

Consensus Balanced Budget Amendment

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Presidential Requirement to Submit a Balanced Budget

Prior to each fiscal year, the President must transmit to Congress a balanced budget that limits outlays to 18 percent of GDP.

Requirement to Pass a Balanced Budget

With the following limited exceptions, Congress must pass a balanced budget.

- Requires 2/3 of both Houses for a specific deficit for a fiscal year.
- Requires a majority of Congress for a specific deficit for a fiscal year during a declared war.
- Requires 3/5 of Congress for a specific deficit for a fiscal year during a military conflict declared to be “an imminent and serious military threat to national security” and the deficit must be limited to “outlays...made necessary by the identified conflict.”

18 Percent Spending Cap

With the following limited exceptions, Congress must limit outlays to 18 percent of GDP.

- Requires 2/3 of both Houses for a specific excess above 18 percent for a fiscal year.
- Requires a majority of Congress for a specific excess above 18 percent for a fiscal year during a declared war.
- Requires 3/5 of Congress for a specific excess above 18 percent for a fiscal year during a military conflict declared to be “an imminent and serious military threat to national security” and the excess be limited to “outlays...made necessary by the identified conflict.”

Supermajority for Tax Increases

Establishes a new supermajority requirement for net tax and rate increases.

- Requires 2/3 of both Houses for any bill “that imposes a new tax or increases the statutory rate of any tax or the aggregate amount of revenue.”
 - Excludes increases in revenue resulting from tax cuts.

Supermajority to Raise the Debt Limit

Establishes new supermajority requirement for an increase in the debt limit.

- Requires 3/5 of both Houses to increase the debt limit.
- Requires a majority of Congress for a fiscal year during a declared war.

Congressional Enforcement and Use of Estimates

- Provides for congressional enforcement and the use of estimates.

Limits on Courts

- Prohibits courts from ordering revenue increases to enforce.

Effective Date

- Becomes effective the fifth fiscal year after ratification.