

Union Calendar No. 5

104TH CONGRESS
1ST SESSION

H. R. 2

[Report No. 104-11, Parts I and II]

To give the President item veto authority over appropriation Acts and targeted tax benefits in revenue Acts.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. CLINGER, Mr. BLUTE, Mr. NEUMANN, and Mr. PARKER (for themselves, Mr. ALLARD, Mr. ARMEY, Mr. BAKER of California, Mr. BUNNING, Mr. BACHUS, Mr. BALLENGER, Mr. BARR, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BILIRAKIS, Mr. BONO, Mr. BRYANT of Tennessee, Mr. BROWNBACK, Mr. BURR, Mr. BURTON of Indiana, Mr. CALVERT, Mr. CALLAHAN, Mr. CAMP, Mr. CANADY, Mr. CASTLE, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. COBURN, Mr. COLLINS of Georgia, Miss COLLINS of Michigan, Mr. COOLEY, Mr. COX, Mr. CRANE, Mr. CRAPO, Mr. CREMEANS, Mr. CUNNINGHAM, Ms. DANNER, Mr. DAVIS, Mr. DOOLITTLE, Mr. DORNAN, Mr. DREIER, Ms. DUNN, Mr. EMERSON, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. EVERETT, Mr. EWING, Mr. FAWELL, Mr. FLANAGAN, Mr. FOLEY, Mr. FORBES, Ms. FOWLER, Mr. FOX, Mr. FRELINGHUYSEN, Mr. FRISA, Mr. GANSKE, Mr. GILLMOR, Mr. GOODLATTE, Mr. GOODLING, Mr. GOSS, Mr. GREENWOOD, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HANCOCK, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEINEMAN, Mr. HERGER, Mr. HILLEARY, Mr. HOBSON, Mr. HOKE, Mr. HOSTETTLER, Mr. HORN, Mr. HOUGHTON, Mr. HUTCHINSON, Mr. INGLIS of South Carolina, Mr. ISTOOK, Mrs. JOHNSON of Connecticut, Mr. JONES, Mr. KIM, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. LAHOOD, Mr. LARGENT, Mr. LATHAM, Mr. LATOURETTE, Mr. LAZIO, Mr. LEWIS of Kentucky, Mr. LIGHTFOOT, Mr. LINDER, Mr. LOBIONDO, Mr. LONGLEY, Mr. MCCOLLUM, Mr. MCHUGH, Mr. MCINTOSH, Mr. MICA, Mr. MILLER of Florida, Ms. MOLINARI, Mrs. MYRICK, Mr. NUSSLE, Mr. OXLEY, Mr. PACKARD, Mr. POMBO, Mr. PORTMAN, Mr. QUILLEN, Mr. QUINN, Mr. RADANOVICH, Mr. ROHRABACHER, Mr. RIGGS, Mr. ROTH, Mr. ROYCE, Mr. SANFORD, Mr. SAXTON, Mr. SCHAEFER, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. SMITH of Michigan, Mr. SMITH

of New Jersey, Mr. SMITH of Texas, Mr. SOLOMON, Mr. STEARNS, Mr. STOCKMAN, Mr. STUMP, Mr. TALENT, Mr. TATE, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. TIAHRT, Mr. UPTON, Mrs. WALDHOLTZ, Mr. WAMP, Mr. WELDON of Florida, Mr. WELDON of Pennsylvania, Mr. WHITFIELD, Mr. WICKER, Mr. WELLER, Mr. ZELIFF, Mr. ZIMMER, Mr. KOLBE, Mr. PAXON, Mr. YOUNG of Florida, Mr. COMBEST, Mr. COBLE, Mr. EHRlich, and Mrs. MEYERS of Kansas) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

JANUARY 27, 1995

Reported from the Committee on Rules with amendments

[Omit the part in black brackets and insert the part printed in boldface roman]

JANUARY 30, 1995

Additional sponsors: Ms. PRYCE, Mr. BAKER of Louisiana, Mr. CHABOT, Mr. CONDIT, Mr. LIVINGSTON, Mr. LUCAS, Mr. MEEHAN, Mr. MOORHEAD, Mr. NETHERCUTT, Mr. NEY, Mr. NORWOOD, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. RAMSTAD, Mrs. SEASTRAND, Mr. SOUDER, Mr. WALKER, and Mr. KLUG

Deleted sponsor: Miss COLLINS of Michigan (added January 4, 1995; deleted January 24, 1995)

JANUARY 30, 1995

Reported from the Committee on Government Reform and Oversight with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To give the President item veto authority over appropriation Acts and targeted tax benefits in revenue Acts.

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 “Line Item Veto Act”.

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

2 (a) IN GENERAL.—Notwithstanding the provisions of
3 part B of title X of The Congressional Budget and Im-
4 poundment Control Act of 1974, and subject to the provi-
5 sions of this section, the President may rescind all or part
6 of any discretionary budget authority or veto any targeted
7 tax benefit which is subject to the terms of this Act if
8 the President—

9 (1) determines that—

10 (A) such rescission or veto would help re-
11 duce the Federal budget deficit;

12 (B) such rescission or veto will not impair
13 any essential Government functions; and

14 (C) such rescission or veto will not harm
15 the national interest; and

16 (2) notifies the Congress of such rescission or
17 veto by a special message not later than ~~twenty cal-~~
18 ~~endar days (not including Saturdays, Sundays, or~~
19 ~~holidays)~~ *ten calendar days (not including Sundays)*
20 after the date of enactment of a ~~regular or supple-~~
21 ~~mental appropriation Act or a joint resolution mak-~~
22 ~~ing continuing appropriations~~ *an appropriation Act*
23 providing such budget authority or a revenue *or rec-*
24 *onciliation* Act containing a targeted tax benefit.

25 (b) *DEFICIT REDUCTION.*—*In each special message,*
26 *the President may also propose to reduce the appropriate*

1 *discretionary spending limit set forth in section 601(a)(2)*
 2 *of the Congressional Budget Act of 1974 by an amount that*
 3 *does not exceed the total amount of discretionary budget au-*
 4 *thority rescinded by that message.*

5 (c) *SEPARATE MESSAGES.*—The President shall sub-
 6 mit a separate ~~rescission~~ *special message* for each appro-
 7 priation Act and for each revenue *or reconciliation Act*
 8 under this paragraph.

9 **SEC. 3. LINE ITEM VETO EFFECTIVE UNLESS DIS-**
 10 **APPROVED.**

11 (a)(1) Any amount of budget authority rescinded
 12 under this Act as set forth in a special message by the
 13 President shall be deemed canceled unless, during the pe-
 14 riod described in subsection (b), a rescission/receipts dis-
 15 approval bill making available all of the amount rescinded
 16 is enacted into law.

17 (2) Any provision of law vetoed under this Act as set
 18 forth in a special message by the President shall be
 19 deemed repealed unless, during the period described in
 20 subsection (b), a rescission/receipts disapproval bill restor-
 21 ing that provision is enacted into law.

22 (b) The period referred to in subsection (a) is—

23 (1) a congressional review period of twenty cal-
 24 endar days of session, *beginning on the first calendar*
 25 *day of session after the date of submission of the spe-*

1 *cial message*, during which Congress must complete
2 action on the rescission/receipts disapproval bill and
3 present such bill to the President for approval or
4 disapproval;

5 (2) after the period provided in paragraph (1),
6 an additional ten days (not including Sundays) dur-
7 ing which the President may exercise his authority
8 to sign or veto the rescission/receipts disapproval
9 bill; and

10 (3) if the President vetoes the rescission/re-
11 cepts disapproval bill during the period provided in
12 paragraph (2), an additional five calendar days of
13 session after the date of the veto.

14 (c) If a special message is transmitted by the Presi-
15 dent under this Act and the last session of the Congress
16 adjourns sine die before the expiration of the period de-
17 scribed in subsection (b), the rescission or veto, as the case
18 may be, shall not take effect. The message shall be deemed
19 to have been retransmitted on the first ~~day~~ *Monday in*
20 *February* of the succeeding Congress and the review period
21 referred to in subsection (b) (with respect to such mes-
22 sage) shall run beginning after such first day.

23 **SEC. 4. DEFINITIONS.**

24 As used in this Act:

1 (1) The term “rescission/receipts disapproval
2 bill” means a bill or joint resolution [which—

3 [(A) only disapproves a rescission of dis-
4 cretionary budget authority, in whole, re-
5 scinded, or

6 [(B) only disapproves a veto of any tar-
7 geted tax benefit,

8 in a special message transmitted by the President
9 under this Act.] **which only disapproves, in**
10 **whole, rescissions of discretionary budg-**
11 **et authority or only disapproves vetoes of**
12 **targeted tax benefits in a special message**
13 **transmitted by the President under this**
14 **Act and—**

15 **(A) which does not have a pre-**
16 **amble;**

17 **(B)(i) in the case of a special mes-**
18 **sage regarding rescissions, the matter**
19 **after the enacting clause of which is**
20 **as follows: “That Congress dis-**
21 **approves each rescission of discre-**
22 **tionary budget authority of the Presi-**
23 **dent as submitted by the President in**
24 **a special message on _____”, the**
25 **blank space being filled in with the**

1 **appropriate date and the public law**
2 **to which the message relates; and**

3 **(ii) in the case of a special mes-**
4 **sage regarding vetoes of targeted tax**
5 **benefits, the matter after the enact-**
6 **ing clause of which is as follows:**

7 **“That Congress disapproves each veto**
8 **of targeted tax benefits of the Presi-**
9 **dent as submitted by the President in**
10 **a special message on _____”, the**
11 **blank space being filled in with the**
12 **appropriate date and the public law**
13 **to which the message relates; and**

14 **(C) the title of which is as follows:**
15 **“A bill disapproving the recommenda-**
16 **tions submitted by the President on**
17 **_____”, the blank space being filled**
18 **in with the date of submission of the**
19 **relevant special message and the pub-**
20 **lic law to which the message relates.**

21 (2) The term “calendar days of session” shall
22 mean only those days on which both Houses of Con-
23 gress are in session.

24 (3) The term “targeted tax benefit” means any
25 provision of a revenue Act which the President de-

1 termines would provide a Federal tax benefit to 5 or
2 fewer taxpayers.

3 (3) The term “targeted tax benefit” means any
4 provision of a revenue or reconciliation Act deter-
5 mined by the President to provide a Federal tax de-
6 duction, credit, exclusion, preference, or other conces-
7 sion to 100 or fewer beneficiaries. Any partnership,
8 limited partnership, trust, or S corporation, and any
9 subsidiary or affiliate of the same parent corporation,
10 shall be deemed and counted as a single beneficiary
11 regardless of the number of partners, limited partners,
12 beneficiaries, shareholders, or affiliated corporate en-
13 tities.

14 (4) The term “appropriation Act” means any
15 general or special appropriation Act, and any Act or
16 joint resolution making supplemental, deficiency, or
17 continuing appropriations.

18 **SEC. 5. CONGRESSIONAL CONSIDERATION OF LINE ITEM**

19 **VETOES.**

20 (a) **PRESIDENTIAL SPECIAL MESSAGE.**—Whenever
21 the President rescinds any budget authority as provided
22 in this Act or vetoes any provision of law as provided in
23 this Act, the President shall transmit to both Houses of
24 Congress a special message specifying—

1 (1) the amount of budget authority rescinded or
2 the provision vetoed;

3 (2) any account, department, or establishment
4 of the Government to which such budget authority
5 is available for obligation, and the specific project or
6 governmental functions involved;

7 (3) the reasons and justifications for the deter-
8 mination to rescind budget authority or veto any
9 provision pursuant to this Act;

10 (4) to the maximum extent practicable, the esti-
11 mated fiscal, economic, and budgetary effect of the
12 rescission or veto; and

13 (5) all actions, circumstances, and consider-
14 ations relating to or bearing upon the rescission or
15 veto and the decision to effect the rescission or veto,
16 and to the maximum extent practicable, the esti-
17 mated effect of the rescission upon the objects, pur-
18 poses, and programs for which the budget authority
19 is provided.

20 (b) TRANSMISSION OF MESSAGES TO HOUSE AND
21 SENATE.—

22 (1) Each special message transmitted under
23 this Act shall be transmitted to the House of Rep-
24 resentatives and the Senate on the same day, and
25 shall be delivered to the Clerk of the House of Rep-

1 representatives if the House is not in session, and to
2 the Secretary of the Senate if the Senate is not in
3 session. Each special message so transmitted shall
4 be referred to the appropriate committees of the
5 House of Representatives and the Senate. Each such
6 message shall be printed as a document of each
7 House.

8 (2) Any special message transmitted under this
9 Act shall be printed in the first issue of the Federal
10 Register published after such transmittal.

11 **[(c) REFERRAL OF RESCISSION/RECEIPTS DIS-**
12 **APPROVAL BILLS.—**Any rescission/receipts disapproval
13 bill introduced with respect to a special message shall be
14 referred to the appropriate committees of the House of
15 Representatives or the Senate, as the case may be.]

16 **(c) INTRODUCTION OF RESCISSION/RECEIPTS**
17 **DISAPPROVAL BILLS.—**The procedures set forth
18 **in subsection (d) shall apply to any rescission/**
19 **receipts disapproval bill introduced in the**
20 **House of Representatives not later than the**
21 **third calendar day of session beginning on**
22 **the day after the date of submission of a spe-**
23 **cial message by the President under section**
24 **3.**

1 **(d) CONSIDERATION IN THE HOUSE OF REP-**
2 **RESENTATIVES.—(1) The committee of the**
3 **House of Representatives to which a rescis-**
4 **sion/receipts disapproval bill is referred shall**
5 **report it without amendment, and with or**
6 **without recommendation, not later than the**
7 **eighth calendar day of session after the date**
8 **of its introduction. If the committee fails to**
9 **report the bill within that period, it is in**
10 **order to move that the House discharge the**
11 **committee from further consideration of the**
12 **bill. A motion to discharge may be made only**
13 **by an individual favoring the bill (but only**
14 **after the legislative day on which a Member**
15 **announces to the House the Member’s inten-**
16 **tion to do so). The motion is highly privileged.**
17 **Debate thereon shall be limited to not more**
18 **than one hour, the time to be divided in the**
19 **House equally between a proponent and an**
20 **opponent. The previous question shall be con-**
21 **sidered as ordered on the motion to its adop-**
22 **tion without intervening motion. A motion to**
23 **reconsider the vote by which the motion is**
24 **agreed to or disagreed to shall not be in order.**

1 **(2) After a rescission/receipts disapproval**
2 **bill is reported or the committee has been dis-**
3 **charged from further consideration, it is in**
4 **order to move that the House resolve into the**
5 **Committee of the Whole House on the State of**
6 **the Union for consideration of the bill. All**
7 **points of order against the bill and against**
8 **consideration of the bill are waived. The mo-**
9 **tion is highly privileged. The previous ques-**
10 **tion shall be considered as ordered on that**
11 **motion through its adoption without inter-**
12 **vening motion. A motion to reconsider the**
13 **vote by which the motion is agreed to or dis-**
14 **agreed to shall not be in order. During consid-**
15 **eration of the bill in the Committee of the**
16 **Whole, the first reading of the bill shall be dis-**
17 **pensated with. General debate shall proceed**
18 **without intervening motion, shall be confined**
19 **to the bill, and shall not exceed two hours**
20 **equally divided and controlled by a pro-**
21 **ponent and an opponent of the bill. After gen-**
22 **eral debate the Committee shall rise and re-**
23 **port the bill to the House. The previous ques-**
24 **tion shall be considered as ordered on the bill**
25 **to final passage without intervening motion.**

1 **A motion to reconsider the vote on passage of**
2 **the bill shall not be in order.**

3 **(3) Appeals from the decisions of the**
4 **Chair relating to the application of the rules**
5 **of the House of Representatives to the proce-**
6 **cedure relating to a bill described in subsection**
7 **(a) shall be decided without debate.**

8 **(4) It shall not be in order to consider**
9 **more than one bill described in subsection (c)**
10 **or more than one motion to discharge de-**
11 **scribed in paragraph (1) with respect to a par-**
12 **ticular special message.**

13 **(5) Consideration of any rescission/re-**
14 **ceipts disapproval bill under this subsection**
15 **is governed by the rules of the House of Rep-**
16 **resentatives except to the extent specifically**
17 **provided by the provisions of this Act.**

18 **[(d)] (e) CONSIDERATION IN THE SENATE.—**

19 (1) Any rescission/receipts disapproval bill re-
20 ceived in the Senate from the House shall be consid-
21 ered in the Senate pursuant to the provisions of this
22 Act.

23 (2) Debate in the Senate on any rescission/re-
24 cepts disapproval bill and debatable motions and ap-
25 peals in connection therewith, shall be limited to not

1 more than ten hours. The time shall be equally di-
2 vided between, and controlled by, the majority leader
3 and the minority leader or their designees.

4 (3) Debate in the Senate on any debatable mo-
5 tions or appeal in connection with such bill shall be
6 limited to one hour, to be equally divided between,
7 and controlled by the mover and the manager of the
8 bill, except that in the event the manager of the bill
9 is in favor of any such motion or appeal, the time
10 in opposition thereto shall be controlled by the mi-
11 nority leader or his designee. Such leaders, or either
12 of them, may, from the time under their control on
13 the passage of the bill, allot additional time to any
14 Senator during the consideration of any debatable
15 motion or appeal.

16 (4) A motion to further limit debate is not de-
17 batable. A motion to recommit (except a motion to
18 recommit with instructions to report back within a
19 specified number of days not to exceed one, not
20 counting any day on which the Senate is not in ses-
21 sion) is not in order.

22 **[(e)] (f) POINTS OF ORDER.—**

23 (1) It shall not be in order in the Senate **[or**
24 **the House of Representatives]** to consider any re-
25 scission/receipts disapproval bill that relates to any

1 matter other than the rescission of budget authority
2 or veto of the provision of law transmitted by the
3 President under this Act.

4 (2) It shall not be in order in the Senate [or
5 the House of Representatives] to consider any
6 amendment to a rescission/receipts disapproval bill.

7 (3) Paragraphs (1) and (2) may be waived or
8 suspended in the Senate only by a vote of three-
9 fifths of the members duly chosen and sworn.

10 **SEC. 6. REPORTS OF THE GENERAL ACCOUNTING OFFICE.**

11 *Beginning on January 6, 1996, and at one-year inter-*
12 *vals thereafter, the Comptroller General shall submit a re-*
13 *port to each House of Congress which provides the following*
14 *information:*

15 (1) *A list of each proposed Presidential rescission*
16 *of discretionary budget authority and veto of a tar-*
17 *geted tax benefit submitted through special messages*
18 *for the fiscal year ending during the preceding cal-*
19 *endar year, together with their dollar value, and an*
20 *indication of whether each rescission of discretionary*
21 *budget authority or veto of a targeted tax benefit was*
22 *accepted or rejected by Congress.*

23 (2) *The total number of proposed Presidential re-*
24 *scissions of discretionary budget authority and vetoes*
25 *of a targeted tax benefit submitted through special*

1 *messages for the fiscal year ending during the preced-*
2 *ing calendar year, together with their total dollar*
3 *value.*

4 (3) *The total number of Presidential rescissions*
5 *of discretionary budget authority or vetoes of a tar-*
6 *geted tax benefit submitted through special messages*
7 *for the fiscal year ending during the preceding cal-*
8 *endar year and approved by Congress, together with*
9 *their total dollar value.*

10 (4) *A list of rescissions of discretionary budget*
11 *authority initiated by Congress for the fiscal year*
12 *ending during the preceding calendar year, together*
13 *with their dollar value, and an indication of whether*
14 *each such rescission was accepted or rejected by Con-*
15 *gress.*

16 (5) *The total number of rescissions of discre-*
17 *tionary budget authority initiated and accepted by*
18 *Congress for the fiscal year ending during the preced-*
19 *ing calendar year, together with their total dollar*
20 *value.*

21 (6) *A summary of the information provided by*
22 *paragraphs (2), (3) and (5) for each of the ten fiscal*
23 *years ending before the fiscal year during this cal-*
24 *endar year.*

Union Calendar No. 5

104TH CONGRESS
1ST SESSION

H. R. 2

[Report No. 104-11, Parts I and II]

A BILL

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JANUARY 30, 1995

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