Business Cycle Balanced Budget Amendment, H.J.Res.73

Rep. Justin Amash

Resolution Text	Plain English
SECTION 1. Total outlays for a year shall not exceed the average annual revenue collected in the three prior years, adjusted in proportion to changes in population and inflation. Total outlays shall include all outlays of the United States except those for payment of debt, and revenue shall include all revenue of the United States except that derived from borrowing.	**Spending = average of prior year revenues** (average revenue of previous three, adjusted for population changes and inflation) "Outlays" includes everything but debt reduction. "Revenue" does not include borrowing.
SECTION 2. Three-fourths of the whole number of each House of Congress may by roll call vote declare an emergency and provide by law for specific outlays in excess of the limit in section 1. The declaration shall specify reasons for the emergency designation and shall limit the period in which outlays may exceed the limit in section 1 to no longer than one year.	Emergency outlays beyond the spending limit 1) Require three-fourths support 2) Require detailed emergency declaration 3) Only lasts one year at a time
SECTION 3. All revenue in excess of outlays shall reduce the debt of the United States. Upon the retirement of such debt, revenue in excess of outlays shall be held by the Treasury to be used as specified in section 2.	Surpluses pay off the debt. When the debt is gone, surpluses go into a "rainy day" fund for emergencies.
SECTION 4. The Congress shall have power to enforce and implement this article by appropriate legislation.	Reasonable implementing legislation is authorized.
SECTION 5. This article shall take effect in the first year beginning at least 90 days following ratification, except that outlays shall not surpass the sum of the limit described in section 1 and the following portion of the prior year's outlays exceeding that limit (excepting emergency outlays as provided for in section 2): nine-tenths in the first year, eight-ninths in the second, seven-eighths in the third, six-sevenths in the fourth, five-sixths in the fifth, four-fifths in the sixth, three-fourths in the seventh, two-thirds in the eighth, one-half in the ninth, and the limit shall bind in the tenth year and thereafter.	Gradual ten-year transition. Begins the year (fiscal or calendar) starting 90 days after ratification: provides time for implementing legislation drafting & deliberation on policy changes. Initial gap between ratification year spending and limit reduced at least 1/10th each year. Faster convergence allowed; progress locked in. Emergency spending doesn't affect baseline.

Staff contact: Kurt Couchman (LA), 5-3831, kurt.couchman@mail.house.gov