

H.R. 2560 Cut, Cap and Balance Act of 2011

CUT: Establishes a discretionary cap for FY12 \$1.019 trillion and a FY12 mandatory cap (excluding Social Security, Medicare, and VA) at \$680.7 billion, consistent with the House-passed Republican Budget. Provides for across-the-board cuts if the caps are not met (excluding Social Security, Medicare, and VA, as well as troop pay and benefits).

CAP: Establishes caps on total spending as a share of GDP for FY 2013-2021. Provides for a point of order against any bill that causes these caps to be exceeded and provides across-the-board cuts in all spending if the caps are not met (excluding Social Security, Medicare, and VA, as well as troop pay and benefits).

BALANCE: Provides for an increase in the debt limit contingent on Congress sending a balanced budget amendment (with a spending limitation as percentage of GDP as well as a two-thirds requirement to raise taxes) to the states.

Total federal spending is limited to the following percentages of GDP for the next 10 fiscal years:

- 2012, 22.5% of GDP
- 2013, 21.7% of GDP
- 2014, 20.8% of GDP
- 2015, 20.2% of GDP
- 2016, 20.2% of GDP
- 2017, 20.0% of GDP
- 2018, 19.7% of GDP
- 2019, 19.9% of GDP
- 2020, 19.9% of GDP
- 2021, 19.9% of GDP