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113TH CONGRESS
1ST SESSION

H. R. 1202

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2013

Mr. AUSTIN SCOTT of Georgia (for himself, Mr. DUNCAN of South Carolina, and Mr. WESTMORELAND) introduced the following bill; which was referred to the Committee on the Budget, 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

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A BILL

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''One Percent Spending Reduction Act of 2013''.

SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The fiscal crisis faced by the Federal Government demands immediate action.

(2) The dramatic growth in spending and debt in recent years threatens our economic and national security:

(A) Federal spending has grown from 18 percent of GDP in 2001 to nearly 23 percent of GDP in 2012.

(B) Total Federal debt exceeds $16,000,000,000,000 and is projected to increase each year over the next 10 years.

(C) Without action, the Federal Government will continue to run massive deficits in the next decade and total Federal debt will rise to $26,000,000,000,000 by 2023.

(D) Interest payments on this debt will soon rise to the point where balancing the budget as a matter of policy is beyond the reach of Congress.

(3) Due to recent tax hikes, Federal revenues are scheduled to rise to approximately 19 percent of GDP, a full percentage point above the average of about 18 percent of GDP over the past 40 years.

(4) Absent reform, the growth of Social Security, Medicare, Medicaid, and other health-related

spending will overwhelm all other Federal programs and consume all projected tax revenues.

(b) PURPOSE.—The purpose of this Act is to address the fiscal crisis by—

(1) acting quickly to balance the Federal budget and eliminate the parade of deficits and ballooning interest payments;

(2) achieving balance by reducing spending one percent per year until spending equals projected long-term revenues; and

(3) reforming entitlement programs to ensure long-term fiscal stability and balance.

SEC. 3. ESTABLISHMENT AND ENFORCEMENT OF SPENDING CAP.

(a) OUTLAY CAPS.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after section 253 the following:

"SEC. 253A. ESTABLISHING OUTLAY CAPS.

''In this section, the term 'outlay cap' means:

''(a) FISCAL YEAR 2014.—For fiscal year 2014, the aggregate projected outlays (less interest payments) for fiscal year 2013 (as estimated by the Congressional Budget Office prior to March, 2013), less one percent.

''(b) FISCAL YEAR 2015.—For fiscal year 2015, the aggregate projected outlays (less interest payments) for

fiscal year 2014 (as estimated by the Congressional Budget Office prior to March, 2014), less one percent.

"(c) FISCAL YEAR 2016.—For fiscal year 2016, the aggregate projected outlays (less interest payments) for fiscal year 2015 (as estimated by the Congressional Budget Office prior to March, 2015), less one percent.

"(d) FISCAL YEAR 2017.—For fiscal year 2017, the aggregate projected outlays (less interest payments) for fiscal year 2016 (as estimated by the Congressional Budget Office prior to March, 2016), less one percent.

"(e) FISCAL YEAR 2018.—For fiscal year 2018, the aggregate projected outlays (less interest payments) for fiscal year 2017 (as estimated by the Congressional Budget Office prior to March, 2017), less one percent.

"(f) FISCAL YEAR 2019 AND SUBSEQUENT FISCAL YEARS.—For fiscal year 2019 and for each subsequent fiscal year, 18 percent of Gross Domestic Product for that calendar year (as estimated by the Congressional Budget Office prior to March of the previous fiscal year).".

(b) CONFORMING AMENDMENTS TO BBEDCA.—

(1) SEQUESTRATION PREVIEW REPORTS.—Section 254(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) OUTLAY CAP SEQUESTRATION REPORTS.—The preview reports shall set forth for the budget year estimates for the following:

"(A)(i) For each of budget years 2014 through 2019: the aggregate projected outlays (less net interest payment), less one percent.

"(ii) For budget year 2020 and each subsequent budget year: the estimated gross domestic product (GDP) for that budget year.

"(B) The amount of reductions required under section 253A.

"(C) The sequestration percentage necessary to achieve the required reduction under section 253A.".

(2) FINAL SEQUESTRATION REPORTS.—Section 254(f)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(3) OUTLAY CAPS SEQUESTRATION REPORTS.—The final reports shall contain all the information required in the outlay cap sequestration preview reports. In addition, these report shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and resulting outlays and the

amount of budgetary sources to be sequestered and result in outlay reductions. The report shall also contain estimates of the effects on outlays on the sequestration of each outyear for direct spending programs.''.

(c) ENFORCEMENT.—Title III of the Congressional Budget Act of 1974 is amended by adding after section 315 the following:

''SEC. 316. ENFORCEMENT PROCEDURES.

''(a) OUTLAY CAPS.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that includes any provision that would cause the most recently reported, current outlay cap set forth in section 253A of the Balanced Budget and Emergency Deficit Control Act of 1985 to be breached.

''(b) WAIVER OR SUSPENSION.—

''(1) IN THE SENATE.—The provisions of this section may be waived or suspended in the Senate only by the affirmative vote of two-thirds of the Members, duly chosen and sworn.

''(2) IN THE HOUSE.—The provisions of this section may be waived or suspended in the House of Representatives only by a rule or order proposing only to waive such provisions by an affirmative vote

of two-thirds of the Members, duly chosen and sworn.

"(c) POINT OF ORDER PROTECTION.—In the House, it shall not be in order to consider a rule or order that waives the application of paragraph (2) of subsection (b).

"(d) MOTION TO SUSPEND.—It shall not be in order for the Speaker to entertain a motion to suspend the application of this section under clause 1 of rule XV.".

SEC. 4. CONFORMING AMENDMENTS.

The table of contents set forth in—

(1) section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

"Sec. 316. Enforcement procedures.";

and

(2) section 250(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by inserting after the item relating to section 253 the following new item:

"Sec. 253A. Establishing outlay caps.".

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by it shall apply to fiscal year 2014 and subsequent fiscal years, including

1 any reports and calculations required for implementation
2 in fiscal year 2014.

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