



S.O.S.: STOP OVER-SPENDING ACT OF 2007



SPENDING RESTRAINT - DEFICIT REDUCTION - BUDGET ENFORCEMENT - FISCAL RESPONSIBILITY

A Second Look at Wasteful Spending (Line-Item Veto Authority)

The Second Look at Wasteful Spending provision gives the President the opportunity to veto wasteful spending - including discretionary spending and new mandatory spending - and targeted tax benefits, and use all savings for deficit reduction. Congress must consider the President's requested rescission package under a "fast-track" procedure.

This provision, a stronger version than President Bush's proposal in the 109th Congress (S. 2381), is not as far-reaching as what the Republican Congress provided President Clinton in 1996, which had cancellations go into effect automatically. A Second Look at Wasteful Spending requires Congressional affirmation for any rescission package proposed by the President.

Highlights of the proposal are as follows:

- Rescission savings must be used for deficit reduction.
- Rescissions may include any discretionary funding or any *new* mandatory spending.
- Rescissions may include specific tax provisions, generally those targeted to benefit a small number of beneficiaries.
- President may only submit four rescission packages a year (once with the submissions of the President's Budget and three other times within 30 days of enactment legislation.)
- Upon submission of the President's rescission package, if a Member of Congress introduces the President's package, the matter will be considered on the floor of the respective Member's House within eight days of the President's submission.
- Allows any senator to offer a motion to strike any rescission proposal of an amount of discretionary budget authority, an item of direct spending or a targeted tax benefit that has the support of 11 other senators.
- Both the House and Senate must pass the President's rescission before the rescission can be signed into law.

- From the time Congress receives the President's rescission package, the President is permitted to suspend funds for his recommended rescission only for 45 days. If Congress rejects his rescission prior to the expiration of the 45 days, the President may release the funds earlier.
- The authority to rescind spending or certain tax items would apply to any discretionary or mandatory spending bill or tax bill introduced on or after the date of the authority's enactment.
- The authority expires in four years. *Note: This is to allow Congress to reevaluate the merits of rescission authority after two Presidents (President Bush and his successor) have had the opportunity to utilize it.*