

112TH CONGRESS
1ST SESSION

S. 1909

To amend title 31, United States Code, to provide for the issuance of
Buy Back America Bonds.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 18, 2011

Mr. ENZI introduced the following bill; which was read twice and referred to
the Committee on Finance

A BILL

To amend title 31, United States Code, to provide for the
issuance of Buy Back America Bonds.

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

3 **SECTION 1. BUY BACK AMERICA BONDS.**

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

7 **“§ 3105a. Buy Back America Bonds**

8 “(a) The Secretary shall establish and administer a
9 new series of United States savings bonds, to be known
10 as ‘Buy Back America Bonds’. Proceeds from the bonds

1 shall be used first solely to reduce the amount of foreign-
2 held public debt, and then to reduce other public debt.

3 “(b) A Buy Back America Bond shall be subject to
4 such terms and conditions of issue, conversion, redemp-
5 tion, and maturation as the Secretary may prescribe, ex-
6 cept that a Buy Back America Bond shall not mature,
7 and may not be redeemed by the holder, earlier than 10
8 years from the date of issue and shall mature not more
9 than 20 years from the date of issue. Interest on a Buy
10 Back America Bond whenever paid shall not be includible
11 in gross income under the Internal Revenue Code of 1986.

12 “(c) Buy Back America Bonds shall be issued at face
13 value and in denominations of not less than \$25.

14 “(d) The redemption value of a Buy Back America
15 Bond shall be determined as the Secretary shall provide—

16 “(1) at a fixed interest rate equal to the rate
17 applicable to a Series I savings bond for the rate pe-
18 riod during which the Buy Back America Bond is
19 purchased, and

20 “(2) for purposes of calculating yearly interest,
21 by increasing the purchase price of such Buy Back
22 America Bond in each calendar year after the year
23 of purchase by an amount equal to—

24 “(A) such purchase price, multiplied by

1 “(B) the cost-of-living adjustment deter-
2 mined under section 1(f)(3) of the Internal
3 Revenue Code of 1986 for such calendar year,
4 determined by substituting the calendar year in
5 which such bond was purchased for ‘1992’ in
6 subparagraph (B) thereof.

7 “(e) If during any fiscal year during which any Buy
8 Back America Bond is outstanding—

9 “(1) the Federal budget deficit for such fiscal
10 year is less than the amount equal to 3 percent of
11 gross domestic product (as most recently computed
12 and published by the Department of Commerce);
13 and

14 “(2) the public debt is less than the amount
15 equal to 10 percent of gross domestic product (as so
16 computed and published);

17 then any such bond may be redeemed without regard to
18 subsection (b).

19 “(f) A Buy Back America Bond may only be held
20 by—

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

22 “(2) a domestic partnership, or domestic cor-
23 poration, not more than 1 percent of the ownership
24 interest of which is held (directly or indirectly) by a
25 person who is not a United States person (as de-

1 fined in section 7701(a)(30) of the Internal Revenue
2 Code of 1986); or

3 “(3) an estate or trust which is a United States
4 person (as so defined), unless there is a beneficiary
5 of the trust who is not a United States person (as
6 so defined),

7 and may be purchased only by an individual who provides
8 a valid social security account number (not including a
9 taxpayer identification number provided by the Internal
10 Revenue Service).

11 “(g) A Buy Back America Bond may be transferred
12 as provided by the Secretary, but only to an individual
13 who has a valid social security account number (not in-
14 cluding a taxpayer identification number provided by the
15 Internal Revenue Service).”.

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

 “3105. Buy Back America Bonds.”.

20 **SEC. 2. DEFICIT REDUCTION.**

21 (a) CALCULATION.—The Office of Management and
22 Budget shall calculate the net deficit reduction resulting
23 from the implementation of this Act and the sale of Buy
24 Back America Bonds for the period beginning on the date

1 of the sale of the first such Buy Back America Bond and
2 ending on the date that is 1 year after such date.

3 (b) ADJUSTMENT OF THE DISCRETIONARY CAPS.—
4 Effective on the effective date of this Act, the limit for
5 the appropriate discretionary budget category set forth in
6 section 251(c) and 251A of the Balanced Budget and
7 Emergency Deficit Control Act of 1985 for the first fiscal
8 year beginning after the date that is 1 year after the date
9 of the sale of the first Buy Back America Bond shall be
10 reduced by the amount of the net deficit reduction cal-
11 culated pursuant to subsection (a).

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