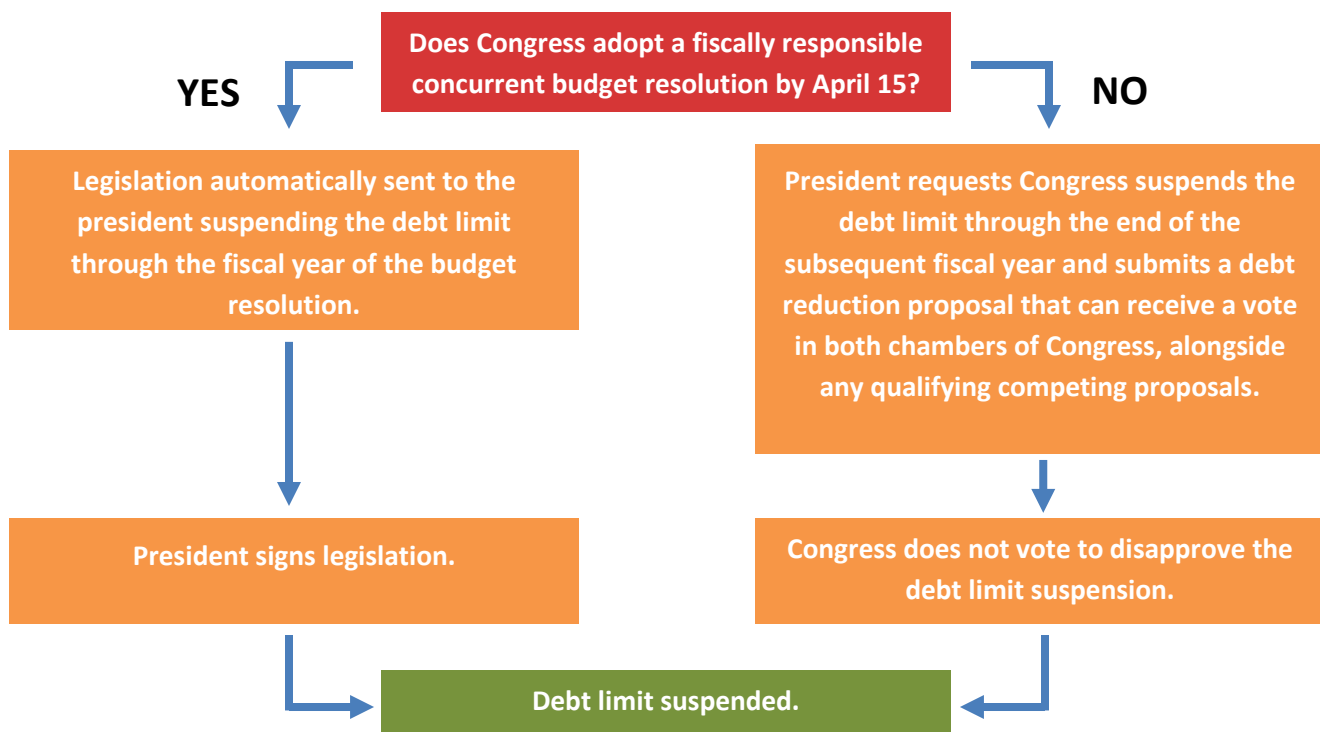


The Responsible Budgeting Act

Congressman Scott Peters (CA-50) and Congressman Bill Huizenga (MI-04)

Problem: Since 1960, Congress has acted 78 times to raise, extend, or otherwise change the debt limit. Borrowing in excess of the debt limit would be devastating to the U.S. economy. In 2022, Congress avoided a default when it passed the Fiscal Responsibility Act. Financial analysts and informed observers now expect that the debt limit will be breached in Summer 2025. That would plunge the U.S. into recession and threaten the jobs, savings, and retirements of everyday Americans across all 50 states.

Solution: The bill would suspend the debt limit if the President and Congress consider measures to reduce the debt-to-GDP ratio. Congress can pass a concurrent budget resolution to reduce the debt-to-GDP ratio by 5% over 10 years and the debt limit will be suspended. If Congress fails to act, the President and Congress may both submit proposals to reduce the debt. The suspension would go into effect barring a congressional resolution of disapproval, while the debt reduction proposal would jumpstart a structured committee process whereby competing proposals could be offered and result in a vote(s) on the floor of both chambers to advance deficit reducing legislation.



Goals:

- Eliminate debt limit brinksmanship
- Encourage bipartisanship
- Expedites and requires consideration of debt reduction proposals

To learn more about or to cosponsor the Responsible Budgeting Act, please contact Dillon Cooke (Rep. Peters) at Dillon.Cooke2@mail.house.gov or Remy Fortin (Rep. Huizenga) at Remy.Fortin@mail.house.gov.