
3 also be treated as beneficiaries of such pro-
4 vision;

5 (C) For the purpose of this paragraph, the
6 term “revenue-losing provision” means any pro-
7 vision that is estimated to result in a reduction
8 in federal tax revenues (determined with respect
9 to either present law or any provision of which
10 the provision is a part) for any one of the two
11 following periods—

12 (i) the first fiscal year for which the
13 provision is effective; or

14 (ii) the period of the 5 fiscal years be-
15 ginning with the first fiscal year for which
16 the provision is effective;

17 (D) the “term targeted tax benefit” does
18 not include any provision which applies uni-
19 formly to an entire industry; and

20 (E) the terms used in this paragraph shall
21 have the same meaning as those terms have
22 generally in the Internal Revenue Code of 1986,
23 unless otherwise expressly provided.

1 **SEC. 605. EXPIRATION.**

2 This title shall have no force or effect on or after
3 October 1, 2012.

4 **SEC. 606. SENSE OF CONGRESS ON DEFERRAL AUTHORITY.**

5 It is the sense of Congress that legislation providing
6 the authority to temporarily defer spending on proposed
7 rescissions should be enacted.

8 **SEC. 607. SENSE OF CONGRESS ON ABUSE OF PROPOSED**
9 **CANCELLATIONS.**

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

16 **TITLE VII—EARMARK**
17 **TRANSPARENCY**

18 **SEC. 701. PROHIBITION ON OBLIGATION OF FUNDS FOR**
19 **EARMARKS INCLUDED ONLY IN CONGRES-**
20 **SIONAL REPORTS.**

21 (a) REQUIREMENT THAT EARMARKS MUST BE IN
22 LEGISLATIVE TEXT.—Notwithstanding any other rule of
23 the House, in addition to the requirements set forth in
24 clause 9 of rule XXI of the Rules of the House of Rep-
25 resentatives, it shall not be in order to consider any bill,
26 joint resolution, amendment thereto, or conference report

1 thereon, unless the list of congressional earmarks, limited
2 tax benefits, and limited tariff benefits, required by clause
3 9(a) of rule XXI are also set forth in the text of such meas-
4 ure.

5 (b) AVAILABILITY ON THE INTERNET.—Notwith-
6 standing any other rule of the House, in addition to the
7 requirements set forth in clause 9 of rule XXI of the Rules
8 of the House of Representatives, it shall not be in order
9 to consider any bill, joint resolution, or conference report
10 thereon, unless the lists required by paragraphs (1), (2),
11 and (4) of clause 9 of rule XXI are made available on
12 the Internet in a searchable format to the general public
13 for at least 48 hours before consideration.

14 **SEC. 702. DEFINITIONS.**

15 (a) CONGRESSIONAL EARMARK.—The term “congres-
16 sional earmark” means a provision or report language in-
17 cluded primarily at the request of a Member, Delegate,
18 Resident Commissioner, or Senator providing, authorizing
19 or recommending a specific amount of discretionary budg-
20 et authority, credit authority, or other spending authority
21 for a contract, loan, loan guarantee, grant, loan authority,
22 or other expenditure with or to an entity, or targeted to
23 a specific State, locality or Congressional district, other
24 than through a statutory or administrative formula-driven
25 or competitive award process.

1 (b) LIMITED BENEFITS.—

2 (1) LIMITED TARIFF BENEFIT.—The term
3 “limited tariff benefit” means any provision of law
4 that modifies the Harmonized Tariff Schedule of the
5 United States in a manner that benefits 10 or fewer
6 entities (as defined in paragraph (12)(B)).

7 (2) LIMITED TAX BENEFIT.—(A) The term
8 “limited tax benefit” means any revenue-losing pro-
9 vision that provides a Federal tax deduction, credit,
10 exclusion, or preference to ten or fewer beneficiaries
11 (determined with respect to either present law or
12 any provision of which the provision is a part) under
13 the Internal Revenue Code of 1986 in any year for
14 which the provision is in effect.

15 (B) For purposes of subparagraph (A)—

16 (i) all businesses and associations that are
17 members of the same controlled group of cor-
18 porations (as defined in section 1563(a) of the
19 Internal Revenue Code of 1986) shall be treat-
20 ed as a single beneficiary;

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

1 (iii) all employees of an employer shall be
2 treated as a single beneficiary;

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

5 (v) all beneficiaries of a qualified plan shall
6 be treated as a single beneficiary;

7 (vi) all contributors to a charitable organi-
8 zation shall be treated as a single beneficiary;

9 (vii) all holders of the same bond issue
10 shall be treated as a single beneficiary; and

11 (viii) if a corporation, partnership, associa-
12 tion, trust or estate is the beneficiary of a pro-
13 vision, the shareholders of the corporation, the
14 partners of the partnership, the members of the
15 association, or the beneficiaries of the trust or
16 estate shall not also be treated as beneficiaries
17 of such provision;

18 (C) For the purpose of this paragraph, the
19 term “revenue-losing provision” means any provision
20 that is estimated to result in a reduction in federal
21 tax revenues (determined with respect to either
22 present law or any provision of which the provision
23 is a part) for any one of the two following periods—

24 (i) the first fiscal year for which the provi-
25 sion is effective; or

1 (ii) the period of the 5 fiscal years begin-
2 ning with the first fiscal year for which the pro-
3 vision is effective;

4 (D) the term “limited tax benefit” does not in-
5 clude any provision which applies uniformly to an
6 entire industry; and

7 (E) the terms used in this paragraph shall have
8 the same meaning as those terms have generally in
9 the Internal Revenue Code of 1986, unless otherwise
10 expressly provided.

11 (c) SPECIAL RULE.—Notwithstanding any other pro-
12 vision of the Rules of the House, the definitions set forth
13 in this section shall apply for congressional earmarks, lim-
14 ited tariff benefits, and limited tax benefits.

15 **TITLE VIII—PAY-AS-YOU-GO.**

16 **SEC. 801. PAY-AS-YOU-GO POINT OF ORDER.**

17 (a) POINT OF ORDER.—

18 (1) IN GENERAL.—It shall not be in order in
19 the House or the Senate to consider any direct
20 spending legislation, excluding the impact of any
21 revenue provisions, that would increase the on-bud-
22 get deficit or cause an on-budget deficit for any 1 of
23 4 applicable time periods as measured in paragraphs
24 (5) and (6).

1 (2) APPLICABLE TIME PERIODS.—For purposes
2 of this subsection, the term “applicable time period”
3 means any 1 of the 4 following periods:

4 (A) The current fiscal year.

5 (B) The budget year.

6 (C) The period of the 5 fiscal years fol-
7 lowing the current fiscal year.

8 (D) The period of the 5 fiscal years fol-
9 lowing the 5 fiscal years referred to in subpara-
10 graph (C).

11 (3) DIRECT SPENDING LEGISLATION.—For pur-
12 poses of this subsection and except as provided in
13 paragraph (4), the term “direct spending legisla-
14 tion” means any bill, joint resolution, amendment,
15 motion, or conference report that affects direct
16 spending as that term is defined by, and interpreted
17 for purposes of, the Balanced Budget and Emer-
18 gency Deficit Control Act of 1985.

19 (4) BASELINE.—Estimates prepared pursuant
20 to this subsection shall—

21 (A) use the most recent baseline estimates
22 supplied by the Congressional Budget Office
23 consistent with section 257 of the Balanced
24 Budget and Emergency Deficit Control Act of

1 1985 used in considering a concurrent resolu-
2 tion on the budget; or

3 (B) after the beginning of a new calendar
4 year and before consideration of a concurrent
5 resolution on the budget, the most recent base-
6 line estimates supplied by the Congressional
7 Budget Office consistent with section 257 of
8 the Balanced Budget and Emergency Deficit
9 Control Act of 1985.

10 (5) PRIOR SURPLUS.—If direct spending or rev-
11 enue legislation increases the on-budget deficit or
12 causes an on-budget deficit when taken individually,
13 it must also increase the on-budget deficit or cause
14 an on-budget deficit when taken together with all di-
15 rect spending and revenue legislation enacted since
16 the beginning of the calendar year not accounted for
17 in the baseline under paragraph (5)(A), except that
18 direct spending or revenue effects resulting in net
19 deficit reduction enacted in any bill pursuant to a
20 reconciliation instruction since the beginning of that
21 same calendar year shall never be made available on
22 the pay-as-you-go ledger and shall be dedicated only
23 for deficit reduction.

24 (b) DETERMINATION OF BUDGET LEVELS.—For
25 purposes of this section, the levels of new budget author-

1 ity, outlays, and revenues for a fiscal year shall be deter-
 2 mined on the basis of estimates made by the Committees
 3 on the Budget.

4 (c) POINT OF ORDER PROTECTION IN THE HOUSE.—
 5 In the House, it shall not be in order to consider a rule
 6 or order that waives the application of subsection (a). As
 7 disposition of a point of order under this paragraph, the
 8 Chair shall put the question of consideration with respect
 9 to the rule or order that waives the application of sub-
 10 section (a). The question of consideration shall be debat-
 11 able for 10 minutes by the Member initiating the point
 12 of order and for 10 minutes by an opponent, but shall
 13 otherwise be decided without intervening motion except
 14 one that the House adjourn.

15 **TITLE IX—DISCRETIONARY**
 16 **SPENDING LIMITS.**

17 **SEC. 901. DISCRETIONARY SPENDING LIMITS IN THE**
 18 **HOUSE.**

19 (a) POINT OF ORDER.—It shall not be in order in
 20 the House to consider any bill or joint resolution, or
 21 amendment thereto, that provides new budget authority
 22 that would cause the discretionary spending limits to be
 23 exceeded for any fiscal year.

1 (b) DISCRETIONARY SPENDING LIMITS.—In the
2 House and as used in this section, the term “discretionary
3 spending limit” means—

4 (1) with respect to fiscal year 2008, for the dis-
5 cretionary category: \$1,079,593,000,000 in new
6 budget authority and \$1,127,623,000,000 in outlays;

7 (2) with respect to fiscal year 2009, for the dis-
8 cretionary category: \$1,004,865,000,000 in new
9 budget authority and \$1,121,730,000,000 in outlays;

10 (3) with respect to fiscal year 2010, for the dis-
11 cretionary category: \$977,058,000,000 in new budg-
12 et authority and \$1,050,106,000,000 in outlays;

13 as adjusted in conformance with subsection (c).

14 (c) ADJUSTMENTS.—

15 (1) IN GENERAL.—

16 (A) CHAIRMAN.—After the reporting of a
17 bill or joint resolution, the offering of an
18 amendment thereto, or the submission of a con-
19 ference report thereon, the chairman of the
20 Committee on the Budget may make the ad-
21 justments set forth in subparagraph (B) for the
22 amount of new budget authority in that meas-
23 ure (if that measure meets the requirements set
24 forth in paragraph (2)) and the outlays flowing
25 from that budget authority. The chairman of

1 the Committee on the Budget may also make
2 appropriate adjustments for the reserve funds
3 set forth in this resolution.

4 (B) MATTERS TO BE ADJUSTED.—The ad-
5 justments referred to in subparagraph (A) are
6 to be made to—

7 (i) the discretionary spending limits, if
8 any, set forth in the appropriate concu-
9 rent resolution on the budget;

10 (ii) the allocations made pursuant to
11 the appropriate concurrent resolution on
12 the budget pursuant to section 302(a) of
13 the Congressional Budget Act of 1974; and

14 (iii) the budgetary aggregates as set
15 forth in the appropriate concurrent resolu-
16 tion on the budget.

17 (2) AMOUNTS OF ADJUSTMENTS.—The adjust-
18 ment referred to in paragraph (1) shall be an
19 amount provided and designated as an emergency
20 requirement;

21 (3) APPLICATION OF ADJUSTMENTS.—The ad-
22 justments made for legislation pursuant to para-
23 graph (1) shall—

24 (A) apply while that legislation is under
25 consideration;

1 (B) take effect upon the enactment of that
2 legislation; and

3 (C) be published in the Congressional
4 Record as soon as practicable.

5 (4) APPLICATION OF THIS SECTION.—The pro-
6 visions of this section shall apply to legislation pro-
7 viding new budget authority for fiscal years 2008
8 through 2010.

9 (d) ENFORCEMENT IN THE HOUSE OF REPRESENTA-
10 TIVES.—

11 (1) WAIVER PROTECTION.—It shall not be in
12 order in the House of Representatives to consider a
13 rule or order that waives the application of this sec-
14 tion.

15 (2) CONSIDERATION IN THE HOUSE.—

16 (A) This subsection shall apply only to the
17 House of Representatives.

18 (B) In order to be cognizable by the Chair,
19 a point of order under this section must specify
20 the precise language on which it is premised.

21 (C) As disposition of points of order under
22 this section, the Chair shall put the question of
23 consideration with respect to the proposition
24 that is the subject of the points of order.

1 (D) A question of consideration under this
2 section shall be debatable for 10 minutes by
3 each Member initiating a point of order and for
4 10 minutes by an opponent on each point of
5 order, but shall otherwise be decided without in-
6 tervening motion except one that the House ad-
7 journ or that the Committee of the Whole rise,
8 as the case may be.

9 (E) The disposition of the question of con-
10 sideration under this subsection with respect to
11 a bill or joint resolution shall be considered also
12 to determine the question of consideration
13 under this subsection with respect to an amend-
14 ment made in order as original text.

15 (3) EXTENSION OF SPENDING LIMITS.—It shall
16 not be in order in the House of Representatives to
17 consider a concurrent resolution on the budget as
18 described in section 301 of the Congressional Budg-
19 et Act of 1974 unless such resolution includes dis-
20 cretionary spending limits that are in the same
21 amounts or less than those included in this section.

1 **TITLE X—SENSES OF CONGRESS**

2 **SEC. 1001. SENSE OF THE HOUSE REGARDING THE IMPOR-**
3 **TANCE OF CHILD SUPPORT ENFORCEMENT.**

4 It is the Sense of the House that additional legislative
5 action is needed to ensure that states have the necessary
6 resources to collect all child support that is owed to fami-
7 lies and to allow them to pass 100 percent of support on
8 to families without financial penalty. It is further the
9 Sense of the House that when 100 percent of child support
10 payments are passed on to the child, rather than adminis-
11 trative expenses, program integrity is improved and child
12 support participation increases.

13 **SEC. 1002. SENSE OF THE HOUSE ON STATE VETERANS**
14 **CEMETERIES.**

15 It is the sense of the House that the Federal Govern-
16 ment should pay the plot allowance for the internment in
17 a State veterans cemetery of any spouse or eligible child
18 of a veteran, consistent with the pay-as-you-go principle.

19 **SEC. 1003. SENSE OF CONGRESS ON HEALTH INSURANCE**
20 **REFORM.**

21 It is the sense of the Congress that legislation should
22 be considered that does the following:

23 (1) Amends the Internal Revenue Code to allow
24 individual taxpayers a refundable tax credit for

1 health insurance costs paid for the benefit of the
2 taxpayer, the taxpayer's spouse, and dependents.

3 (2) Requires business taxpayers who receive
4 payments for certain employee health insurance cov-
5 erage to file informational returns.

6 (3) Directs the Secretary of the Treasury to
7 make advance payments of health insurance tax
8 credit amounts to health insurance providers.

9 (4) Limits the tax exclusion for employer-pro-
10 vided health care coverage.

11 **SEC. 1004. SENSE OF THE HOUSE ON THE INTERNAL REV-**
12 **ENUE CODE OF 1986.**

13 (a) SENSE OF CONGRESS ON THE TERMINATION OF
14 THE INTERNAL REVENUE CODE OF 1986.—No tax shall
15 be imposed by the Internal Revenue Code of 1986—

16 (1) for any taxable year beginning after Decem-
17 ber 31, 2010; and

18 (2) in the case of any tax not imposed on the
19 basis of a taxable year, on any taxable event or for
20 any period after December 31, 2010.

21 (b) EXCEPTION.—It is further the sense of the House
22 of Representatives that legislation enacted pursuant to
23 subsection (a) shall not apply to taxes imposed by—

24 (1) chapter 2 of such Code (relating to tax on
25 self-employment income);

1 (2) chapter 21 of such Code (relating to Fed-
2 eral Insurance Contributions Act); and

3 (3) chapter 22 of such Code (relating to Rail-
4 road Retirement Tax Act).

5 (c) STRUCTURE OF A NEW FEDERAL TAX SYSTEM.—

6 Congress declares that any new Federal tax system should
7 be a simple and fair system that—

8 (1) applies a low rate to all Americans;

9 (2) provides tax relief for working Americans;

10 (3) protects the rights of taxpayers and reduces
11 tax collection abuses;

12 (4) eliminates the bias against savings and in-
13 vestment;

14 (5) promotes economic growth and job creation;

15 and

16 (6) does not penalize marriage or families.

17 (d) TIMING OF IMPLEMENTATION.—In order to en-

18 sure an easy transition and effective implementation, the

19 Congress hereby declares that any new Federal tax system

20 should be approved by Congress in its final form no later

21 than July 4, 2010.

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