

# Balanced Budget Amendment—118th Congress

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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 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.