

118TH CONGRESS  
1ST SESSION

# H. R. 260

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 2023

Mr. GOOD of Virginia (for himself, Mr. PERRY, and Mr. MOORE of Alabama) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prevent a fiscal crisis by enacting legislation to balance the Federal budget through reductions of discretionary and mandatory spending, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nickel Plan Act”.

1 **SEC. 2. ESTABLISHMENT AND ENFORCEMENT OF SPEND-**  
2 **ING CAPS.**

3 (a) **OUTLAY CAPS.**—The Balanced Budget and  
4 Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et  
5 seq.) is amended by inserting after section 253 the fol-  
6 lowing:

7 **“SEC. 253A. ESTABLISHING OUTLAY CAPS.**

8 “(a) **OUTLAY CAPS.**—In this section, the term ‘outlay  
9 cap’ means:

10 “(1) **FISCAL YEAR 2024.**—For fiscal year 2024,  
11 total outlays (less net interest payments) shall be  
12 not more than \$5,952,871,000,000, less 5 percent.

13 “(2) **FISCAL YEAR 2025.**—For fiscal year 2025,  
14 total outlays (less net interest payments) shall be  
15 not more than the amount computed under para-  
16 graph (1), less 5 percent.

17 “(3) **FISCAL YEAR 2026.**—For fiscal year 2026,  
18 total outlays (less net interest payments) shall be  
19 not more than the amount computed under para-  
20 graph (2), less 5 percent.

21 “(4) **FISCAL YEAR 2027.**—For fiscal year 2027,  
22 total outlays (less net interest payments) shall be  
23 not more than the amount computed under para-  
24 graph (3), less 5 percent.

25 “(5) **FISCAL YEAR 2028 AND SUBSEQUENT FIS-**  
26 **CAL YEARS.**—

1           “(A) IN GENERAL.—For fiscal year 2028  
2           and each fiscal year thereafter, total outlays  
3           (including net interest payments) shall be not  
4           more than 17.5 percent of the gross domestic  
5           product for that fiscal year, as estimated by the  
6           Office of Management and Budget prior to  
7           March of the previous fiscal year.

8           “(B) LIMITATION.—Notwithstanding sub-  
9           paragraph (A), for any fiscal year beginning  
10          with fiscal year 2029, total projected outlays  
11          may not be less than total projected outlays for  
12          the preceding fiscal year.

13       “(b) SEQUESTRATION.—

14           “(1) IN GENERAL.—

15           “(A) EXCESS SPENDING.—Not later than  
16           45 calendar days after the beginning of a fiscal  
17           year, the Office of Management and Budget  
18           shall prepare and the President shall order a  
19           sequestration to eliminate any excess outlay  
20           amount.

21           “(B) DEFINITIONS.—

22           “(i) FISCAL YEARS 2024 THROUGH  
23           2027.—For each of fiscal years 2024  
24           through 2027 and for purposes of this sub-  
25           section, the term ‘excess outlay amount’

1 means the amount by which total projected  
2 Federal outlays (less net interest pay-  
3 ments) for a fiscal year exceeds the outlay  
4 cap for that fiscal year.

5 “(ii) FISCAL YEAR 2028 AND SUBSE-  
6 QUENT FISCAL YEARS.—For fiscal year  
7 2028 and each fiscal year thereafter and  
8 for purposes of this subsection, the term  
9 ‘excess outlay amount’ means the amount  
10 by which total projected Federal outlays  
11 for a fiscal year exceeds the outlay cap for  
12 that fiscal year.

13 “(2) SEQUESTRATION.—

14 “(A) CBO PREVIEW REPORT.—On August  
15 of each year, the Congressional Budget Of-  
16 fice shall issue a sequestration preview report  
17 as described in section 254(c)(4).

18 “(B) OMB PREVIEW REPORT.—On August  
19 of each year, the Office of Management and  
20 Budget shall issue a sequestration preview re-  
21 port as described in section 254(c)(4).

22 “(C) FINAL REPORT.—On October 31 of  
23 each year, the Office of Management and Budg-  
24 et shall issue a final sequestration report as de-  
25 scribed in section 254(f)(3), which shall be ac-

1            complicated by a Presidential order detailing  
2            spending reductions equal to the excess outlay  
3            amount.

4            “(D) PROCESS.—The reductions shall gen-  
5            erally follow the process set forth in sections  
6            253 and 254, except as provided in this section.

7            “(3) CONGRESSIONAL ACTION.—If the August  
8            20 report by the Office of Management and Budget  
9            projects a sequestration, the Committee on the  
10           Budget of the Senate and the Committee on the  
11           Budget of the House of Representatives may report  
12           a resolution directing committees of their House to  
13           change the existing law to achieve the spending re-  
14           ductions outlined in the August 20 report necessary  
15           to meet the outlay limits.

16           “(c) NO EXEMPT PROGRAMS.—Section 255 and sec-  
17           tion 256 shall not apply to this section or any sequestra-  
18           tion order issued under this section.

19           “(d) LOOK BACK.—If, after October 31, a bill result-  
20           ing in outlays for the fiscal year in progress is enacted  
21           that causes excess outlays, the excess outlay amount for  
22           the next fiscal year shall be increased by the amount or  
23           amounts of that breach.”.

24           (b) CONFORMING AMENDMENTS TO BBEDCA.—

1           (1) SEQUESTRATION PREVIEW REPORTS.—Sec-  
2           tion 254(c)(4) of the Balanced Budget and Emer-  
3           gency Deficit Control Act of 1985 (2 U.S.C.  
4           904(c)(4)) is amended to read as follows:

5           “(4) OUTLAY CAP SEQUESTRATION REPORTS.—  
6           The preview reports shall set forth for the budget  
7           year estimates for the following:

8                   “(A)(i) For each of budget years 2023  
9                   through 2027, total projected outlays (less net  
10                  interest payments), less five percent.

11                  “(ii) For budget year 2028 and each sub-  
12                  sequent budget year, the estimated gross do-  
13                  mestic product for that budget year.

14                  “(B) The amount of reductions required  
15                  under section 253A.

16                  “(C) The sequestration percentage nec-  
17                  essary to achieve the required reduction under  
18                  section 253A.”.

19           (2) FINAL SEQUESTRATION REPORTS.—Section  
20           254(f)(3) of the Balanced Budget and Emergency  
21           Deficit Control Act of 1985 (2 U.S.C. 904(f)(3)) is  
22           amended to read as follows:

23                  “(3) OUTLAY CAPS SEQUESTRATION RE-  
24                  PORTS.—The final reports shall contain all the infor-  
25                  mation required in the outlay cap sequestration pre-

1 view reports. In addition, these reports shall contain,  
2 for the budget year, for each account to be seques-  
3 tered, estimates of the baseline level of sequestrable  
4 budgetary resources and resulting outlays and the  
5 amount of budgetary sources to be sequestered and  
6 result in outlay reductions. The reports shall also  
7 contain estimates of the effects on outlays on the se-  
8 questration of each outyear for direct spending pro-  
9 grams.”.

10 (c) ENFORCEMENT.—Title III of the Congressional  
11 Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended  
12 by adding after section 315 the following:

13 **“SEC. 316. ENFORCEMENT PROCEDURES.**

14 “(a) OUTLAY CAPS.—It shall not be in order in the  
15 House of Representatives or the Senate to consider any  
16 bill, joint resolution, amendment, amendment between the  
17 Houses, or conference report that includes any provision  
18 that would cause the most recently reported, current out-  
19 lay cap set forth in section 253A of the Balanced Budget  
20 and Emergency Deficit Control Act of 1985 to be  
21 breached or increased.

22 “(b) WAIVER OR SUSPENSION.—

23 “(1) IN THE SENATE.—The provisions of this  
24 section may be waived or suspended in the Senate

1       only by the affirmative vote of two-thirds of the  
2       Members, duly chosen and sworn.

3               “(2) IN THE HOUSE.—The provisions of this  
4       section may be waived or suspended in the House of  
5       Representatives only by a rule or order proposing  
6       only to waive such provisions by an affirmative vote  
7       of two-thirds of the Members, duly chosen and  
8       sworn.

9               “(c) POINT OF ORDER PROTECTION.—In the House,  
10      it shall not be in order to consider a rule or order that  
11      waives the application of paragraph (2) of subsection (b).

12              “(d) MOTION TO SUSPEND.—It shall not be in order  
13      for the Speaker to entertain a motion to suspend the appli-  
14      cation of this section under clause 1 of rule XV.”.

15      **SEC. 3. CONFORMING AMENDMENTS.**

16              The table of contents set forth in—

17                      (1) section 1(b) of the Congressional Budget  
18              and Impoundment Control Act of 1974 is amended  
19              by inserting after the item relating to section 315  
20              the following new item:

            “Sec. 316. Enforcement procedures.”;

21              and

22                      (2) section 250(a) of the Balanced Budget and  
23              Emergency Deficit Control Act of 1985 is amended



1 by inserting after the item relating to section 253  
2 the following new item:

“Sec. 253A. Establishing outlay caps.”.

3 **SEC. 4. EFFECTIVE DATE.**

4 This Act and the amendments made by this Act shall  
5 apply to fiscal year 2023 and each fiscal year thereafter,  
6 including any reports and calculations required for imple-  
7 mentation in fiscal year 2023.

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