

# Balanced Budget Amendments

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## Related Authors

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- [Megan S. Lynch](#)
  - [James V. Saturno](#)
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Megan S. Lynch, Specialist on Congress and the Legislative Process ([mlynch@crs.loc.gov](mailto:mlynch@crs.loc.gov), 7-7853)

James V. Saturno, Specialist on Congress and the Legislative Process ([jsaturno@crs.loc.gov](mailto:jsaturno@crs.loc.gov), 7-2381)

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A balanced budget amendment (BBA) proposes to amend the U.S. Constitution to require that "outlays shall not exceed revenues." Constitutional amendments require a two-thirds vote of approval in both houses of Congress as well as ratification by three-fourths of the states.

## Common Components of BBAs

Proposed BBAs have historically included additional provisions that may be as contentious as the requirement that outlays not exceed revenues. Such provisions are summarized below.

- **Supermajority vote threshold for permitting outlays to exceed receipts.** These provisions typically require a supermajority vote in each chamber on legislation providing for any excess of outlays over receipts. They have varied by the proportion of Members required to agree to such an excess, with some proposals requiring three-fifths and others requiring two-thirds of each chamber.
- **Supermajority vote threshold for debt limit increase.** These provisions typically state that the debt held by the public shall not be increased unless each chamber shall provide for such an increase by roll call vote. They vary by the proportion of Members required to agree to such an increase, with some proposals requiring three-fifths and others requiring two-thirds or three-fourths of each chamber. (It should be noted that debt held

by the public, which is referenced in these provisions, is only a portion of the debt currently subject to limit. The debt currently subject to limit consists of debt held by the public as well as intergovernmental debt, such as that held by Social Security.)

- **Vote threshold for revenue increase.** These provisions typically state that any measure to increase revenue shall become law only if approved by each chamber by roll call vote. They vary by the proportion of Members required to agree to such an increase, with proposals requiring a majority of the whole membership or three-fifths or two-thirds of each chamber.
- **Requirement that the President's budget submission be balanced.** These provisions state that the President shall submit to Congress a proposed budget in which outlays do not exceed total receipts. Further, such proposals often include additional budgetary limits or requirements (e.g., spending limited to a specified percentage of gross domestic product) and require that the President shall submit to Congress a proposed budget consistent with such budgetary limits.
- **Waiver for war, emergency, or low economic growth.** These provisions typically allow that requirements stated in the amendment will not apply in certain circumstances. Sometimes the provisions require Congress to expressly vote to waive the requirements, and the provisions may include a vote threshold for such a vote. Waivers are often included for years in which the United States is engaged in war, sometimes requiring that a declaration of war be in effect. Waivers have also been included for any year in which a declaration of emergency is enacted or for years in which the economy of the United States grows by less than a specified rate or unemployment is higher than a certain percentage.

#### Recent Congressional Consideration of BBAs

While congressional committees have held hearings on BBAs in the past few Congresses, the House and Senate have not voted on a BBA since 2011. In the 112<sup>th</sup> Congress, the Budget Control Act of 2011 ([P.L. 112-25](#)) included a requirement that the House and Senate vote on passage of a BBA between September 20, 2011, and December 31, 2011.

On November 18, 2011, the House considered [H.J.Res. 2](#) (introduced by Representative Goodlatte), which proposed an amendment that would require three-fifths of each chamber to agree to increase the debt limit or to allow outlays to exceed receipts. The bill also included a waiver for war. By a vote of 260-165, the bill failed to achieve the two-thirds vote required for passage. On December 14, 2011, the Senate voted on two proposed BBAs, both of which failed to achieve a simple majority. The first, [S.J.Res. 10](#) (introduced by Senator Hatch), would have required three-fifths of each chamber to agree to increase the debt limit. The measure would also have required two-thirds of each chamber to agree to increases in revenue, to allow outlays to exceed 18% of the "economic output" of the United States, or to allow outlays in excess of receipts. The bill included a waiver for war. The Senate rejected [S.J.Res. 10](#) by a vote of 47 to 53.

The second proposed BBA, [S.J.Res. 24](#) (introduced by Senator Udall), would have required three-fifths of each chamber to allow outlays in excess of receipts but included no such requirements on debt limit or revenue increases. The measure included a provision excluding all receipts and outlays related to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for the purposes of the constitutional amendment

and stated that no court of the United States or any state shall enforce the article by ordering any reduction in Social Security benefits. In addition, the measure would have prohibited Congress from providing a net reduction in income taxes for those individuals with annual incomes over \$1 million if the measure's enactment would result in a deficit in the years affected by the bill. The bill also included a waiver for war. The Senate rejected [S.J.Res. 24](#) by a vote of 21 to 79.

Prior to the 112<sup>th</sup> Congress, the most recent floor consideration of a BBA was in the 105<sup>th</sup> Congress, when the Senate considered [S.J.Res. 1](#) (introduced by Senator Hatch), which required three-fifths of each chamber to agree to increase the debt limit or to allow outlays to exceed receipts. It included a waiver for war. On March 4, 1997, the Senate failed to achieve the necessary two-thirds vote (66-34).

Prior to the 112<sup>th</sup> Congress, the last time the House considered a BBA on the floor was during the 104<sup>th</sup> Congress, when the House considered [H.J.Res. 1](#) (introduced by Representative Joe Barton). The bill required three-fifths of each chamber to agree to increase the debt limit or to allow outlays to exceed receipts, and it included a waiver for war. On January 26, 1995, the House passed [H.J.Res. 1](#) with the necessary two-thirds majority by a vote of 300-132, making it the first proposed BBA to be approved by the House. The Senate considered [H.J.Res. 1](#) on January 27, 1995, and continued consideration through February. On March 2, the Senate failed to achieve the two-thirds vote necessary (65-35). A motion to reconsider the vote was entered, and [H.J.Res. 1](#) was voted on a second time on June 6, 1996, when it again failed to achieve the necessary two-thirds margin (64-35).