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(Original Signature of Member)

107TH CONGRESS
2^D SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. COX introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend section 3101 of title 31, United States Code,
to lower the public debt ceiling to \$3,750,000,000,000.

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. FINDINGS.**

4 (a) Since 1997, Congress has paid down and retired
5 approximately \$500,000,000,000 of the Government's
6 debt which was previously held by the public.

1 (b) This reduction in the Government's debt to the
2 public should permit a lowering of the statutory debt ceil-
3 ing. However, the statutory definition mingles both the
4 public debt and intragovernment liabilities, the latter of
5 which do not represent resource withdrawals for the econ-
6 omy.

7 (c) Intragovernment accounts such as the Social Se-
8 curity trust funds, the Civil Service Retirement and Dis-
9 ability Fund, the Department of Defense Military Retire-
10 ment Fund, and the Unemployment Trust Fund con-
11 stitute accrued liabilities of the Government which will be
12 paid from future receipts, taxes, or borrowing. If the Gov-
13 ernment issues debt to the public to fund such liabilities
14 in the future, that debt will properly be subject to the debt
15 ceiling.

16 (d) Properly defining the debt of the Government
17 would permit lowering the debt ceiling to take account of,
18 and lock in, the fiscal progress that has been made.

19 **SEC. 2. PURPOSE.**

20 (b) **PURPOSE.**—It is the purpose of this Act to—

21 (1) properly define the public debt to exclude
22 intragovernment obligations; and

23 (2) reduce the public debt ceiling in recognition
24 of the reduction in outstanding public debt in recent
25 years, and to encourage further fiscal responsibility

1 and progress toward eliminating the remaining out-
2 standing debt.

3 **SEC. 3. LIMIT ON PUBLIC DEBT.**

4 Section 3101 of title 31, United States Code, is
5 amended to read as follows:

6 **“§ 3101. Public debt limit**

7 “(a) In this section, the current redemption value of
8 an obligation issued on a discount basis and redeemable
9 before maturity at the option of its holder is deemed to
10 be the face amount of the obligation.

11 “(b) The face amount of obligations issued under this
12 chapter and the face amount of obligations whose prin-
13 cipal and interest are guaranteed by the United States
14 Government (except intragovernment obligations held by
15 the Secretary of the Treasury) may not be more than
16 \$3,750,000,000,000 outstanding at one time, subject to
17 changes periodically made in that amount as provided by
18 law.

19 “(c) For purposes of this section, the face amount,
20 for any month, of any obligation issued on a discount basis
21 that is not redeemable before maturity at the option of
22 the holder of the obligation is an amount equal to the sum
23 of—

24 “(1) the original issue price of the obligation,
25 plus

1 “(2) the portion of the discount on the obliga-
2 tion attributable to periods before the beginning of
3 such month (as determined under the principles of
4 section 1272(a) of the Internal Revenue Code of
5 1986 without regard to any exceptions contained in
6 paragraph (2) of such section).

7 “(d) For purposes of this section, the term
8 ‘intragovernment obligation’ is any obligation issued by
9 the Secretary of the Treasury to any Federal trust fund
10 or Government account, whether in respect of public
11 money, money otherwise required to be deposited in the
12 Treasury, or amounts appropriated.”.