

FISCAL RESPONSIBILITY ACT

(For introduction as a separate act or inclusion in a Budget resolution)

An Act to provide for automatic surtax adjustments to all income-based taxes, subject to Congressional override, when Congressionally approved appropriations and entitlements for a prior Fiscal Year exceed Federal revenue.

Whereas Article 1 Section 8 of the United States Constitution directs that “The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises to pay the Debts and provide Defense and general Welfare of the United States...”

Whereas the Congress has the ability to determine for each fiscal period the appropriate level of federal expenditures and the level of tax revenue necessary to pay for those expenditures, and should have the responsibility to not incumber future Congresses and future taxpayers with debt for current programs, other than in times of economic emergency.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

Title I

Section 11000. SHORT TITLE

- (a) AMENDMENT OF 1986 CODE. – Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment or repeal of, a section or provision, the reference shall be considered to be made to a section of the Internal Revenue Code of 1986.

SEC. 11001 Surtax Adjustment of Income Tax to Correct Prior Year Budget Deficit

- (a) IN GENERAL. – Section 1 is amended by adding at the end the following new subsection:

(k) Deficit Correction Income Tax Surtax

(1) Budget Deficit Determination –

Within 120 days after the end of each Federal fiscal year, the Congressional Budget Office shall send to the Congress, an Annual Budget Reconciliation Report listing the estimated amount of all federal expenditures and all estimated Federal revenue for the preceding fiscal year. If the expenditures exceeded the revenue, the report shall specify the amount of any prior year’s deficit which will be collected as a surtax under this Act on the following years statutory base tax rates.

(2) Surtax Rate Determination-

Within 30 days after a determination that a revenue deficit existed for the prior fiscal year, the Congressional Budget Office shall send to the Congress a determination of the uniform percentage of surtax, rounded to the nearest one tenth of one percent, on all categories of income tax payers, including Corporations; Individuals; Heads of Households; married individuals filing jointly; married individuals filing separate returns; estates; and trusts, that would be needed to collect the amount of the prior fiscal year's deficit based on the total prior fiscal year's income tax revenue.

(3) Congressional Review and Revision Period-

Ninety days after the Congress receives notice of an automatic surtax percentage, the surtax rate adjustment shall be added by law, to the total tax due from all income tax payers, unless the Congress approves by a two-thirds majority vote of both the House and Senate a "Declaration of Economic Emergency Requiring Deficit Financing" to rescind or reduce the percentage of the surtax adjustment for the following calendar year.