Press Release

ICYMI: Rediscovering Rescissions

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After having threatened to veto the recently enacted $1.3 trillion appropriations act, President Trump appears to be preparing to send Congress a package of proposed spending cuts, known as rescissions. In light of this development, the American Action Forum today released a primer on the rescission process. See an excerpt below.

"When President Trump signed the Consolidated Appropriations Act of 2018, he called on Congress to provide him with the line-item veto. Presumably, President Trump was referring to the same authority that Congress provided to President Clinton under the Line-Item Veto Act of 1996, which granted the president the authority to cancel new discretionary spending, new direct spending, and new "limited tax benefits." The Supreme Court ruled that the Line-Item Veto Act was unconstitutional. However, current law enshrined in the Congressional Budget and Impoundment Control Act of 1974, already provides the executive branch with limited authority to temporarily suspend, or "impound," discretionary spending, and subject to the approval of Congress, permanently cancel that spending. This process, known as rescission, was a fairly common occurrence throughout the 70s, 80s, and 90s, but has not been employed formally since FY2000. News reports suggest the Trump Administration may be considering sending a rescission request to Congress. Rescissions could play a role in more meaningfully engaging the executive and legislative branches in a public debate on the nation's budget priorities but are inadequate to meaningfully address the nation's mounting fiscal challenges. Moreover, if employed to undermine tenuous political comprises, it could worsen rather than improve the environment for meaningful fiscal reforms."

Click here to read the primer.