

Calendar No. 589

109TH CONGRESS
2^D SESSION**H. R. 4890**

IN THE SENATE OF THE UNITED STATES

JUNE 23, 2006

Received

AUGUST 3, 2006

Read the first time

SEPTEMBER 5, 2006

Read the second time and placed on the calendar

AN ACT

To amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Legislative Line Item
5 Veto Act of 2006”.

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

2 (a) IN GENERAL.—Title X of the Congressional
3 Budget and Impoundment Control Act of 1974 (2 U.S.C.
4 621 et seq.) is amended by striking all of part B (except
5 for sections 1016 and 1013, which are redesignated as sec-
6 tions 1019 and 1020, respectively) and part C and insert-
7 ing the following:

8 “PART B—LEGISLATIVE LINE-ITEM VETO

9 “LINE ITEM VETO AUTHORITY

10 “SEC. 1011. (a) PROPOSED CANCELLATIONS.—With-
11 in 45 calendar days after the enactment of any bill or joint
12 resolution providing any discretionary budget authority,
13 item of direct spending, or targeted tax benefit, the Presi-
14 dent may propose, in the manner provided in subsection
15 (b), the cancellation of any dollar amount of such discre-
16 tionary budget authority, item of direct spending, or tar-
17 geted tax benefit. If the 45 calendar-day period expires
18 during a period where either House of Congress stands
19 adjourned sine die at the end of a Congress or for a period
20 greater than 45 calendar days, the President may propose
21 a cancellation under this section and transmit a special
22 message under subsection (b) on the first calendar day
23 of session following such a period of adjournment.

24 “(b) TRANSMITTAL OF SPECIAL MESSAGE.—

25 “(1) SPECIAL MESSAGE.—

1 “(A) IN GENERAL.—The President may
2 transmit to the Congress a special message pro-
3 posing to cancel any dollar amounts of discre-
4 tionary budget authority, items of direct spend-
5 ing, or targeted tax benefits.

6 “(B) CONTENTS OF SPECIAL MESSAGE.—
7 Each special message shall specify, with respect
8 to the discretionary budget authority, items of
9 direct spending proposed, or targeted tax bene-
10 fits to be canceled—

11 “(i) the dollar amount of discretionary
12 budget authority, the specific item of direct
13 spending (that OMB, after consultation
14 with CBO, estimates to increase budget
15 authority or outlays as required by section
16 1017(9)), or the targeted tax benefit that
17 the President proposes be canceled;

18 “(ii) any account, department, or es-
19 tablishment of the Government to which
20 such discretionary budget authority is
21 available for obligation, and the specific
22 project or governmental functions involved;

23 “(iii) the reasons why such discre-
24 tionary budget authority, item of direct

1 spending, or targeted tax benefit should be
2 canceled;

3 “(iv) to the maximum extent prac-
4 ticable, the estimated fiscal, economic, and
5 budgetary effect (including the effect on
6 outlays and receipts in each fiscal year) of
7 the proposed cancellation;

8 “(v) to the maximum extent prac-
9 ticable, all facts, circumstances, and con-
10 siderations relating to or bearing upon the
11 proposed cancellation and the decision to
12 effect the proposed cancellation, and the
13 estimated effect of the proposed cancella-
14 tion upon the objects, purposes, or pro-
15 grams for which the discretionary budget
16 authority, item of direct spending, or the
17 targeted tax benefit is provided;

18 “(vi) a numbered list of cancellations
19 to be included in an approval bill that, if
20 enacted, would cancel discretionary budget
21 authority, items of direct spending, or tar-
22 geted tax benefits proposed in that special
23 message; and

24 “(vii) if the special message is trans-
25 mitted subsequent to or at the same time

1 as another special message, a detailed ex-
2 planation why the proposed cancellations
3 are not substantially similar to any other
4 proposed cancellation in such other mes-
5 sage.

6 “(C) DUPLICATIVE PROPOSALS PROHIB-
7 ITED.—The President may not propose to can-
8 cel the same or substantially similar discre-
9 tionary budget authority, item of direct spend-
10 ing, or targeted tax benefit more than one time
11 under this Act.

12 “(D) MAXIMUM NUMBER OF SPECIAL MES-
13 SAGES.—The President may not transmit to the
14 Congress more than 5 special messages under
15 this subsection related to any bill or joint reso-
16 lution described in subsection (a), but may
17 transmit not more than 10 special messages for
18 any omnibus budget reconciliation or appropria-
19 tion measure.

20 “(2) ENACTMENT OF APPROVAL BILL.—

21 “(A) DEFICIT REDUCTION.—Amounts of
22 budget authority, items of direct spending, or
23 targeted tax benefits which are canceled pursu-
24 ant to enactment of a bill as provided under

1 this section shall be dedicated only to reducing
2 the deficit or increasing the surplus.

3 “(B) ADJUSTMENT OF LEVELS IN THE
4 CONCURRENT RESOLUTION ON THE BUDGET.—
5 Not later than 5 days after the date of enact-
6 ment of an approval bill as provided under this
7 section, the chairs of the Committees on the
8 Budget of the Senate and the House of Rep-
9 resentatives shall revise allocations and aggre-
10 gates and other appropriate levels under the ap-
11 propriate concurrent resolution on the budget to
12 reflect the cancellation, and the applicable com-
13 mittees shall report revised suballocations pur-
14 suant to section 302(b), as appropriate.

15 “(C) ADJUSTMENTS TO STATUTORY LIM-
16 ITS.—After enactment of an approval bill as
17 provided under this section, the Office of Man-
18 agement and Budget shall revise applicable lim-
19 its under the Balanced Budget and Emergency
20 Deficit Control Act of 1985, as appropriate.

21 “(D) TRUST FUNDS AND SPECIAL
22 FUNDS.—Notwithstanding subparagraph (A),
23 nothing in this part shall be construed to re-
24 quire or allow the deposit of amounts derived
25 from a trust fund or special fund which are

1 canceled pursuant to enactment of a bill as pro-
2 vided under this section to any other fund.

3 “PROCEDURES FOR EXPEDITED CONSIDERATION

4 “SEC. 1012. (a) EXPEDITED CONSIDERATION.—

5 “(1) IN GENERAL.—The majority leader of each
6 House or his designee shall (by request) introduce
7 an approval bill as defined in section 1017 not later
8 than the fifth day of session of that House after the
9 date of receipt of a special message transmitted to
10 the Congress under section 1011(b).

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

13 “(A) REFERRAL AND REPORTING.—Any
14 committee of the House of Representatives to
15 which an approval bill is referred shall report it
16 to the House without amendment not later than
17 the seventh legislative day after the date of its
18 introduction. If a committee fails to report the
19 bill within that period or the House has adopt-
20 ed a concurrent resolution providing for ad-
21 journment sine die at the end of a Congress, it
22 shall be in order to move that the House dis-
23 charge the committee from further consider-
24 ation of the bill. Such a motion shall be in
25 order only at a time designated by the Speaker
26 in the legislative schedule within two legislative

1 days after the day on which the proponent an-
2 nounces his intention to offer the motion. Such
3 a motion shall not be in order after a committee
4 has reported an approval bill with respect to
5 that special message or after the House has dis-
6 posed of a motion to discharge with respect to
7 that special message. The previous question
8 shall be considered as ordered on the motion to
9 its adoption without intervening motion except
10 twenty minutes of debate equally divided and
11 controlled by the proponent and an opponent. If
12 such a motion is adopted, the House shall pro-
13 ceed immediately to consider the approval bill
14 in accordance with subparagraph (C). A motion
15 to reconsider the vote by which the motion is
16 disposed of shall not be in order.

17 “(B) PROCEEDING TO CONSIDERATION.—

18 After an approval bill is reported or a com-
19 mittee has been discharged from further consid-
20 eration, or the House has adopted a concurrent
21 resolution providing for adjournment sine die at
22 the end of a Congress, it shall be in order to
23 move to proceed to consider the approval bill in
24 the House. Such a motion shall be in order only
25 at a time designated by the Speaker in the leg-

1 islative schedule within two legislative days
2 after the day on which the proponent announces
3 his intention to offer the motion. Such a motion
4 shall not be in order after the House has dis-
5 posed of a motion to proceed with respect to
6 that special message. The previous question
7 shall be considered as ordered on the motion to
8 its adoption without intervening motion. A mo-
9 tion to reconsider the vote by which the motion
10 is disposed of shall not be in order.

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

22 “(D) SENATE BILL.—An approval bill re-
23 ceived from the Senate shall not be referred to
24 committee.

25 “(3) CONSIDERATION IN THE SENATE.—

1 “(A) MOTION TO PROCEED TO CONSIDER-
2 ATION.—A motion to proceed to the consider-
3 ation of a bill under this subsection in the Sen-
4 ate shall not be debatable. It shall not be in
5 order to move to reconsider the vote by which
6 the motion to proceed is agreed to or disagreed
7 to.

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

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

20 “(D) MOTION TO LIMIT DEBATE.—A mo-
21 tion in the Senate to further limit debate on a
22 bill under this subsection is not debatable.

23 “(E) MOTION TO RECOMMIT.—A motion to
24 recommit a bill under this subsection is not in
25 order.

1 “(F) CONSIDERATION OF THE HOUSE
2 BILL.—

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

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

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

1 “PRESIDENTIAL DEFERRAL AUTHORITY

2 “SEC. 1013. (a) TEMPORARY PRESIDENTIAL AU-
3 THORITY TO WITHHOLD DISCRETIONARY BUDGET AU-
4 THORITY.—

5 “(1) IN GENERAL.—At the same time as the
6 President transmits to the Congress a special mes-
7 sage pursuant to section 1011(b), the President may
8 direct that any dollar amount of discretionary budg-
9 et authority to be canceled in that special message
10 shall not be made available for obligation for a pe-
11 riod not to exceed 45 calendar days from the date
12 the President transmits the special message to the
13 Congress.

14 “(2) EARLY AVAILABILITY.—The President
15 shall make any dollar amount of discretionary budg-
16 et authority deferred pursuant to paragraph (1)
17 available at a time earlier than the time specified by
18 the President if the President determines that con-
19 tinuation of the deferral would not further the pur-
20 poses of this Act.

21 “(b) TEMPORARY PRESIDENTIAL AUTHORITY TO
22 SUSPEND DIRECT SPENDING.—

23 “(1) IN GENERAL.—At the same time as the
24 President transmits to the Congress a special mes-
25 sage pursuant to section 1011(b), the President may

1 suspend the implementation of any item of direct
2 spending proposed to be canceled in that special
3 message for a period not to exceed 45 calendar days
4 from the date the President transmits the special
5 message to the Congress.

6 “(2) EARLY AVAILABILITY.—The President
7 shall terminate the suspension of any item of direct
8 spending at a time earlier than the time specified by
9 the President if the President determines that con-
10 tinuation of the suspension would not further the
11 purposes of this Act.

12 “(c) TEMPORARY PRESIDENTIAL AUTHORITY TO
13 SUSPEND A TARGETED TAX BENEFIT.—

14 “(1) IN GENERAL.—At the same time as the
15 President transmits to the Congress a special mes-
16 sage pursuant to section 1011(b), the President may
17 suspend the implementation of any targeted tax ben-
18 efit proposed to be repealed in that special message
19 for a period not to exceed 45 calendar days from the
20 date the President transmits the special message to
21 the Congress.

22 “(2) EARLY AVAILABILITY.—The President
23 shall terminate the suspension of any targeted tax
24 benefit at a time earlier than the time specified by
25 the President if the President determines that con-

1 continuation of the suspension would not further the
2 purposes of this Act.

3 “(d) EXTENSION OF 45-DAY PERIOD.—The Presi-
4 dent may transmit to the Congress not more than one sup-
5 plemental special message to extend the period to suspend
6 the implementation of any discretionary budget authority,
7 item of direct spending, or targeted tax benefit, as applica-
8 ble, by an additional 45 calendar days. Any such supple-
9 mental message may not be transmitted to the Congress
10 before the 40th day of the 45-day period set forth in the
11 preceding message or later than the last day of such pe-
12 riod.

13 “IDENTIFICATION OF TARGETED TAX BENEFITS

14 “SEC. 1014. (a) STATEMENT.—The chairman of the
15 Committee on Ways and Means of the House of Rep-
16 resentatives and the chairman of the Committee on Fi-
17 nance of the Senate acting jointly (hereafter in this sub-
18 section referred to as the ‘chairmen’) shall review any rev-
19 enue or reconciliation bill or joint resolution which in-
20 cludes any amendment to the Internal Revenue Code of
21 1986 that is being prepared for filing by a committee of
22 conference of the two Houses, and shall identify whether
23 such bill or joint resolution contains any targeted tax ben-
24 efits. The chairmen shall provide to the committee of con-
25 ference a statement identifying any such targeted tax ben-
26 efits or declaring that the bill or joint resolution does not

1 contain any targeted tax benefits. Any such statement
2 shall be made available to any Member of Congress by
3 the chairmen immediately upon request.

4 “(b) STATEMENT INCLUDED IN LEGISLATION.—

5 “(1) IN GENERAL.—Notwithstanding any other
6 rule of the House of Representatives or any rule or
7 precedent of the Senate, any revenue or reconcili-
8 ation bill or joint resolution which includes any
9 amendment to the Internal Revenue Code of 1986
10 reported by a committee of conference of the two
11 Houses may include, as a separate section of such
12 bill or joint resolution, the information contained in
13 the statement of the chairmen, but only in the man-
14 ner set forth in paragraph (2).

15 “(2) APPLICABILITY.—The separate section
16 permitted under subparagraph (A) shall read as fol-
17 lows: ‘Section 1021 of the Congressional Budget and
18 Impoundment Control Act of 1974 shall
19 _____ apply to _____.’, with
20 the blank spaces being filled in with—

21 “(A) in any case in which the chairmen
22 identify targeted tax benefits in the statement
23 required under subsection (a), the word ‘only’
24 in the first blank space and a list of all of the
25 specific provisions of the bill or joint resolution

1 identified by the chairmen in such statement in
2 the second blank space; or

3 “(B) in any case in which the chairmen de-
4 clare that there are no targeted tax benefits in
5 the statement required under subsection (a),
6 the word ‘not’ in the first blank space and the
7 phrase ‘any provision of this Act’ in the second
8 blank space.

9 “(c) IDENTIFICATION IN REVENUE ESTIMATE.—
10 With respect to any revenue or reconciliation bill or joint
11 resolution with respect to which the chairmen provide a
12 statement under subsection (a), the Joint Committee on
13 Taxation shall—

14 “(1) in the case of a statement described in
15 subsection (b)(2)(A), list the targeted tax benefits
16 identified by the chairmen in such statement in any
17 revenue estimate prepared by the Joint Committee
18 on Taxation for any conference report which accom-
19 panies such bill or joint resolution, or

20 “(2) in the case of a statement described in 13
21 subsection (b)(2)(B), indicate in such revenue esti-
22 mate that no provision in such bill or joint resolution
23 has been identified as a targeted tax benefit.

24 “(d) PRESIDENT’S AUTHORITY.—If any revenue or
25 reconciliation bill or joint resolution is signed into law—

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

6 “(2) without a separate section described in
7 subsection (b)(2), then the President may use the
8 authority granted in this section with respect to any
9 targeted tax benefit in that law.

10 “TREATMENT OF CANCELLATIONS

11 “SEC. 1015. The cancellation of any dollar amount
12 of discretionary budget authority, item of direct spending,
13 or targeted tax benefit shall take effect only upon enact-
14 ment of the applicable approval bill. If an approval bill
15 is not enacted into law before the end of the applicable
16 period under section 1013, then all proposed cancellations
17 contained in that bill shall be null and void and any such
18 dollar amount of discretionary budget authority, item of
19 direct spending, or targeted tax benefit shall be effective
20 as of the original date provided in the law to which the
21 proposed cancellations applied.

22 “REPORTS BY COMPTROLLER GENERAL

23 “SEC. 1016. With respect to each special message
24 under this part, the Comptroller General shall issue to the
25 Congress a report determining whether any discretionary
26 budget authority is not made available for obligation or

1 item of direct spending or targeted tax benefit continues
2 to be suspended after the deferral authority set forth in
3 section 1013 of the President has expired.

4 “DEFINITIONS

5 “SEC. 1017. As used in this part:

6 “(1) APPROPRIATION LAW.—The term ‘appro-
7 priation law’ means an Act referred to in section
8 105 of title 1, United States Code, including any
9 general or special appropriation Act, or any Act
10 making supplemental, deficiency, or continuing ap-
11 propriations, that has been signed into law pursuant
12 to Article I, section 7, of the Constitution of the
13 United States.

14 “(2) APPROVAL BILL.—The term ‘approval bill’
15 means a bill or joint resolution which only approves
16 proposed cancellations of dollar amounts of discre-
17 tionary budget authority, items of new direct spend-
18 ing, or targeted tax benefits in a special message
19 transmitted by the President under this part and—

20 “(A) the title of which is as follows: ‘A bill
21 approving the proposed cancellations trans-
22 mitted by the President on _____’, the blank
23 space being filled in with the date of trans-
24 mission of the relevant special message and the
25 public law number to which the message re-
26 lates;

1 “(B) which does not have a preamble; and

2 “(C) which provides only the following
3 after the enacting clause: ‘That the Congress
4 approves of proposed cancellations _____’, the
5 blank space being filled in with a list of the
6 cancellations contained in the President’s spe-
7 cial message, ‘as transmitted by the President
8 in a special message on _____’, the blank
9 space being filled in with the appropriate date,
10 ‘regarding _____.’, the blank space being
11 filled in with the public law number to which
12 the special message relates;

13 “(D) which only includes proposed can-
14 cellations that are estimated by CBO to meet
15 the definition of discretionary budgetary au-
16 thority or items of direct spending, or that are
17 identified as targeted tax benefits pursuant to
18 section 1014;

19 “(E) if any proposed cancellation other
20 than discretionary budget authority or targeted
21 tax benefits is estimated by CBO to not meet
22 the definition of item of direct spending, then
23 the approval bill shall include at the end: ‘The
24 President shall cease the suspension of the im-
25 plementation of the following under section

1 1013 of the Legislative Line Item Veto Act of
2 2006: _____’, the blank space being filled in
3 with the list of such proposed cancellations; and

4 “(F) if no CBO estimate is available, then
5 the entire list of legislative provisions proposed
6 by the President is inserted in the second blank
7 space in subparagraph (C).

8 “(3) CALENDAR DAY.—The term ‘calendar day’
9 means a standard 24-hour period beginning at mid-
10 night.

11 “(4) CANCEL OR CANCELLATION.—The terms
12 ‘cancel’ or ‘cancellation’ means to prevent—

13 “(A) budget authority from having legal
14 force or effect;

15 “(B) in the case of entitlement authority,
16 to prevent the specific legal obligation of the
17 United States from having legal force or effect;

18 “(C) in the case of the food stamp pro-
19 gram, to prevent the specific provision of law
20 that provides such benefit from having legal
21 force or effect; or

22 “(D) a targeted tax benefit from having
23 legal force or effect; and

24 to make any necessary, conforming statutory change
25 to ensure that such targeted tax benefit is not imple-

1 mented and that any budgetary resources are appro-
2 priately canceled.

3 “(5) CBO.—The term ‘CBO’ means the Direc-
4 tor of the Congressional Budget Office.

5 “(6) DIRECT SPENDING.—The term ‘direct
6 spending’ means—

7 “(A) budget authority provided by law
8 (other than an appropriation law);

9 “(B) entitlement authority; and

10 “(C) the food stamp program.

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

16 “(i) specified in an appropriation law,
17 or the entire dollar amount of budget au-
18 thority or obligation limitation required to
19 be allocated by a specific proviso in an ap-
20 propriation law for which a specific dollar
21 figure was not included;

22 “(ii) represented separately in any
23 table, chart, or explanatory text included
24 in the statement of managers or the gov-

1 erning committee report accompanying
2 such law;

3 “(iii) required to be allocated for a
4 specific program, project, or activity in a
5 law (other than an appropriation law) that
6 mandates the expenditure of budget au-
7 thority from accounts, programs, projects,
8 or activities for which budget authority is
9 provided in an appropriation law;

10 “(iv) represented by the product of
11 the estimated procurement cost and the
12 total quantity of items specified in an ap-
13 propriation law or included in the state-
14 ment of managers or the governing com-
15 mittee report accompanying such law; or

16 “(v) represented by the product of the
17 estimated procurement cost and the total
18 quantity of items required to be provided
19 in a law (other than an appropriation law)
20 that mandates the expenditure of budget
21 authority from accounts, programs,
22 projects, or activities for which budget au-
23 thority is provided in an appropriation law.

24 “(B) The term ‘dollar amount of discre-
25 tionary budget authority’ does not include—

1 “(i) direct spending;

2 “(ii) budget authority in an appro-
3 priation law which funds direct spending
4 provided for in other law;

5 “(iii) any existing budget authority
6 canceled in an appropriation law; or

7 “(iv) any restriction, condition, or lim-
8 itation in an appropriation law or the ac-
9 companying statement of managers or
10 committee reports on the expenditure of
11 budget authority for an account, program,
12 project, or activity, or on activities involv-
13 ing such expenditure.

14 “(8) ITEM OF DIRECT SPENDING.—The term
15 ‘item of direct spending’ means any provision of law
16 that results in an increase in budget authority or
17 outlays for direct spending relative to the most re-
18 cent levels calculated consistent with the method-
19 ology used to calculate a baseline under section 257
20 of the Balanced Budget and Emergency Deficit Con-
21 trol Act of 1985 and included with a budget submis-
22 sion under section 1105(a) of title 31, United States
23 Code, in the first year or the 5-year period for which
24 the item is effective. However, such item does not in-
25 clude an extension or reauthorization of existing di-

1 rect spending, but instead only refers to provisions
2 of law that increase such direct spending.

3 “(9) OMB.—The term ‘OMB’ means the Direc-
4 tor of the Office of Management and Budget.

5 “(10) OMNIBUS RECONCILIATION OR APPRO-
6 PRIATION MEASURE.—The term ‘omnibus reconcili-
7 ation or appropriation measure’ means—

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

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

15 “(11) TARGETED TAX BENEFIT.—(A) The term
16 ‘targeted tax benefit’ means any revenue-losing pro-
17 vision that provides a Federal tax deduction, credit,
18 exclusion, or preference to only one beneficiary (de-
19 termined with respect to either present law or any
20 provision of which the provision is a part) under the
21 Internal Revenue Code of 1986 in any year for
22 which the provision is in effect;

23 “(B) for purposes of subparagraph (A)—

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

1 group of corporations (as defined in sec-
2 tion 1563(a) of the Internal Revenue Code
3 of 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
11 shall be treated as a single beneficiary;

12 “(iv) all qualified plans of an em-
13 ployer shall be treated as a single bene-
14 ficiary;

15 “(v) all beneficiaries of a qualified
16 plan shall be treated as a single bene-
17 ficiary;

18 “(vi) all contributors to a charitable
19 organization shall be treated as a single
20 beneficiary;

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

24 “(viii) if a corporation, partnership,
25 association, trust or estate is the bene-

1 fiary of a provision, the shareholders of
2 the corporation, the partners of the part-
3 nership, the members of the association, or
4 the beneficiaries of the trust or estate shall
5 not also be treated as beneficiaries of such
6 provision;

7 “(C) for the purpose of this paragraph, the
8 term ‘revenue-losing provision’ means any pro-
9 vision that is estimated to result in a reduction
10 in Federal tax revenues (determined with re-
11 spect to either present law or any provision of
12 which the provision is a part) for any one of the
13 two following periods—

14 “(i) the first fiscal year for which the
15 provision is effective; or

16 “(ii) the period of the 5 fiscal years
17 beginning with the first fiscal year for
18 which the provision is effective; and

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

23 “EXPIRATION

24 “SEC. 1018. This title shall have no force or effect
25 on or after October 1, 2012.”.

1 **SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.**

2 (a) EXERCISE OF RULEMAKING POWERS.—Section
3 904 of the Congressional Budget Act of 1974 (2 U.S.C.
4 621 note) is amended—

5 (1) in subsection (a), by striking “1017” and
6 inserting “1012”; and

7 (2) in subsection (d), by striking “section
8 1017” and inserting “section 1012”.

9 (b) ANALYSIS BY CONGRESSIONAL BUDGET OF-
10 FICE.—Section 402 of the Congressional Budget Act of
11 1974 is amended by inserting “(a)” after “402.” and by
12 adding at the end the following new subsection:

13 “(b) Upon the receipt of a special message under sec-
14 tion 1011 proposing to cancel any item of direct spending,
15 the Director of the Congressional Budget Office shall pre-
16 pare an estimate of the savings in budget authority or out-
17 lays resulting from such proposed cancellation relative to
18 the most recent levels calculated consistent with the meth-
19 odology used to calculate a baseline under section 257 of
20 the Balanced Budget and Emergency Deficit Control Act
21 of 1985 and included with a budget submission under sec-
22 tion 1105(a) of title 31, United States Code, and transmit
23 such estimate to the chairmen of the Committees on the
24 Budget of the House of Representatives and Senate.”.

1 (c) CLERICAL AMENDMENTS.—(1) Section 1(a) of
 2 the Congressional Budget and Impoundment Control Act
 3 of 1974 is amended by striking the last sentence.

4 (2) Section 1022(c) of such Act (as redesignated) is
 5 amended is amended by striking “rescinded or that is to
 6 be reserved” and insert “canceled” and by striking
 7 “1012” and inserting “1011”.

8 (3) TABLE OF CONTENTS.—The table of contents set
 9 forth in section 1(b) of the Congressional Budget and Im-
 10 poundment Control Act of 1974 is amended by deleting
 11 the contents for parts B and C of title X and inserting
 12 the following:

“PART B—LEGISLATIVE LINE-ITEM VETO

- “Sec. 1011. Line item veto authority.
- “Sec. 1012. Procedures for expedited consideration.
- “Sec. 1013. Presidential deferral authority.
- “Sec. 1014. Identification of targeted tax benefits.
- “Sec. 1015. Treatment of cancellations.
- “Sec. 1016. Reports by comptroller general.
- “Sec. 1017. Definitions.
- “Sec. 1018. Expiration.
- “Sec. 1019. Suits by Comptroller General.
- “Sec. 1020. Proposed Deferrals of budget authority.”.

13 (d) EFFECTIVE DATE.—The amendments made by
 14 this Act shall take effect on the date of its enactment and
 15 apply only to any dollar amount of discretionary budget
 16 authority, item of direct spending, or targeted tax benefit
 17 provided in an Act enacted on or after the date of enact-
 18 ment of this Act.

1 **SEC. 4. SENSE OF CONGRESS ON ABUSE OF PROPOSED**
2 **CANCELLATIONS.**

3 It is the sense of Congress no President or any execu-
4 tive branch official should condition the inclusion or exclu-
5 sion or threaten to condition the inclusion or exclusion of
6 any proposed cancellation in any special message under
7 this section upon any vote cast or to be cast by any Mem-
8 ber of either House of Congress.

Passed the House of Representatives June 22, 2006.

Attest:

KAREN L. HAAS,

Clerk.

Calendar No. 589

109TH CONGRESS
2^D SESSION

H. R. 4890

AN ACT

To amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority.

SEPTEMBER 5, 2006

Read the second time and placed on the calendar