

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1524

To repeal the retroactive application of the income, estate, and gift tax rates made by the budget reconciliation act and reduce administrative expenses for agencies by \$3,000,000,000 for each of the fiscal years 1994, 1995, and 1996.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, SEPTEMBER 27), 1993

Mrs. HUTCHISON (for herself, Mr. BROWN, Mr. BURNS, Mr. COATS, Mr. COVERDELL, Mr. DOLE, Mr. FAIRCLOTH, Mr. GRAMM, Mr. HATCH, Mr. HELMS, Mrs. KASSEBAUM, Mr. KOHL, Mr. LIEBERMAN, Mr. LOTT, Mr. MCCAIN, Mr. NICKLES, Mr. PRESSLER, Mr. SHELBY, Mr. SPECTER, Mr. STEVENS, Mr. THURMOND, and Mr. WALLOP) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To repeal the retroactive application of the income, estate, and gift tax rates made by the budget reconciliation act and reduce administrative expenses for agencies by \$3,000,000,000 for each of the fiscal years 1994, 1995, and 1996.

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

1 **SECTION 1. REPEAL OF RETROACTIVE APPLICATION OF IN-**  
2 **COME, ESTATE, AND GIFT TAX RATE IN-**  
3 **CREASES.**

4 (a) INCOME TAX RATES.—

5 (1) IN GENERAL.—Section 1 of the Internal  
6 Revenue Code of 1986 (relating to tax imposed) is  
7 amended by adding at the end the following new  
8 subsection:

9 “(i) SPECIAL RULES FOR TAXABLE YEARS BEGIN-  
10 NING IN 1993.—In the case of taxable years beginning in  
11 calendar year 1993, each of the tables contained in sub-  
12 sections (a), (b), (c), (d), and (e) shall be applied—

13 “(1) by substituting ‘32.97 percent’ for ‘36 per-  
14 cent’,

15 “(2) by substituting ‘34.39 percent’ for ‘39.6  
16 percent’, and

17 “(3) by substituting for the dollar amount of  
18 tax in the last rate bracket the dollar amount deter-  
19 mined under such table by making the substitution  
20 described in paragraph (1).”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) Sections 531 and 541 of the Internal  
23 Revenue Code of 1986 are each amended by in-  
24 serting “(34.39 percent in the case of taxable  
25 years beginning in calendar year 1993)” after  
26 “39.6 percent”.

1 (B) Paragraph (1) of section 55(b) of such  
2 Code is amended by adding at the end the fol-  
3 lowing new subparagraph:

4 “(C) SPECIAL RULES FOR 1993.—In the  
5 case of any taxable year beginning in the cal-  
6 endar year 1993, subparagraph (A)(i) shall be  
7 applied by substituting—

8 “(i) ‘24.79 percent’ for ‘26 percent’ in  
9 subclause (I), and

10 “(ii) ‘25.58 percent’ for ‘28 percent’  
11 in subclause (II).”

12 (C) Section 13201 of the Omnibus Budget  
13 Reconciliation Act of 1993 is amended by strik-  
14 ing subsection (d).

15 (3) EFFECTIVE DATE.—The amendments made  
16 by this subsection shall apply to taxable years begin-  
17 ning after December 31, 1992.

18 (b) ESTATE AND GIFT TAX RATES.—

19 (1) IN GENERAL.—Subsection (c) of section  
20 13208 of the Omnibus Budget Reconciliation Act of  
21 1993 is amended by striking “December 31, 1992”  
22 and inserting “August 10, 1993”.

23 (2) EFFECTIVE DATE.—The amendment made  
24 by this subsection shall take effect as if included in

1 the enactment of the Omnibus Budget Reconciliation  
2 Act of 1993.

3 **SEC. 2. REDUCTION IN ADMINISTRATIVE EXPENSES.**

4 (a) BUDGET OBLIGATIONS.—

5 (1) IN GENERAL.—The amount obligated by all  
6 departments and agencies for expenses during fiscal  
7 years 1994, 1995, and 1996, shall be reduced by an  
8 amount sufficient to result in a reduction of  
9 \$3,000,000,000 in outlays for expenses during each  
10 of the fiscal years 1994, 1995, and 1996. The Direc-  
11 tor of the Office of Management and Budget shall  
12 establish obligation limits for each agency and de-  
13 partment in order to carry out the provisions of this  
14 section.

15 (2) DISCRETIONARY SPENDING LIMITS.—The  
16 discretionary spending limits for fiscal years 1994  
17 through 1998 set forth in section 601(a)(2) of the  
18 Congressional Budget Act of 1974 shall each be re-  
19 duced by \$3,000,000,000 in fiscal year 1994,  
20 \$6,000,000,000 in fiscal year 1995, and  
21 \$9,000,000,000 in each of the fiscal years 1996,  
22 1997, and 1998.

23 (3) NO NEGATION OF GENERAL AUTHORITY OF  
24 DEPARTMENT HEAD WITHOUT SPECIFIC REF-  
25ERENCE.—Notwithstanding any other provision of

1 this Act or any other Act (regardless of its date of  
2 enactment) that purports to direct the head of a de-  
3 partment or agency to obligate an amount for sala-  
4 ries and expenses for the purpose of obtaining a par-  
5 ticular service or good or to prohibit the head of a  
6 department or agency from obligating such an  
7 amount for any particular service or good, that law  
8 shall not be construed to impair or otherwise affect  
9 the duty and the discretion of the head of a depart-  
10 ment or agency to make determinations concerning  
11 which particular services of persons and which par-  
12 ticular goods will be obligated for in the best interest  
13 of performing all of the duties assigned to the de-  
14 partment or agency, unless that provision—

15 (A) makes specific reference to this para-  
16 graph; and

17 (B) states that it is the intent of Congress  
18 in that provision to negate the duty and discre-  
19 tion of the head of that department or agency  
20 so to make such determinations.

21 (b) DEFINITION.—For purposes of this section the  
22 term “expenses” means the object classes identified by the  
23 Office of Management and Budget in Object Classes 21–  
24 26 as follows:

25 (1) 21.0: Travel and Transportation of Persons.

- 1           (2) 22.0: Transportation of Things.
- 2           (3) 23.2: Rental Payments to Others.
- 3           (4) 23.3: Communications, Utilities, and Misc.
- 4           (5) 24.0: Printing and Reproduction.
- 5           (6) 25.1: Consulting Services.
- 6           (7) 25.2: Other Services.
- 7           (8) 26.0: Supplies and Materials.
- 8 Such term shall not include the expenses of the Depart-
- 9 ment of Defense.

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