

In the Senate of the United States,

January 28, 2010.

Resolved, That the resolution from the House of Representatives (H.J. Res. 45) entitled “Joint resolution increasing the statutory limit on the public debt.”, do pass with the following

AMENDMENT:

Strike all after the resolving clause and insert the following:

1 *That subsection (b) of section 3101 of title 31, United States*
2 *Code, is amended by striking out the dollar limitation con-*
3 *tained in such subsection and inserting in lieu thereof*
4 *\$14,294,000,000,000.*

5 ***TITLE I—STATUTORY PAY-AS-***
6 ***YOU-GO ACT OF 2010***

7 ***SEC. 1. SHORT TITLE.***

8 *This title may be cited as the “Statutory Pay-As-You-*
9 *Go Act of 2010”.*

1 **SEC. 2. PURPOSE.**

2 *The purpose of this title is to reestablish a statutory*
3 *procedure to enforce a rule of budget neutrality on new rev-*
4 *enue and direct spending legislation.*

5 **SEC. 3. DEFINITIONS AND APPLICATIONS.**

6 *As used in this title—*

7 (1) *The term “BBEDCA” means the Balanced*
8 *Budget and Emergency Deficit Control Act of 1985.*

9 (2) *The definitions set forth in section 3 of the*
10 *Congressional Budget and Impoundment Control Act*
11 *of 1974 and in section 250 of BBEDCA shall apply*
12 *to this title, except to the extent that they are specifi-*
13 *cally modified as follows:*

14 (A) *The term “outyear” means a fiscal year*
15 *one or more years after the budget year.*

16 (B) *In section 250(c)(8)(C), the reference to*
17 *the food stamp program shall be deemed to be a*
18 *reference to the Supplemental Nutrition Assist-*
19 *ance Program.*

20 (3) *The term “AMT” means the Alternative Min-*
21 *imum Tax for individuals under sections 55–59 of the*
22 *Internal Revenue Code of 1986, the term “EGTRRA”*
23 *means the Economic Growth and Tax Relief Rec-*
24 *onciliation Act of 2001 (Public Law 107–16), and the*
25 *term “JGTRRA” means the Jobs and Growth Tax*

1 *Relief and Reconciliation Act of 2003 (Public Law*
2 *108–27).*

3 (4)(A) *The term “budgetary effects” means the*
4 *amount by which PAYGO legislation changes outlays*
5 *flowing from direct spending or revenues relative to*
6 *the baseline and shall be determined on the basis of*
7 *estimates prepared under section 4. Budgetary effects*
8 *that increase outlays flowing from direct spending or*
9 *decrease revenues are termed “costs” and budgetary*
10 *effects that increase revenues or decrease outlays flow-*
11 *ing from direct spending are termed “savings”. Budg-*
12 *etary effects shall not include any costs associated*
13 *with debt service.*

14 (B) *For purposes of these definitions, off-budget*
15 *effects shall not be counted as budgetary effects.*

16 (C) *Solely for purposes of recording entries on a*
17 *PAYGO scorecard, provisions in appropriation Acts*
18 *are also considered to be budgetary effects for purposes*
19 *of this title if such provisions make outyear modifica-*
20 *tions to substantive law, except that provisions for*
21 *which the outlay effects net to zero over a period con-*
22 *sisting of the current year, the budget year, and the*
23 *4 subsequent years shall not be considered budgetary*
24 *effects. For purposes of this paragraph, the term,*
25 *“modifications to substantive law” refers to changes*

1 *to or restrictions on entitlement law or other manda-*
2 *tory spending contained in appropriations Acts, not-*
3 *withstanding section 250(c)(8) of BBEDCA. Provi-*
4 *sions in appropriations Acts that are neither outyear*
5 *modifications to substantive law nor changes in reve-*
6 *nuces have no budgetary effects for purposes of this*
7 *title.*

8 (5) *The term “debit” refers to the net total*
9 *amount, when positive, by which costs recorded on the*
10 *PAYGO scorecards for a fiscal year exceed savings re-*
11 *corded on those scorecards for that year.*

12 (6) *The term “entitlement law” refers to a sec-*
13 *tion of law which provides entitlement authority.*

14 (7) *The term “PAYGO legislation” or a*
15 *“PAYGO Act” refers to a bill or joint resolution that*
16 *affects direct spending or revenue relative to the base-*
17 *line. The budgetary effects of changes in revenues and*
18 *outyear modifications to substantive law included in*
19 *appropriation Acts as defined in paragraph (4) shall*
20 *be treated as if they were contained in PAYGO legis-*
21 *lation or a PAYGO Act.*

22 (8) *The term “timing shift” refers to a delay of*
23 *the date on which outlays flowing from direct spend-*
24 *ing would otherwise occur from the ninth outyear to*
25 *the tenth outyear or an acceleration of the date on*

1 *which revenues would otherwise occur from the tenth*
 2 *outyear to the ninth outyear.*

3 **SEC. 4. PAYGO ESTIMATES AND PAYGO SCORECARDS.**

4 *(a) PAYGO ESTIMATES.—*

5 *(1) REQUIRED DESIGNATION IN PAYGO ACTS.—*

6 *(A) HOUSE OF REPRESENTATIVES.—To es-*
 7 *tablish the budgetary effects of a PAYGO Act*
 8 *consistent with the determination made by the*
 9 *Chairman of the House Budget Committee, a*
 10 *PAYGO Act originated in or amended by the*
 11 *House of Representatives may include the fol-*
 12 *lowing statement: “The budgetary effects of this*
 13 *Act, for the purpose of complying with the Statu-*
 14 *tory Pay-As-You-Go-Act of 2010, shall be deter-*
 15 *mined by reference to the latest statement titled*
 16 *‘Budgetary Effects of PAYGO Legislation’ for*
 17 *this Act, submitted for printing in the Congres-*
 18 *sional Record by the Chairman of the House*
 19 *Budget Committee, provided that such statement*
 20 *has been submitted prior to the vote on pas-*
 21 *sage.”.*

22 *(B) SENATE.—To establish the budgetary ef-*
 23 *fects of a PAYGO Act consistent with the deter-*
 24 *mination made by the Chairman of the Senate*
 25 *Budget Committee, a PAYGO Act originated in*

1 *or amended by the Senate shall include the fol-*
2 *lowing statement: “The budgetary effects of this*
3 *Act, for the purpose of complying with the Statu-*
4 *tory Pay-As-You-Go-Act of 2010, shall be deter-*
5 *mined by reference to the latest statement titled*
6 *‘Budgetary Effects of PAYGO Legislation’ for*
7 *this Act, submitted for printing in the Congres-*
8 *sional Record by the Chairman of the Senate*
9 *Budget Committee, provided that such statement*
10 *has been submitted prior to the vote on pas-*
11 *sage.”.*

12 (C) CONFERENCE REPORTS AND AMEND-
13 MENTS BETWEEN THE HOUSES.—*To establish the*
14 *budgetary effects of the conference report on a*
15 *PAYGO Act, or an amendment to an amend-*
16 *ment between Houses on a PAYGO Act, which if*
17 *estimated shall be estimated jointly by the Chair-*
18 *men of the House and Senate Budget Commit-*
19 *tees, the conference report or amendment between*
20 *the Houses shall include the following statement:*
21 *“The budgetary effects of this Act, for the pur-*
22 *pose of complying with the Statutory Pay-As-*
23 *You-Go-Act of 2010, shall be determined by ref-*
24 *erence to the latest statement titled ‘Budgetary*
25 *Effects of PAYGO Legislation’ for this Act, joint-*

1 *ly submitted for printing in the Congressional*
 2 *Record by the Chairmen of the House and Sen-*
 3 *ate Budget Committees, provided that such state-*
 4 *ment has been submitted prior to the vote on*
 5 *passage in the House acting first on this con-*
 6 *ference report or amendment between the*
 7 *Houses.”.*

8 (2) *DETERMINATION OF BUDGETARY EFFECTS OF*
 9 *PAYGO ACTS.—*

10 (A) *ORIGINAL LEGISLATION.—*

11 (i) *STATEMENT AND ESTIMATE.—Prior*
 12 *to a vote on passage of a PAYGO Act origi-*
 13 *nated or amended by one House, the Chair-*
 14 *man of the Budget Committee of that House*
 15 *may submit for printing in the Congres-*
 16 *sional Record a statement titled “Budgetary*
 17 *Effects of PAYGO Legislation” which shall*
 18 *include an estimate of the budgetary effects*
 19 *of that Act, if available prior to passage of*
 20 *the Act by that House and shall submit, if*
 21 *applicable, an identification of any current*
 22 *policy adjustments made pursuant to sec-*
 23 *tion 7 of this Act. The timely submission of*
 24 *such a statement, in conjunction with the*
 25 *appropriate designation made pursuant to*

1 *paragraph (1)(A) or (1)(B), as applicable,*
2 *shall establish the budgetary effects of the*
3 *PAYGO Act for the purposes of this Act.*

4 (ii) *EFFECT.—The latest statement*
5 *submitted by the Chairman of the Budget*
6 *Committee of that House prior to passage*
7 *shall supersede any prior statements sub-*
8 *mitted in the Congressional Record and*
9 *shall be valid only if the PAYGO Act is not*
10 *further amended by either House.*

11 (iii) *FAILURE TO SUBMIT ESTIMATE.—*
12 *If—*

13 (I) *the estimate required by clause*
14 (i) *has not been submitted prior to*
15 *passage by that House;*

16 (II) *such estimate has been sub-*
17 *mitted but is no longer valid due to a*
18 *subsequent amendment to the PAYGO*
19 *Act; or*

20 (III) *the designation required*
21 *pursuant to this subsection has not*
22 *been made;*

23 *the budgetary effects of the PAYGO Act*
24 *shall be determined under subsection (d)(3),*
25 *provided that this clause shall not apply if*

1 *a valid designation is subsequently included*
2 *in that PAYGO Act pursuant to paragraph*
3 *(1)(C) and a statement is submitted pursu-*
4 *ant to subparagraph (B).*

5 *(B) CONFERENCE REPORTS AND AMEND-*
6 *MENTS BETWEEN HOUSES.—*

7 *(i) IN GENERAL.—Prior to the adop-*
8 *tion of a report of a committee of conference*
9 *on a PAYGO Act in either House, or dis-*
10 *position of an amendment to an amend-*
11 *ment between Houses on a PAYGO Act, the*
12 *Chairmen of the Budget Committees of the*
13 *House and Senate may jointly submit for*
14 *printing in the Congressional Record a*
15 *statement titled “Budgetary Effects of*
16 *PAYGO Legislation” which shall include an*
17 *estimate of the budgetary effects of that Act*
18 *if available prior to passage of the Act by*
19 *the House acting first on the legislation and*
20 *shall submit, if applicable, an identification*
21 *of any current policy adjustments made*
22 *pursuant to section 7 of this title. The time-*
23 *ly submission of such a statement, in con-*
24 *junction with the appropriate designation*
25 *made pursuant to paragraph (1)(C), shall*

1 *establish the budgetary effects of the PAYGO*
2 *Act for the purposes of this Act.*

3 *(ii) FAILURE TO SUBMIT ESTIMATE.—*

4 *If such estimate has not been submitted*
5 *prior to the adoption of a report of a com-*
6 *mittee of conference by either House, or if*
7 *the designation required pursuant to this*
8 *subsection has not been made, the budgetary*
9 *effects of the PAYGO Act shall be deter-*
10 *mined under subsection (d)(3).*

11 *(3) PROCEDURE IN THE SENATE.—In the Sen-*
12 *ate, upon submission of a statement titled “Budgetary*
13 *Effects of PAYGO Legislation” by the Chairman of*
14 *the Senate Budget Committee for printing in the Con-*
15 *gressional Record, the Legislative Clerk shall read the*
16 *statement.*

17 *(4) JURISDICTION OF THE BUDGET COMMIT-*
18 *TEES.—For the purposes of enforcing section 306 of*
19 *the Congressional Budget Act of 1974, a designation*
20 *made pursuant to paragraph (1)(A), (1)(B), or*
21 *(1)(C), that includes only the language specifically*
22 *prescribed therein, shall not be considered a matter*
23 *within the jurisdiction of either the Senate or House*
24 *Committees on the Budget.*

25 *(b) CBO PAYGO ESTIMATES.—*

1 (1) *IN GENERAL.*—

2 (A) *ESTIMATES.*—Section 308(a) of the
3 Congressional Budget Act of 1974 is amended by
4 adding at the end the following new paragraph:

5 “(3) *CBO PAYGO ESTIMATES.*—

6 “(A) *The Chairs of the Committees on the*
7 *Budget of the House and Senate, as applicable,*
8 *shall request from the Director of the Congres-*
9 *sional Budget Office an estimate of the budg-*
10 *etary effects of PAYGO legislation.*

11 “(B) *Estimates shall be prepared using*
12 *baseline estimates supplied by the Congressional*
13 *Budget Office, consistent with section 257 of the*
14 *Balanced Budget and Emergency Deficit Control*
15 *Act of 1985.*

16 “(C) *The Director shall not count timing*
17 *shifts, as that term is defined at section 3(8) of*
18 *the Statutory Pay-As-You-Go Act of 2010, in es-*
19 *timates of the budgetary effects of PAYGO Legis-*
20 *lation.”.*

21 (B) *SIDEHEADING.*—*The side heading of*
22 *section 308(a) of the Congressional Budget Act of*
23 *1974 is amended by striking “Reports on”.*

1 (2) *GUIDELINES.*—Section 308 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

4 “(d) *Scorekeeping Guidelines.*—Estimates under this section shall be provided in accordance with the scorekeeping guidelines determined under section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985.”.

9 (c) *CURRENT POLICY ADJUSTMENTS FOR CERTAIN LEGISLATION.*—

11 (1) *IN GENERAL.*—For any provision of legislation that meets the criteria in subsection (c), (d), (e) or (f) of section 7, the Chairs of the Committees on the Budget of the House and Senate, as applicable, shall request that CBO adjust the estimate of budgetary effects of that legislation pursuant to paragraph (2) for the purposes of this title. A single piece of legislation may contain provisions that meet criteria in more than one of the subsections referred to in the preceding sentence. CBO shall adjust estimates for legislation designated under subsection (a) and estimated under subsection (b). OMB shall adjust estimates for legislation estimated under subsection (d)(3).

25 (2) *ADJUSTMENTS.*—

1 (A) *ESTIMATES.*—CBO or OMB, as appli-
2 cable, shall exclude from the estimate of budg-
3 etary effects any budgetary effects of a provision
4 that meets the criteria in subsection (c), (d), (e)
5 or (f) of section 7, to the extent that those budg-
6 etary effects, when combined with all other ex-
7 cluded budgetary effects of any other previously
8 designated provisions of enacted legislation
9 under the same subsection of section 7, do not ex-
10 ceed the maximum applicable current policy ad-
11 justment defined under the applicable subsection
12 of section 7 for the applicable 10-year period.

13 (B) *BASELINE.*—Any estimate made pursu-
14 ant to subparagraph (A) shall be prepared using
15 baseline estimates supplied by the Congressional
16 Budget Office, consistent with section 257 of the
17 BBEDCA. CBO estimates of legislation adjusted
18 for current policy shall include a separate pres-
19 entation of costs excluded from the calculation of
20 budgetary effects for the legislation, as well as an
21 updated total of all excluded costs of provisions
22 within subsection (c), (d), or (e) of section 7, as
23 applicable, and in the case of paragraph (1) of
24 section 7(f), within any of the subparagraphs (A)
25 through (L) of such paragraph, as applicable.

1 (3) *LIMITATION ON AVAILABILITY OF EXCESS*
2 *SAVINGS.—*

3 (A) *PROHIBITION ON USE OF EXCESS SAV-*
4 *ING FOR INELIGIBLE POLICIES.—To the extent*
5 *the adjustment for current policy of any provi-*
6 *sion estimated under this subsection exceeds the*
7 *estimated budgetary effects of that provision,*
8 *these excess savings shall not be available to off-*
9 *set the costs of any provisions not otherwise eli-*
10 *gible for a current policy adjustment under sec-*
11 *tion 7, and shall not be counted on the PAYGO*
12 *scorecards established pursuant to subsections*
13 *(d)(4) and (d)(5).*

14 (B) *PROHIBITION ON USE OF EXCESS SAV-*
15 *INGS ACROSS BUDGET AREAS.—For provisions*
16 *eligible for a current policy adjustment under*
17 *subsections (c) through (f) of section 7, to the ex-*
18 *tent the adjustment for current policy of any*
19 *provision exceeds the estimated budgetary effects*
20 *of that same provision, the excess savings shall be*
21 *available only to offset the costs of other provi-*
22 *sions that qualify for a current policy adjust-*
23 *ment in that same subsection. Each paragraph*
24 *in section 7(f)(1) shall be considered a separate*
25 *subsection for purposes of this section.*

1 (4) *FURTHER GUIDANCE ON ESTIMATING BUDG-*
2 *ETARY EFFECTS.—Estimates of budgetary effects*
3 *under this subsection shall be consistent with the*
4 *guidance provided at section 7(h).*

5 (5) *INCLUSION OF STATEMENT.—For PAYGO*
6 *legislation adjusted pursuant to section 7, the Chair-*
7 *man of the House or Senate Budget Committee, as*
8 *applicable, shall include in any statement titled*
9 *“Budgetary Effects of PAYGO Legislation”, submitted*
10 *for that legislation pursuant to section 4, an expla-*
11 *nation of the current policy designation and adjust-*
12 *ments.*

13 (d) *OMB PAYGO SCORECARDS.—*

14 (1) *IN GENERAL.—OMB shall maintain and*
15 *make publicly available a continuously updated docu-*
16 *ment containing two PAYGO scorecards displaying*
17 *the budgetary effects of PAYGO legislation as deter-*
18 *mined under section 308 of the Congressional Budget*
19 *Act of 1974, applying the look-back requirement in*
20 *subsection (e) and the averaging requirement in sub-*
21 *section (f), and a separate addendum displaying the*
22 *estimates of the costs of provisions designated in stat-*
23 *ute as emergency requirements.*

24 (2) *ESTIMATES IN LEGISLATION.—Except as pro-*
25 *vided in paragraph (3), in making the calculations*

1 *for the PAYGO scorecards, OMB shall use the budg-*
2 *etary effects included by reference in the applicable*
3 *legislation pursuant to subsection (a).*

4 (3) *OMB PAYGO ESTIMATES.—If a PAYGO Act*
5 *does not contain a valid reference to its budgetary ef-*
6 *fects consistent with subsection (a), OMB shall esti-*
7 *mate the budgetary effects of that legislation upon its*
8 *enactment. The OMB estimate shall be based on the*
9 *approaches to scorekeeping set forth in section 308 of*
10 *the Congressional Budget Act of 1974, as amended by*
11 *this title, and subsection (g)(4), and shall use the*
12 *same economic and technical assumptions as used in*
13 *the most recent budget submitted by the President*
14 *under section 1105(a) of title 31 of the United States*
15 *Code.*

16 (4) *5-YEAR SCORECARD.—The first scorecard*
17 *shall display the budgetary effects of PAYGO legisla-*
18 *tion in each year over the 5-year period beginning in*
19 *the budget year.*

20 (5) *10-YEAR SCORECARD.—The second scorecard*
21 *shall display the budgetary effects of PAYGO legisla-*
22 *tion in each year over the 10-year period beginning*
23 *in the budget year.*

24 (6) *COMMUNITY LIVING ASSISTANCE SERVICES*
25 *AND SUPPORTS ACT.—Neither scorecard maintained*

1 by OMB pursuant to this subsection shall include net
 2 savings from any provisions of legislation titled
 3 “Community Living Assistance Services and Sup-
 4 ports Act”, which establishes a Federal insurance pro-
 5 gram for long-term care, if such legislation is enacted
 6 into law, or amended, subsequent to the date of enact-
 7 ment of this title.

8 (e) *LOOK-BACK TO CAPTURE CURRENT-YEAR EF-*
 9 *FECTS.*—For purposes of this section, OMB shall treat the
 10 budgetary effects of PAYGO legislation enacted during a
 11 session of Congress that occur during the current year as
 12 though they occurred in the budget year.

13 (f) *AVERAGING USED TO MEASURE COMPLIANCE*
 14 *OVER 5-YEAR AND 10-YEAR PERIODS.*—OMB shall cumu-
 15 late the budgetary effects of a PAYGO Act over the budget
 16 year (which includes any look-back effects under subsection
 17 (e)) and—

18 (1) for purposes of the 5-year scorecard referred
 19 to in subsection (d)(4), the four subsequent outyears,
 20 divide that cumulative total by five, and enter the
 21 quotient in the budget-year column and in each subse-
 22 quent column of the 5-year PAYGO scorecard; and

23 (2) for purposes of the 10-year scorecard referred
 24 to in subsection (d)(5), the nine subsequent outyears,
 25 divide that cumulative total by ten, and enter the

1 *quotient in the budget-year column and in each subse-*
2 *quent column of the 10-year PAYGO scorecard.*

3 *(g) EMERGENCY LEGISLATION.—*

4 *(1) DESIGNATION IN STATUTE.—If a provision of*
5 *direct spending or revenue legislation in a PAYGO*
6 *Act is enacted as an emergency requirement that the*
7 *Congress so designates in statute pursuant to this sec-*
8 *tion, the amounts of new budget authority, outlays,*
9 *and revenue in all fiscal years resulting from that*
10 *provision shall be treated as an emergency require-*
11 *ment for the purposes of this Act.*

12 *(2) DESIGNATION IN THE HOUSE OF REP-*
13 *RESENTATIVES.—If a PAYGO Act includes a provi-*
14 *sion expressly designated as an emergency for the*
15 *purposes of this title, the Chair shall put the question*
16 *of consideration with respect thereto.*

17 *(3) POINT OF ORDER IN THE SENATE.—*

18 *(A) IN GENERAL.—When the Senate is con-*
19 *sidering a PAYGO Act, if a point of order is*
20 *made by a Senator against an emergency des-*
21 *ignation in that measure, that provision making*
22 *such a designation shall be stricken from the*
23 *measure and may not be offered as an amend-*
24 *ment from the floor.*

1 (B) *SUPERMAJORITY WAIVER AND AP-*
 2 *PEALS.—*

3 (i) *WAIVER.—Subparagraph (A) may*
 4 *be waived or suspended in the Senate only*
 5 *by an affirmative vote of three-fifths of the*
 6 *Members, duly chosen and sworn.*

7 (ii) *APPEALS.—Appeals in the Senate*
 8 *from the decisions of the Chair relating to*
 9 *any provision of this subsection shall be*
 10 *limited to 1 hour, to be equally divided be-*
 11 *tween, and controlled by, the appellant and*
 12 *the manager of the bill or joint resolution,*
 13 *as the case may be. An affirmative vote of*
 14 *three-fifths of the Members of the Senate,*
 15 *duly chosen and sworn, shall be required to*
 16 *sustain an appeal of the ruling of the Chair*
 17 *on a point of order raised under this sub-*
 18 *section.*

19 (C) *DEFINITION OF AN EMERGENCY DES-*
 20 *IGNATION.—For purposes of subparagraph (A), a*
 21 *provision shall be considered an emergency des-*
 22 *ignation if it designates any item as an emer-*
 23 *gency requirement pursuant to this subsection.*

24 (D) *FORM OF THE POINT OF ORDER.—A*
 25 *point of order under subparagraph (A) may be*

1 *raised by a Senator as provided in section 313*
2 *(e) of the Congressional Budget Act of 1974.*

3 (E) *CONFERENCE REPORTS.*—*When the*
4 *Senate is considering a conference report on, or*
5 *an amendment between the Houses in relation*
6 *to, a PAYGO Act, upon a point of order being*
7 *made by any Senator pursuant to this section,*
8 *and such point of order being sustained, such*
9 *material contained in such conference report*
10 *shall be deemed stricken, and the Senate shall*
11 *proceed to consider the question of whether the*
12 *Senate shall recede from its amendment and con-*
13 *cur with a further amendment, or concur in the*
14 *House amendment with a further amendment, as*
15 *the case may be, which further amendment shall*
16 *consist of only that portion of the conference re-*
17 *port or House amendment, as the case may be,*
18 *not so stricken. Any such motion in the Senate*
19 *shall be debatable. In any case in which such*
20 *point of order is sustained against a conference*
21 *report (or Senate amendment derived from such*
22 *conference report by operation of this subsection),*
23 *no further amendment shall be in order.*

24 (4) *EFFECT OF DESIGNATION ON SCORING.*—*If a*
25 *provision is designated as an emergency requirement*

1 *under this Act, CBO or OMB, as applicable, shall not*
2 *include the budgetary effects of such a provision in its*
3 *estimate of the budgetary effects of that PAYGO legis-*
4 *lation.*

5 **SEC. 5. ANNUAL REPORT AND SEQUESTRATION ORDER.**

6 *(a) ANNUAL REPORT.—Not later than 14 days (exclud-*
7 *ing weekends and holidays) after Congress adjourns to end*
8 *a session, OMB shall make publicly available and cause to*
9 *be printed in the Federal Register an annual PAYGO re-*
10 *port. The report shall include an up-to-date document con-*
11 *taining the PAYGO scorecards, a description of any current*
12 *policy adjustments made under section 4(c), information*
13 *about emergency legislation (if any) designated under sec-*
14 *tion 4(g), information about any sequestration if required*
15 *by subsection (b), and other data and explanations that en-*
16 *hance public understanding of this title and actions taken*
17 *under it.*

18 *(b) SEQUESTRATION ORDER.—If the annual report*
19 *issued at the end of a session of Congress under subsection*
20 *(a) shows a debit on either PAYGO scorecard for the budget*
21 *year, OMB shall prepare and the President shall issue and*
22 *include in that report a sequestration order that, upon*
23 *issuance, shall reduce budgetary resources of direct spending*
24 *programs by enough to offset that debit as prescribed in*
25 *section 6. If there is a debit on both scorecards, the order*

1 *shall fully offset the larger of the two debits. OMB shall*
2 *transmit the order and the report to the House of Represent-*
3 *atives and the Senate. If the President issues a sequestration*
4 *order, the annual report shall contain, for each budget ac-*
5 *count to be sequestered, estimates of the baseline level of*
6 *budgetary resources subject to sequestration, the amount of*
7 *budgetary resources to be sequestered, and the outlay reduc-*
8 *tions that will occur in the budget year and the subsequent*
9 *fiscal year because of that sequestration.*

10 **SEC. 6. CALCULATING A SEQUESTRATION.**

11 *(a) REDUCING NONEXEMPT BUDGETARY RESOURCES*
12 *BY A UNIFORM PERCENTAGE.—*

13 *(1) IN GENERAL.—OMB shall calculate the uni-*
14 *form percentage by which the budgetary resources of*
15 *nonexempt direct spending programs are to be seques-*
16 *tered such that the outlay savings resulting from that*
17 *sequestration, as calculated under subsection (b), shall*
18 *offset the budget-year debit, if any, on the applicable*
19 *PAYGO scorecard. If the uniform percentage cal-*
20 *culated under the prior sentence exceeds 4 percent, the*
21 *Medicare programs described in section 256(d) of*
22 *BBEDCA shall be reduced by 4 percent and the uni-*
23 *form percentage by which the budgetary resources of*
24 *all other nonexempt direct spending programs are to*
25 *be sequestered shall be increased, as necessary, so that*

1 *the sequestration of Medicare and of all other non-*
2 *exempt direct spending programs together produce the*
3 *required outlay savings.*

4 (2) *PROGRAMS AND ACTIVITIES IN UNIFIED*
5 *BUDGET ONLY.—Subject to the exemptions set forth in*
6 *section 11, OMB shall determine the uniform percent-*
7 *age required under paragraph (1) with respect to pro-*
8 *grams and activities contained in the unified budget*
9 *only.*

10 (b) *OUTLAY SAVINGS.—In determining the amount by*
11 *which a sequestration offsets a budget-year debit, OMB shall*
12 *count—*

13 (1) *the amount by which the sequestration in a*
14 *crop year of crop support payments, pursuant to sec-*
15 *tion 256(j) of BBEDCA, reduces outlays in the budget*
16 *year and the subsequent fiscal year;*

17 (2) *the amount by which the sequestration of*
18 *Medicare payments in the 12-month period following*
19 *the sequestration order, pursuant to section 256(d) of*
20 *BBEDCA, reduces outlays in the budget year and the*
21 *subsequent fiscal year; and*

22 (3) *the amount by which the sequestration in the*
23 *budget year of the budgetary resources of other non-*
24 *exempt mandatory programs reduces outlays in the*
25 *budget year and in the subsequent fiscal year.*

1 **SEC. 7. ADJUSTMENT FOR CURRENT POLICIES.**

2 (a) *PURPOSE.*—*The purpose of this section is to pro-*
3 *vide for adjustments of estimates of budgetary effects of*
4 *PAYGO legislation for legislation affecting 4 areas of the*
5 *budget—*

6 (1) *payments made under section 1848 of the So-*
7 *cial Security Act (referred to in this section as “Pay-*
8 *ment for Physicians’ Services”);*

9 (2) *the Estate and Gift Tax under subtitle B of*
10 *the Internal Revenue Code of 1986;*

11 (3) *the AMT; and*

12 (4) *provisions of EGTRRA or JGTRRA that*
13 *amended the Internal Revenue Code of 1986 (or pro-*
14 *visions in later statutes further amending the amend-*
15 *ments made by EGTRRA or JGTRRA), other than—*

16 (A) *the provisions of those 2 Acts that were*
17 *made permanent by the Pension Protection Act*
18 *of 2006 (Public Law 109–280);*

19 (B) *amendments to the Estate and Gift Tax*
20 *referred to in paragraph (2);*

21 (C) *the AMT referred to in paragraph (3);*

22 *and*

23 (D) *the income tax rates on ordinary in-*
24 *come that apply to individuals with adjusted*
25 *gross incomes greater than \$200,000 for a single*
26 *filer and \$250,000 for joint filers.*

1 (b) *DURATION.*—*This section shall remain in effect*
2 *through December 31, 2011.*

3 (c) *MEDICARE PAYMENTS TO PHYSICIANS.*—

4 (1) *CRITERIA.*—*Legislation that includes provi-*
5 *sions amending or superseding the system for updat-*
6 *ing payments under subsections (d) and (f) of section*
7 *1848 of the Social Security Act shall trigger the cur-*
8 *rent policy adjustment required by this title.*

9 (2) *ADJUSTMENT.*—*The amount of the maximum*
10 *current policy adjustment shall be the difference be-*
11 *tween—*

12 (A) *estimated net outlays attributable to the*
13 *payment rates and related parameters in accord-*
14 *ance with subsections (d) and (f) of section 1848*
15 *of the Social Security Act (as scheduled on De-*
16 *cember 31, 2009, to be in effect); and*

17 (B) *what those net outlays would have been*
18 *if—*

19 (i) *the nominal payment rates and re-*
20 *lated parameters in effect for 2009 had been*
21 *in effect through December 31, 2014, with-*
22 *out change; and*

23 (ii) *thereafter, the nominal payment*
24 *rates and related parameters described in*
25 *subparagraph (A) had applied and the as-*

1 *sumption described in clause (i) had never*
2 *applied.*

3 (3) *LIMITATION.*—*If the provisions in the legisla-*
4 *tion that cause it to meet the criteria in paragraph*
5 *(1) cover a time period that ends before December 31,*
6 *2014, subject to the maximum adjustment provided*
7 *for under paragraph (2), the amount of each current*
8 *policy adjustment made pursuant to this section shall*
9 *be limited to the difference between—*

10 (A) *estimated net outlays attributable to the*
11 *payment rates and related parameters specified*
12 *in that section of the Social Security Act (as*
13 *scheduled on December 31, 2009, to be in effect*
14 *for the period of time covered by the relevant*
15 *provisions of the eligible legislation); and*

16 (B) *what those net outlays would have been*
17 *if the nominal payment rates and related pa-*
18 *rameters in effect for 2009 had been in effect,*
19 *without change, for the same period of time cov-*
20 *ered by the relevant provisions of the eligible leg-*
21 *islation as under subparagraph (A).*

22 (d) *ESTATE AND GIFT TAX.*—

23 (1) *CRITERIA.*—*Legislation that includes provi-*
24 *sions amending the Estate and Gift Tax under sub-*
25 *title B of the Internal Revenue Code of 1986 shall*

1 *trigger the current policy adjustment required by this*
2 *title.*

3 (2) *ADJUSTMENT.*—*The amount of the maximum*
4 *current policy adjustment shall be the difference be-*
5 *tween—*

6 (A) *total revenues projected to be collected*
7 *under the Internal Revenue Code of 1986 (as*
8 *scheduled on December 31, 2009, to be in effect);*
9 *and*

10 (B) *what those revenue collections would*
11 *have been if, on the date of enactment of the leg-*
12 *islation meeting the criteria in paragraph (1),*
13 *estate and gift tax law had instead been amend-*
14 *ed so that the tax rates, nominal exemption*
15 *amounts, and related parameters in effect for tax*
16 *year 2009 had remained in effect through De-*
17 *ember 31, 2011, with nominal exemption*
18 *amounts indexed for inflation after 2009 con-*
19 *sistent with subsection (g).*

20 (3) *LIMITATION.*—*If the provisions in the legisla-*
21 *tion that cause it to meet the criteria in paragraph*
22 *(1) cover a time period that ends before December 31,*
23 *2011, subject to the maximum adjustment provided*
24 *for under paragraph (2), the amount of each current*

1 *policy adjustment made pursuant to this section shall*
2 *be limited to the difference between—*

3 *(A) total revenues projected to be collected*
4 *under the Internal Revenue Code of 1986 (as*
5 *scheduled on December 31, 2009, to be in effect*
6 *for the period of time covered by the relevant*
7 *provisions of the eligible legislation); and*

8 *(B) what those revenues would have been if*
9 *the estate and gift tax law rates, nominal exemp-*
10 *tion amounts, and related parameters in effect*
11 *for 2009, with nominal exemption amounts in-*
12 *dexed for inflation after 2009 consistent with*
13 *subsection (g), had been in effect for the same pe-*
14 *riod of time covered by the relevant provisions of*
15 *the eligible legislation as under subparagraph*
16 *(A).*

17 *(4) DURATION OF POLICY ADJUSTMENT.—Adjust-*
18 *ments made pursuant to this subsection are available*
19 *for policies affecting the estate and gift tax through*
20 *only December 31, 2011. Any adjustments shall in-*
21 *clude budgetary effects in all years from these policy*
22 *changes.*

23 *(e) AMT RELIEF.—*

1 (1) *CRITERIA.*—*Legislation that includes provi-*
2 *sions extending AMT relief shall trigger the current*
3 *policy adjustment required by this title.*

4 (2) *ADJUSTMENT.*—*The amount of the maximum*
5 *current policy adjustment shall be the difference be-*
6 *tween—*

7 (A) *total revenues projected to be collected*
8 *under the Internal Revenue Code of 1986 (as*
9 *scheduled on December 31, 2009, to be in effect);*
10 *and*

11 (B) *what those revenue collections would*
12 *have been if, on the date of enactment of legisla-*
13 *tion meeting the criteria in paragraph (1), AMT*
14 *law had instead been amended by making com-*
15 *mensurate adjustments in the exemption*
16 *amounts for joint and single filers in such a*
17 *manner that the number of taxpayers with AMT*
18 *liability or lost credits that occur as a result of*
19 *the AMT would not be estimated to exceed the*
20 *number of taxpayers affected by the AMT in tax*
21 *year 2008 in any year for which relief is pro-*
22 *vided, through December 31, 2011.*

23 (3) *LIMITATION.*—*If the provisions in the legisla-*
24 *tion that cause it to meet the criteria in paragraph*
25 *(1) cover a time period that ends before December 31,*

1 *2011, subject to the maximum adjustment provided*
2 *for under paragraph (2), the amount of each current*
3 *policy adjustment made pursuant to this section shall*
4 *be limited to the difference between—*

5 *(A) total revenues projected to be collected*
6 *under the Internal Revenue Code of 1986 (as*
7 *scheduled on December 31, 2009, to be in effect*
8 *for the period of time covered by the relevant*
9 *provisions of the eligible legislation); and*

10 *(B) what those revenues would have been if,*
11 *on the date of enactment of legislation meeting*
12 *the criteria in paragraph (1), AMT law had in-*
13 *stead been amended by making commensurate*
14 *adjustments in the exemption amounts for joint*
15 *and single filers in such a manner that the num-*
16 *ber of taxpayers with AMT liability or lost cred-*
17 *its that occur as a result of the AMT would not*
18 *be estimated to exceed the number of AMT tax-*
19 *payers in tax year 2008 for the same period of*
20 *time covered by the relevant provisions of the eli-*
21 *gible legislation as under subparagraph (A).*

22 *(4) DURATION OF POLICY ADJUSTMENT.—Adjust-*
23 *ments made pursuant to this subsection are available*
24 *for policies affecting the AMT through only December*

1 31, 2011. Any adjustments shall include budgetary ef-
2 fects in all years from these policy changes.

3 (f) *PERMANENT EXTENSION OF MIDDLE-CLASS TAX*
4 *CUTS.*—

5 (1) *CRITERIA.*—*Legislation that includes provi-*
6 *sions extending middle-class tax cuts shall trigger the*
7 *current policy adjustment required by this title if*
8 *those provisions extend 1 or more of the following pro-*
9 *visions:*

10 (A) *The 10 percent bracket as in effect for*
11 *tax year 2010, as provided for under section*
12 *101(a) of EGTRRA and any later amendments*
13 *through December 31, 2009.*

14 (B) *The child tax credit as in effect for tax*
15 *year 2010, as provided for under section 201 of*
16 *EGTRRA and any later amendments through*
17 *December 31, 2009.*

18 (C) *Tax benefits for married couples as in*
19 *effect for tax year 2010, as provided for under*
20 *title III of EGTRRA and any later amendments*
21 *through December 31, 2009.*

22 (D) *The adoption credit as in effect in tax*
23 *year 2010, as provided for under section 202 of*
24 *EGTRRA and any later amendments through*
25 *December 31, 2009.*

1 (E) *The dependent care credit as in effect in*
2 *tax year 2010, as provided for under section 204*
3 *of EGTRRA and any later amendments through*
4 *December 31, 2009.*

5 (F) *The employer-provided child care credit*
6 *as in effect in tax year 2010, as provided for*
7 *under section 205 of EGTRRA and any later*
8 *amendments through December 31, 2009.*

9 (G) *The education tax benefits as in effect*
10 *in tax year 2010, as provided for under title IV*
11 *of EGTRRA and any later amendments through*
12 *December 31, 2009.*

13 (H) *The 25 and 28 percent brackets as in*
14 *effect for tax year 2010, as provided for under*
15 *section 101(a) of EGTRRA and any later*
16 *amendments through December 31, 2009.*

17 (I) *The 33 percent bracket as in effect for*
18 *tax year 2010, as provided for under section*
19 *101(a) of EGTRRA and any later amendment*
20 *through December 31, 2009, affecting taxpayers*
21 *with adjusted gross income of \$200,000 or less*
22 *for single filers and \$250,000 or less for joint fil-*
23 *ers in tax year 2010, with these income levels in-*
24 *dexed for inflation in each subsequent year con-*
25 *sistent with subsection (g).*

1 *(J) The rates on income derived from cap-*
2 *ital gains and qualified dividends as in effect for*
3 *tax year 2010, as provided for under sections*
4 *301 and 302 of JGTRRA and any later amend-*
5 *ment through December 31, 2009, affecting tax-*
6 *payers with adjusted gross income of \$200,000 or*
7 *less for single filers and \$250,000 for joint filers*
8 *with these income levels indexed for inflation in*
9 *each subsequent year consistent with subsection*
10 *(g).*

11 *(K) The phaseout of personal exemptions*
12 *and the overall limitation on itemized deductions*
13 *as in effect for tax year 2010, as provided for*
14 *under sections 102 and 103 of EGTRRA of 2001,*
15 *respectively, and any later amendment through*
16 *December 31, 2009, affecting taxpayer with ad-*
17 *justed gross income of \$200,000 or less for single*
18 *filers and \$250,000 for joint filers, with these in-*
19 *come levels indexed for inflation in each subse-*
20 *quent year consistent with subsection (g).*

21 *(L) The increase in the limitations on ex-*
22 *pending depreciable business assets for small*
23 *businesses under section 179(b) of the Internal*
24 *Revenue Code of 1986 as in effect in tax year*
25 *2010, as provided under section 202 of JGTRRA*

1 *and any later amendment through December 31,*
2 *2009.*

3 (2) *ADJUSTMENT.—The amount of the maximum*
4 *current policy adjustment shall be the difference be-*
5 *tween—*

6 (A) *total revenues projected to be collected*
7 *and outlays to be paid under the Internal Rev-*
8 *enue Code of 1986 (as scheduled on December 31,*
9 *2009, to be in effect); and*

10 (B) *what those revenue collections and out-*
11 *lay payments would have been if, on the date of*
12 *enactment of legislation meeting the criteria in*
13 *paragraph (1), the provisions identified in para-*
14 *graph (1) were made permanent.*

15 (3) *LIMITATION.—If the provisions in the legisla-*
16 *tion that cause it to meet the criteria in paragraph*
17 *(1) are not permanent, subject to the maximum ad-*
18 *justment provided for under paragraph (2), the*
19 *amount of each current policy adjustment made pur-*
20 *suant to this section shall be limited to the difference*
21 *between—*

22 (A) *total revenues projected to be collected*
23 *and outlays to be paid under the Internal Rev-*
24 *enue Code of 1986 (as scheduled on December 31,*
25 *2009, to be in effect for the period of time cov-*

1 *ered by the relevant provisions of the eligible leg-*
 2 *islation); and*

3 *(B) what those revenue collections and out-*
 4 *lay payments would have been if, on the date of*
 5 *enactment of legislation meeting the criteria in*
 6 *paragraph (1), the provisions identified in para-*
 7 *graph (1) had been in effect, without change, for*
 8 *the same period of time covered by the relevant*
 9 *provisions of the eligible legislation as under sub-*
 10 *paragraph (A).*

11 *(g) INDEXING FOR INFLATION.—Indexed amounts are*
 12 *assumed to increase in each year by an amount equal to*
 13 *the cost-of-living adjustment determined under section*
 14 *1(f)(3) of the Internal Revenue Code of 1986 for the cal-*
 15 *endar year in which the taxable year begins, determined*
 16 *by substituting “calendar year 2008” for “calendar year*
 17 *1992” in subparagraph (B) of such section.*

18 *(h) GUIDANCE ON ESTIMATES AND CURRENT POLICY*
 19 *ADJUSTMENTS.—*

20 *(1) MIDDLE CLASS TAX CUTS.—For purposes of*
 21 *estimates made pursuant to subsection (f)—*

22 *(A) each of the income tax provisions shall*
 23 *be estimated as though the AMT had remained*
 24 *at current law as scheduled on December 31,*
 25 *2009 to be in effect; and*

1 (B) if more than 1 of the income tax provi-
 2 sions is included in a single piece of legislation,
 3 those provisions shall be estimated in the order
 4 in which they appear.

5 (2) *AMT.*—For purposes of estimates made pur-
 6 suant to subsection (e), changes to the AMT shall be
 7 estimated as if, on the date of enactment of legislation
 8 meeting the criteria in subsection (e)(1), all of the in-
 9 come tax provisions identified in subsection (f)(1)
 10 were made permanent.

11 **SEC. 8. APPLICATION OF BBEDCA.**

12 For purposes of this title—

13 (1) notwithstanding section 275 of BBEDCA, the
 14 provisions of sections 255, 256, 257, and 274 of
 15 BBEDCA, as amended by this title, shall apply to the
 16 provisions of this title;

17 (2) references in sections 255, 256, 257, and 274
 18 to “this part” or “this title” shall be interpreted as
 19 applying to this title;

20 (3) references in sections 255, 256, 257, and 274
 21 of BBEDCA to “section 254” shall be interpreted as
 22 referencing section 5 of this title;

23 (4) the reference in section 256(b) of BBEDCA
 24 to “section 252 or 253” shall be interpreted as ref-
 25 erencing section 5 of this title;

1 (5) *the reference in section 256(d)(1) of*
2 *BBEDCA to “section 252 or 253” shall be interpreted*
3 *as referencing section 6 of this title;*

4 (6) *the reference in section 256(d)(4) of*
5 *BBEDCA to “section 252 or 253” shall be interpreted*
6 *as referencing section 5 of this title;*

7 (7) *section 256(k) of BBEDCA shall apply to a*
8 *sequestration, if any, under this title; and*

9 (8) *references in section 257(e) of BBEDCA to*
10 *“section 251, 252, or 253” shall be interpreted as ref-*
11 *erencing section 4 of this title.*

12 **SEC. 9. TECHNICAL CORRECTIONS.**

13 (a) *Section 250(c)(18) of BBEDCA is amended by*
14 *striking “the expenses the Federal deposit insurance agen-*
15 *cies” and inserting “the expenses of the Federal deposit in-*
16 *surance agencies”.*

17 (b) *Section 256(k)(1) of BBEDCA is amended by strik-*
18 *ing “in paragraph (5)” and inserting “in paragraph (6)”.*

19 **SEC. 10. CONFORMING AMENDMENTS.**

20 (a) *Section 256(a) of BBEDCA is repealed.*

21 (b) *Section 256(b) of BBEDCA is amended by striking*
22 *“origination fees under sections 438(c)(2) and 455(c) of*
23 *that Act shall each be increased by 0.50 percentage point.”*
24 *and inserting in lieu thereof “origination fees under sec-*
25 *tions 438(c)(2) and (6) and 455(c) and loan processing and*

1 *issuance fees under section 428(f)(1)(A)(ii) of that Act shall*
 2 *each be increased by the uniform percentage specified in*
 3 *that sequestration order, and, for student loans originated*
 4 *during the period of the sequestration, special allowance*
 5 *payments under section 438(b) of that Act accruing during*
 6 *the period of the sequestration shall be reduced by the uni-*
 7 *form percentage specified in that sequestration order.”.*

8 *(c) Section 256(c) of BBEDCA is repealed.*

9 *(d) Section 256(d) of BBEDCA is amended—*

10 *(1) by redesignating paragraphs (2), (3), and (4)*
 11 *as paragraphs (3), (5), and (6);*

12 *(2) by amending paragraph (1) to read as fol-*
 13 *lows:*

14 *“(1) CALCULATION OF REDUCTION IN PAYMENT*
 15 *AMOUNTS.—To achieve the total percentage reduction*
 16 *in those programs required by section 252 or 253,*
 17 *subject to paragraph (2), and notwithstanding section*
 18 *710 of the Social Security Act, OMB shall determine,*
 19 *and the applicable Presidential order under section*
 20 *254 shall implement, the percentage reduction that*
 21 *shall apply, with respect to the health insurance pro-*
 22 *grams under title XVIII of the Social Security Act—*

23 *“(A) in the case of parts A and B of such*
 24 *title, to individual payments for services fur-*
 25 *nished during the one-year period beginning on*

1 *the first day of the first month beginning after*
 2 *the date the order is issued (or, if later, the date*
 3 *specified in paragraph (4)); and*

4 “(B) *in the case of parts C and D, to*
 5 *monthly payments under contracts under such*
 6 *parts for the same one-year period;*

7 *such that the reduction made in payments under that*
 8 *order shall achieve the required total percentage re-*
 9 *duction in those payments for that period.”.*

10 (3) *by inserting after paragraph (1) the fol-*
 11 *lowing:*

12 “(2) *UNIFORM REDUCTION RATE; MAXIMUM PER-*
 13 *MISSIBLE REDUCTION.—Reductions in payments for*
 14 *programs and activities under such title XVIII pursu-*
 15 *ant to a sequestration order under section 254 shall*
 16 *be at a uniform rate, which shall not exceed 4 per-*
 17 *cent, across all such programs and activities subject*
 18 *to such order.”;*

19 (4) *by inserting after paragraph (3), as redesign-*
 20 *ated, the following:*

21 “(4) *TIMING OF SUBSEQUENT SEQUESTRATION*
 22 *ORDER.—A sequestration order required by section*
 23 *252 or 253 with respect to programs under such title*
 24 *XVIII shall not take effect until the first month begin-*
 25 *ning after the end of the effective period of any prior*

1 *sequestration order with respect to such programs, as*
2 *determined in accordance with paragraph (1).”;*

3 *(5) in paragraph (6), as redesignated, to read as*
4 *follows:*

5 “(6) *SEQUESTRATION DISREGARDED IN COM-*
6 *PUTING PAYMENT AMOUNTS.—The Secretary of Health*
7 *and Human Services shall not take into account any*
8 *reductions in payment amounts which have been or*
9 *may be effected under this part, for purposes of com-*
10 *puting any adjustments to payment rates under such*
11 *title XVIII, specifically including—*

12 “(A) *the part C growth percentage under*
13 *section 1853(c)(6);*

14 “(B) *the part D annual growth rate under*
15 *section 1860D–2(b)(6); and*

16 “(C) *application of risk corridors to part D*
17 *payment rates under section 1860D–15(e).”;* and

18 *(6) by adding after paragraph (6), as redesi-*
19 *gnated, the following:*

20 “(7) *EXEMPTIONS FROM SEQUESTRATION.—In*
21 *addition to the programs and activities specified in*
22 *section 255, the following shall be exempt from seques-*
23 *tration under this part:*

1 “(A) *PART D LOW-INCOME SUBSIDIES.*—
 2 *Premium and cost-sharing subsidies under sec-*
 3 *tion 1860D–14 of the Social Security Act.*

4 “(B) *PART D CATASTROPHIC SUBSIDY.*—
 5 *Payments under section 1860D–15(b) and*
 6 *(e)(2)(B) of the Social Security Act.*

7 “(C) *QUALIFIED INDIVIDUAL (QI) PRE-*
 8 *MIUMS.*—*Payments to States for coverage of*
 9 *Medicare cost-sharing for certain low-income*
 10 *Medicare beneficiaries under section 1933 of the*
 11 *Social Security Act.”.*

12 **SEC. 11. EXEMPT PROGRAMS AND ACTIVITIES.**

13 (a) *DESIGNATIONS.*—*Section 255 of BBEDCA is*
 14 *amended by redesignating subsection (i) as (j) and striking*
 15 *“1998” and inserting in lieu thereof “2010”.*

16 (b) *SOCIAL SECURITY, VETERANS PROGRAMS, NET IN-*
 17 *TEREST, AND TAX CREDITS.*—*Subsections (a) through (d)*
 18 *of section 255 of BBEDCA are amended to read as follows:*

19 “(a) *SOCIAL SECURITY BENEFITS AND TIER I RAIL-*
 20 *ROAD RETIREMENT BENEFITS.*—*Benefits payable under the*
 21 *old-age, survivors, and disability insurance program estab-*
 22 *lished under title II of the Social Security Act (42 U.S.C.*
 23 *401 et seq.), and benefits payable under section 231b(a),*
 24 *231b(f)(2), 231c(a), and 231c(f) of title 45 United States*

1 Code, shall be exempt from reduction under any order
2 issued under this part.

3 “(b) *VETERANS PROGRAMS.*—The following programs
4 shall be exempt from reduction under any order issued
5 under this part:

6 “All programs administered by the Department
7 of Veterans Affairs.

8 “Special Benefits for Certain World War II Vet-
9 erans (28-0401-0-1-701).

10 “(c) *NET INTEREST.*—No reduction of payments for
11 net interest (all of major functional category 900) shall be
12 made under any order issued under this part.

13 “(d) *REFUNDABLE INCOME TAX CREDITS.*—Payments
14 to individuals made pursuant to provisions of the Internal
15 Revenue Code of 1986 establishing refundable tax credits
16 shall be exempt from reduction under any order issued
17 under this part.”.

18 (c) *OTHER PROGRAMS AND ACTIVITIES, LOW-INCOME*
19 *PROGRAMS, AND ECONOMIC RECOVERY PROGRAMS.*—Sub-
20 sections (g) and (h) of section 255 of BBEDCA are amended
21 to read as follows:

22 “(g) *OTHER PROGRAMS AND ACTIVITIES.*—

23 “(1)(A) The following budget accounts and ac-
24 tivities shall be exempt from reduction under any
25 order issued under this part:

1 *“Activities resulting from private donations,*
2 *bequests, or voluntary contributions to the Gov-*
3 *ernment.*

4 *“Activities financed by voluntary payments*
5 *to the Government for goods or services to be pro-*
6 *vided for such payments.*

7 *“Administration of Territories, Northern*
8 *Mariana Islands Covenant grants (14-0412-0-*
9 *1-808).*

10 *“Advances to the Unemployment Trust*
11 *Fund and Other Funds (16-0327-0-1-600).*

12 *“Black Lung Disability Trust Fund Refi-*
13 *nancing (16-0329-0-1-601).*

14 *“Bonneville Power Administration Fund*
15 *and borrowing authority established pursuant to*
16 *section 13 of Public Law 93-454 (1974), as*
17 *amended (89-4045-0-3-271).*

18 *“Claims, Judgments, and Relief Acts (20-*
19 *1895-0-1-808).*

20 *“Compact of Free Association (14-0415-0-*
21 *1-808).*

22 *“Compensation of the President (11-0209-*
23 *01-1-802).*

24 *“Comptroller of the Currency, Assessment*
25 *Funds (20-8413-0-8-373).*

1 *“Continuing Fund, Southeastern Power Ad-*
2 *ministration (89-5653-0-2-271).*

3 *“Continuing Fund, Southwestern Power*
4 *Administration (89-5649-0-2-271).*

5 *“Dual Benefits Payments Account (60-*
6 *0111-0-1-601).*

7 *“Emergency Fund, Western Area Power Ad-*
8 *ministration (89-5069-0-2-271).*

9 *“Exchange Stabilization Fund (20-4444-0-*
10 *3-155).*

11 *“Farm Credit Administration Operating*
12 *Expenses Fund (78-4131-0-3-351).*

13 *“Farm Credit System Insurance Corpora-*
14 *tion, Farm Credit Insurance Fund (78-4171-0-*
15 *3-351).*

16 *“Federal Deposit Insurance Corporation,*
17 *Deposit Insurance Fund (51-4596-0-4-373).*

18 *“Federal Deposit Insurance Corporation,*
19 *FSLIC Resolution Fund (51-4065-0-3-373).*

20 *“Federal Deposit Insurance Corporation,*
21 *Noninterest Bearing Transaction Account Guar-*
22 *antee (51-4458-0-3-373).*

23 *“Federal Deposit Insurance Corporation,*
24 *Senior Unsecured Debt Guarantee (51-4457-0-*
25 *3-373).*

1 *“Federal Home Loan Mortgage Corporation*
2 *(Freddie Mac).*

3 *“Federal Housing Finance Agency, Admin-*
4 *istrative Expenses (95–5532–0–2–371).*

5 *“Federal National Mortgage Corporation*
6 *(Fannie Mae).*

7 *“Federal Payment to the District of Colum-*
8 *bia Judicial Retirement and Survivors Annuity*
9 *Fund (20–1713–0–1–752).*

10 *“Federal Payment to the District of Colum-*
11 *bia Pension Fund (20–1714–0–1–601).*

12 *“Federal Payments to the Railroad Retire-*
13 *ment Accounts (60–0113–0–1–601).*

14 *“Federal Reserve Bank Reimbursement*
15 *Fund (20–1884–0–1–803).*

16 *“Financial Agent Services (20–1802–0–1–*
17 *803).*

18 *“Foreign Military Sales Trust Fund (11–*
19 *8242–0–7–155).*

20 *“Hazardous Waste Management, Conserva-*
21 *tion Reserve Program (12–4336–0–3–999).*

22 *“Host Nation Support Fund for Relocation*
23 *(97–8337–0–7–051).*

24 *“Internal Revenue Collections for Puerto*
25 *Rico (20–5737–0–2–806).*

1 *“Intragovernmental funds, including those*
2 *from which the outlays are derived primarily*
3 *from resources paid in from other government*
4 *accounts, except to the extent such funds are aug-*
5 *mented by direct appropriations for the fiscal*
6 *year during which an order is in effect.*

7 *“Medical Facilities Guarantee and Loan*
8 *Fund (75–9931–0–3–551).*

9 *“National Credit Union Administration,*
10 *Central Liquidity Facility (25–4470–0–3–373).*

11 *“National Credit Union Administration,*
12 *Corporate Credit Union Share Guarantee Pro-*
13 *gram (25–4476–0–3–376).*

14 *“National Credit Union Administration,*
15 *Credit Union Homeowners Affordability Relief*
16 *Program (25–4473–0–3–371).*

17 *“National Credit Union Administration,*
18 *Credit Union Share Insurance Fund (25–4468–*
19 *0–3–373).*

20 *“National Credit Union Administration,*
21 *Credit Union System Investment Program (25–*
22 *4474–0–3–376).*

23 *“National Credit Union Administration,*
24 *Operating fund (25–4056–0–3–373).*

1 *“National Credit Union Administration,*
2 *Share Insurance Fund Corporate Debt Guar-*
3 *antee Program (25-4469-0-3-376).*

4 *“National Credit Union Administration,*
5 *U.S. Central Federal Credit Union Capital Pro-*
6 *gram (25-4475-0-3-376).*

7 *“Office of Thrift Supervision (20-4108-0-*
8 *3-373).*

9 *“Panama Canal Commission Compensation*
10 *Fund (16-5155-0-2-602).*

11 *“Payment of Vietnam and USS Pueblo*
12 *prisoner-of-war claims within the Salaries and*
13 *Expenses, Foreign Claims Settlement account*
14 *(15-0100-0-1-153).*

15 *“Payment to Civil Service Retirement and*
16 *Disability Fund (24-0200-0-1-805).*

17 *“Payment to Department of Defense Medi-*
18 *care-Eligible Retiree Health Care Fund (97-*
19 *0850-0-1-054).*

20 *“Payment to Judiciary Trust Funds (10-*
21 *0941-0-1-752).*

22 *“Payment to Military Retirement Fund*
23 *(97-0040-0-1-054).*

24 *“Payment to the Foreign Service Retire-*
25 *ment and Disability Fund (19-0540-0-1-153).*

1 *“Payments to Copyright Owners (03–5175–*
2 *0–2–376).*

3 *“Payments to Health Care Trust Funds*
4 *(75–0580–0–1–571).*

5 *“Payment to Radiation Exposure Com-*
6 *ensation Trust Fund (15–0333–0–1–054).*

7 *“Payments to Social Security Trust Funds*
8 *(28–0404–0–1–651).*

9 *“Payments to the United States Territories,*
10 *Fiscal Assistance (14–0418–0–1–806).*

11 *“Payments to trust funds from excise taxes*
12 *or other receipts properly creditable to such trust*
13 *funds.*

14 *“Payments to widows and heirs of deceased*
15 *Members of Congress (00–0215–0–1–801).*

16 *“Postal Service Fund (18–4020–0–3–372).*

17 *“Radiation Exposure Compensation Trust*
18 *Fund (15–8116–0–1–054).*

19 *“Reimbursement to Federal Reserve Banks*
20 *(20–0562–0–1–803).*

21 *“Salaries of Article III judges.*

22 *“Soldiers and Airmen’s Home, payment of*
23 *claims (84–8930–0–7–705).*

1 *“Tennessee Valley Authority Fund, except*
2 *nonpower programs and activities (64-4110-0-*
3 *3-999).*

4 *“Tribal and Indian trust accounts within*
5 *the Department of the Interior which fund prior*
6 *legal obligations of the Government or which are*
7 *established pursuant to Acts of Congress regard-*
8 *ing Federal management of tribal real property*
9 *or other fiduciary responsibilities, including but*
10 *not limited to Tribal Special Fund (14-5265-0-*
11 *2-452), Tribal Trust Fund (14-8030-0-7-452),*
12 *White Earth Settlement (14-2204-0-1-452), and*
13 *Indian Water Rights and Habitat Acquisition*
14 *(14-5505-0-2-303).*

15 *“United Mine Workers of America 1992*
16 *Benefit Plan (95-8260-0-7-551).*

17 *“United Mine Workers of America 1993*
18 *Benefit Plan (95-8535-0-7-551).*

19 *“United Mine Workers of America Com-*
20 *bined Benefit Fund (95-8295-0-7-551).*

21 *“United States Enrichment Corporation*
22 *Fund (95-4054-0-3-271).*

23 *“Universal Service Fund (27-5183-0-2-*
24 *376).*

1 *“Vaccine Injury Compensation (75-0320-*
2 *0-1-551).*

3 *“Vaccine Injury Compensation Program*
4 *Trust Fund (20-8175-0-7-551).*

5 *“(B) The following Federal retirement and dis-*
6 *ability accounts and activities shall be exempt from*
7 *reduction under any order issued under this part:*

8 *“Black Lung Disability Trust Fund (20-*
9 *8144-0-7-601).*

10 *“Central Intelligence Agency Retirement*
11 *and Disability System Fund (56-3400-0-1-*
12 *054).*

13 *“Civil Service Retirement and Disability*
14 *Fund (24-8135-0-7-602).*

15 *“Comptrollers general retirement system*
16 *(05-0107-0-1-801).*

17 *“Contributions to U.S. Park Police annuity*
18 *benefits, Other Permanent Appropriations (14-*
19 *9924-0-2-303).*

20 *“Court of Appeals for Veterans Claims Re-*
21 *irement Fund (95-8290-0-7-705).*

22 *“Department of Defense Medicare-Eligible*
23 *Retiree Health Care Fund (97-5472-0-2-551).*

24 *“District of Columbia Federal Pension*
25 *Fund (20-5511-0-2-601).*

1 *“District of Columbia Judicial Retirement*
2 *and Survivors Annuity Fund (20–8212–0–7–*
3 *602).*

4 *“Energy Employees Occupational Illness*
5 *Compensation Fund (16–1523–0–1–053).*

6 *“Foreign National Employees Separation*
7 *Pay (97–8165–0–7–051).*

8 *“Foreign Service National Defined Con-*
9 *tributions Retirement Fund (19–5497–0–2–602).*

10 *“Foreign Service National Separation Li-*
11 *ability Trust Fund (19–8340–0–7–602).*

12 *“Foreign Service Retirement and Disability*
13 *Fund (19–8186–0–7–602).*

14 *“Government Payment for Annuitants, Em-*
15 *ployees Health Benefits (24–0206–0–1–551).*

16 *“Government Payment for Annuitants, Em-*
17 *ployee Life Insurance (24–0500–0–1–602).*

18 *“Judicial Officers’ Retirement Fund (10–*
19 *8122–0–7–602).*

20 *“Judicial Survivors’ Annuities Fund (10–*
21 *8110–0–7–602).*

22 *“Military Retirement Fund (97–8097–0–7–*
23 *602).*

24 *“National Railroad Retirement Investment*
25 *Trust (60–8118–0–7–601).*

1 *“National Oceanic and Atmospheric Ad-*
2 *ministration retirement (13-1450-0-1-306).*

3 *“Pensions for former Presidents (47-0105-*
4 *0-1-802).*

5 *“Postal Service Retiree Health Benefits*
6 *Fund (24-5391-0-2-551).*

7 *“Public Safety Officer Benefits (15-0403-*
8 *0-1-754).*

9 *“Rail Industry Pension Fund (60-8011-0-*
10 *7-601).*

11 *“Retired Pay, Coast Guard (70-0602-0-1-*
12 *403).*

13 *“Retirement Pay and Medical Benefits for*
14 *Commissioned Officers, Public Health Service*
15 *(75-0379-0-1-551).*

16 *“Special Benefits for Disabled Coal Miners*
17 *(16-0169-0-1-601).*

18 *“Special Benefits, Federal Employees’ Com-*
19 *penetration Act (16-1521-0-1-600).*

20 *“Special Workers Compensation Expenses*
21 *(16-9971-0-7-601).*

22 *“Tax Court Judges Survivors Annuity*
23 *Fund (23-8115-0-7-602).*

24 *“United States Court of Federal Claims*
25 *Judges’ Retirement Fund (10-8124-0-7-602).*

1 *“United States Secret Service, DC Annuity*
2 *(70–0400–0–1–751).*

3 *“Voluntary Separation Incentive Fund (97–*
4 *8335–0–7–051).*

5 *“(2) Prior legal obligations of the Government in*
6 *the following budget accounts and activities shall be*
7 *exempt from any order issued under this part:*

8 *“Biomass Energy Development (20–0114–*
9 *0–1–271).*

10 *“Check Forgery Insurance Fund (20–4109–*
11 *0–3–803).*

12 *“Credit liquidating accounts.*

13 *“Credit reestimates.*

14 *“Employees Life Insurance Fund (24–*
15 *8424–0–8–602).*

16 *“Federal Aviation Insurance Revolving*
17 *Fund (69–4120–0–3–402).*

18 *“Federal Crop Insurance Corporation Fund*
19 *(12–4085–0–3–351).*

20 *“Federal Emergency Management Agency,*
21 *National Flood Insurance Fund (58–4236–0–3–*
22 *453).*

23 *“Geothermal resources development fund*
24 *(89–0206–0–1–271).*

1 “*Low-Rent Public Housing—Loans and*
2 *Other Expenses (86-4098-0-3-604).*

3 “*Maritime Administration, War Risk In-*
4 *surance Revolving Fund (69-4302-0-3-403).*

5 “*Natural Resource Damage Assessment*
6 *Fund (14-1618-0-1-302).*

7 “*Overseas Private Investment Corporation,*
8 *Noncredit Account (71-4184-0-3-151).*

9 “*Pension Benefit Guaranty Corporation*
10 *Fund (16-4204-0-3-601).*

11 “*San Joaquin Restoration Fund (14-5537-*
12 *0-2-301).*

13 “*Servicemembers’ Group Life Insurance*
14 *Fund (36-4009-0-3-701).*

15 “*Terrorism Insurance Program (20-0123-*
16 *0-1-376).*

17 “(h) *LOW-INCOME PROGRAMS.—The following pro-*
18 *grams shall be exempt from reduction under any order*
19 *issued under this part:*

20 “*Academic Competitiveness/Smart Grant Pro-*
21 *gram (91-0205-0-1-502).*

22 “*Child Care Entitlement to States (75-1550-0-*
23 *1-609).*

24 “*Child Enrollment Contingency Fund (75-5551-*
25 *0-2-551).*

1 “*Child Nutrition Programs (with the exception*
2 *of special milk programs) (12-3539-0-1-605).*”

3 “*Children’s Health Insurance Fund (75-0515-0-*
4 *1-551).*”

5 “*Commodity Supplemental Food Program (12-*
6 *3507-0-1-605).*”

7 “*Contingency Fund (75-1522-0-1-609).*”

8 “*Family Support Programs (75-1501-0-1-609).*”

9 “*Federal Pell Grants under section 401 Title IV*
10 *of the Higher Education Act.*”

11 “*Grants to States for Medicaid (75-0512-0-1-*
12 *551).*”

13 “*Payments for Foster Care and Permanency*
14 *(75-1545-0-1-609).*”

15 “*Supplemental Nutrition Assistance Program*
16 *(12-3505-0-1-605).*”

17 “*Supplemental Security Income Program (28-*
18 *0406-0-1-609).*”

19 “*Temporary Assistance for Needy Families (75-*
20 *1552-0-1-609).*”.

21 (d) *ADDITIONAL EXCLUDED PROGRAMS.—Section 255*
22 *of BBEDCA is amended by adding the following after sub-*
23 *section (h):*

1 “(i) *ECONOMIC RECOVERY PROGRAMS.*—*The following*
2 *programs shall be exempt from reduction under any order*
3 *issued under this part:*

4 “*GSE Preferred Stock Purchase Agreements (20–*
5 *0125–0–1–371).*”

6 “*Office of Financial Stability (20–0128–0–1–*
7 *376).*”

8 “*Special Inspector General for the Troubled*
9 *Asset Relief Program (20–0133–0–1–376).*”

10 “(j) *SPLIT TREATMENT PROGRAMS.*—*Each of the fol-*
11 *lowing programs shall be exempt from any order under this*
12 *part to the extent that the budgetary resources of such pro-*
13 *grams are subject to obligation limitations in appropria-*
14 *tions bills:*

15 “*Federal-Aid Highways (69–8083–0–7–401).*”

16 “*Highway Traffic Safety Grants (69–8020–0–7–401).*”

17 “*Operations and Research NHTSA and National*
18 *Driver Register (69–8016–0–7–401).*”

19 “*Motor Carrier Safety Operations and Programs (69–*
20 *8159–0–7–401).*”

21 “*Motor Carrier Safety Grants (69–8158–0–7–401).*”

22 “*Formula and Bus Grants (69–8350–0–7–401).*”

23 “*Grants-In-Aid for Airports (69–8106–0–7–402).*”

1 **SEC. 12. DETERMINATIONS AND POINTS OF ORDER.**

2 *Nothing in this title shall be construed as limiting the*
 3 *authority of the chairmen of the Committees on the Budget*
 4 *of the House and Senate under section 312 of the Congres-*
 5 *sional Budget Act of 1974. CBO may consult with the*
 6 *Chairmen of the House and Senate Budget Committees to*
 7 *resolve any ambiguities in this title.*

8 **SEC. 13. LIMITATION ON CHANGES TO THE SOCIAL SECU-**
 9 **RITY ACT.**

10 (a) *LIMITATION ON CHANGES TO THE SOCIAL SECU-*
 11 *RITY ACT.—Notwithstanding any other provision of law, it*
 12 *shall not be in order in the Senate or the House of Rep-*
 13 *resentatives to consider any bill or resolution pursuant to*
 14 *any expedited procedure to consider the recommendations*
 15 *of a Task Force for Responsible Fiscal Action or other com-*
 16 *mission that contains recommendations with respect to the*
 17 *old-age, survivors, and disability insurance program estab-*
 18 *lished under title II of the Social Security Act, or the taxes*
 19 *received under subchapter A of chapter 9; the taxes imposed*
 20 *by subchapter E of chapter 1; and the taxes collected under*
 21 *section 86 of part II of subchapter B of chapter 1 of the*
 22 *Internal Revenue Code.*

23 (b) *WAIVER.—This section may be waived or sus-*
 24 *pending in the Senate only by the affirmative vote of three-*
 25 *fifths of the Members, duly chosen and sworn.*

1 (c) *APPEALS*.—An affirmative vote of three-fifths of the
 2 *Members of the Senate, duly chosen and sworn, shall be re-*
 3 *quired in the Senate to sustain an appeal of the ruling of*
 4 *the Chair on a point of order raised under this section.*

5 ***TITLE II—ELIMINATION OF DU-***
 6 ***PLICATIVE AND WASTEFUL***
 7 ***SPENDING***

8 ***SEC. 21. IDENTIFICATION, CONSOLIDATION, AND ELIMI-***
 9 ***NATION OF DUPLICATIVE GOVERNMENT PRO-***
 10 ***GRAMS.***

11 *The Comptroller General of the Government Account-*
 12 *ability Office shall conduct routine investigations to iden-*
 13 *tify programs, agencies, offices, and initiatives with dupli-*
 14 *cative goals and activities within Departments and govern-*
 15 *mentwide and report annually to Congress on the findings,*
 16 *including the cost of such duplication and with rec-*
 17 *ommendations for consolidation and elimination to reduce*
 18 *duplication identifying specific rescissions.*

Attest:

Secretary.

11TH CONGRESS
2^D SESSION

H. J. RES. 45

AMENDMENT