

Senate Republicans are divided over whether to demand a balanced-budget amendment from the White House as a precondition for increasing the national debt ceiling.

Members of the Senate Tea Party Caucus have said they will filibuster the debt-limit increase unless two-thirds of the upper chamber votes for a balanced-budget amendment. Two-thirds of the House and three-quarters of the states must also ratify the amendment for it to become law.

But other Republicans are looking for more "realistic" concessions from Democrats, acknowledging it will be difficult to persuade at least 20 Democrats to join them in passing an amendment to drastically restrict federal spending.

"I'm in the camp of I want to see a process that leads to some realistic, achievable solutions," said Sen. Lindsey Graham (R-S.C.). "I don't think we're going to get two-thirds of the Senate and the House.

"I'm willing to vote for a balanced-budget amendment, I think that's the ultimate solution, but I'm not going to make that a requirement" for raising the debt ceiling, Graham said.

Graham co-sponsored a balanced-budget amendment with Sen. Jim DeMint (S.C.), the conservative chairman of the Senate Republican Steering Committee, in the 111th Congress.

DeMint will oppose an increase to the debt ceiling unless the Senate first passes a balanced-budget measure. A Senate GOP aide said DeMint would not settle for an opportunity merely to vote on a proposed amendment.

Sen. Mike Lee (R-Utah) said Thursday that he will filibuster legislation to increase the national debt limit unless Democratic leaders promise to support passage of a balanced-budget amendment.

"The only scenario in which I can imagine not using the filibuster is if the leadership of both parties agree that as a condition of that they would first pass out a balanced-budget amendment," Lee told The Hill.

DeMint and Lee are both members of the Tea Party Caucus.

There's also a move among House Republicans to attach a balanced-budget amendment to the legislation increasing the debt limit.

Republican Reps. Bob Goodlatte (Va.) and **Lee Terry (Neb.)** have each introduced balanced-budget amendments and have attracted growing interest from colleagues.

House Speaker John Boehner (R-Ohio) and Majority Leader Eric Cantor (R-Va.) have previously co-sponsored Goodlatte's measure. It is similar to the balanced-budget amendment that was included in former House Speaker Newt Gingrich's (R-Ga.) "Contract With America."

In the Senate, there are two leading proposals for a balanced-budget amendment, according to GOP aides.

Lee and Senate Republican Whip Jon Kyl (Ariz.) have sponsored the more stringent amendment.

It would limit federal spending to 18 percent of gross domestic product and would require a two-thirds vote in the Senate and the House to approve expenditures in excess of revenues.

Sens. John Cornyn (R-Texas) and Orrin Hatch (R-Utah) have sponsored a competing proposal.

It would set the federal spending cap at 20 percent of gross domestic product and also require a two-thirds vote in both chambers for Congress to spend more than the government collects in revenue. The balanced-budget requirement may be waived, however, if there is a formal declaration of war or the U.S. is engaged in a military conflict considered a threat to national security.

Both proposals would require a two-thirds vote in the Senate and House to approve tax increases.

The Senate Republican Conference voted in November to adopt a resolution expressing support for a balanced-budget amendment.

"There is certainly, I would believe, across-the-board support for a balanced-budget amendment in the conference," said Dan Hauser, a spokesman for Lee.

Even though Cornyn offered the balanced-budget resolution that his colleagues adopted in November, he has not yet demanded passage of the amendment as a condition for raising the debt ceiling, according to an aide.

Democrats warn that failure to raise the nation's debt limit would cause an economic catastrophe.

Earlier this month, Austan Goolsbee, a senior economic adviser to President Obama, declared: "If we hit the debt ceiling, that's ... essentially defaulting on our obligations, which is totally unprecedented in American history.

"The impact on the economy would be catastrophic. I mean, that would be a worse financial economic crisis than anything we saw in 2008," he told ABC News.

Republicans, however, argue that hitting the debt ceiling would not necessarily push the federal government to default.

Freshman Sen. Pat Toomey (R-Pa.) has introduced the Full Faith and Credit Act, which he says would insure against default by requiring the Treasury Department to prioritize payments on the debt in case the debt ceiling is not raised.

Tax revenue is projected to cover about 67 percent of all government expenditures, enough to service the national debt, Toomey argues.

"We need to take the default scare tactics off the table so both sides can sit down at the table and have a serious and honest conversation about cutting spending and instituting structural reforms to put our country's finances on a sustainable path," Toomey said in a statement.

Not one Republican voted to raise the debt ceiling in the last Congress.

