

103^D CONGRESS
1ST SESSION

S. 154

To insure that any peace dividend is invested in America's families and deficit reduction.

IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. GRAMM introduced the following bill; which was read twice and referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs, with instructions that if one committee reports, the other committee have thirty days to report or be discharged

A BILL

To insure that any peace dividend is invested in America's families and deficit reduction.

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 "Ronald Reagan Peace
5 Dividend Investment Act".

6 **SEC. 2. AMENDMENTS TO THE CONGRESSIONAL BUDGET**

7 **ACT OF 1974.**

8 (a) IN GENERAL.—Title VI of the Congressional
9 Budget Act of 1974 (as amended by the Budget Enforce-

1 ment Act of 1990) is amended by adding after section 606
2 the following new section:

3 **“SEC. 606A. DETERMINATION OF PEACE DIVIDEND.**

4 “(a) FISCAL YEAR 1993.—

5 “(1) IN GENERAL.—If pursuant to section
6 251(a)(7) of the Balanced Budget and Emergency
7 Deficit Control Act of 1985 outlays in the defense
8 category for fiscal year 1993 are estimated to be
9 below the discretionary spending limit for such out-
10 lays, the difference shall be used to reduce the defi-
11 cit and to increase the personal income tax exemp-
12 tion as provided in subsection (c).

13 “(2) ADJUSTMENT TO DISCRETIONARY SPEND-
14 ING LIMITS.—If outlays for the defense category in
15 fiscal year 1993 are estimated to be below the dis-
16 cretionary spending limit for such outlays, the dis-
17 cretionary spending limits calculated pursuant to
18 section 251(b) of the Balanced Budget and Emer-
19 gency Deficit Control Act of 1985 shall be adjusted
20 for the difference.

21 “(b) FISCAL YEARS 1994 AND THEREAFTER.—

22 “(1) IN GENERAL.—If outlays in the defense
23 category as defined in section 250(c)(4) of the Bal-
24 anced Budget and Emergency Deficit Control Act of
25 1985 for each fiscal year beginning with fiscal year

1 1994 are below the defense baseline for such fiscal
2 year as determined under paragraph (3), the dif-
3 ference shall be used to reduce the deficit and in-
4 crease the personal exemption as provided in sub-
5 section (c).

6 “(2) ADJUSTMENT TO DISCRETIONARY SPEND-
7 ING LIMITS.—For fiscal year 1994 or 1995 if the de-
8 fense category outlays for such fiscal year are esti-
9 mated to be below the defense baseline for such fis-
10 cal year, the discretionary spending limits shall be
11 adjusted by the difference.

12 “(3) BASELINE.—(A) For fiscal year 1994 or
13 1995, the applicable baseline for defense outlays
14 shall be the total estimated discretionary outlays for
15 the fiscal year multiplied by the ratio of the final de-
16 fense outlay cap for fiscal year 1993 divided by the
17 final total discretionary cap for fiscal year 1993.

18 “(4) FISCAL YEAR 1996 AND THEREAFTER.—
19 Beginning with fiscal year 1996 and each fiscal year
20 thereafter, the applicable defense outlay baseline
21 shall be the Congressional Budget Office baseline in-
22 flator multiplied by the defense outlay level for the
23 previous fiscal year.

24 “(c) ALLOCATION OF ADJUSTMENTS.—The adjust-
25 ments in the discretionary spending limits for outlays de-

1 scribed in subsections (a) and (b) shall be allocated in the
2 following manner:

3 “(1) DEFICIT REDUCTION.—The maximum def-
4 icit amount calculated pursuant to section 253 of
5 the Balanced Budget and Emergency Deficit Control
6 Act of 1985 for any of fiscal years 1993 through
7 1995 shall be reduced by an amount equal to the
8 change in the estimated deficit resulting from such
9 reduced outlays and the reduction in revenue de-
10 scribed in paragraph (2).

11 “(2) PERSONAL EXEMPTION.—The Secretary of
12 the Treasury shall increase the personal exemption
13 amount for individuals as determined under section
14 151 of the Internal Revenue Code of 1986 by an
15 amount estimated to reduce receipts in the calendar
16 year beginning during such fiscal year by an amount
17 equal to one-half of the difference (peace dividend)
18 described in subsections (a) or (b) with respect to
19 defense outlays for that fiscal year.

20 “(d) PERMITTING OF PEACE DIVIDEND INVEST-
21 MENT.—Legislation affecting receipts as a result of the
22 requirements of section (c)(2) shall not be considered leg-
23 islation that increases the deficit for purposes of section
24 252 of the Balanced Budget and Emergency Deficit Con-
25 trol Act of 1985.

1 “(e) POINT OF ORDER.—

2 “(1) It shall not be in order in the Senate to
3 consider any bill, resolution, amendment, or con-
4 ference report that would reduce defense spending
5 below the spending limit for the defense category as
6 defined in section 250(c)(4) of the Balanced Budget
7 and Emergency Deficit Control Act of 1985 if such
8 bill, resolution, amendment, or conference report
9 does not allocate the total amount of reduced new
10 budget authority or outlays between deficit reduction
11 and increases in the personal income tax exemption
12 as provided in this section.

13 “(2) For purposes of this subsection, the levels
14 of defense spending for a fiscal year shall be deter-
15 mined on the basis of estimates made by the Com-
16 mittee on the Budget.”.

17 (b) POINT OF ORDER.—The last sentence of section
18 904(d) of the Congressional Budget Act of 1974 (as
19 amended by the Budget Enforcement Act of 1990) is
20 amended by striking “and 606(c)” and inserting “606(c),
21 and 606A”.

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