Section 1. Total outlays of the government of the United States shall not exceed total receipts of the
government of the United States at any point in time unless the excess of outlays over receipts is
financed exclusively by debt issued in strict conformity with this article.

Section 2. Outstanding debt shall not exceed authorized debt, which initially shall be an amount equal
to 105 percent of the outstanding debt on the effective date of this article. Authorized debt shall not be
increased above its aforesaid initial amount unless such increase is first approved by the legislatures
of the several states as provided in Section 3.

Section 3. From time to time, Congress may increase authorized debt to an amount in excess of its
initial amount set by Section 2 only if it first publicly refers to the legislatures of the several states an
unconditional, single subject measure proposing the amount of such increase, in such form as provided
by law, and the measure is thereafter publicly and unconditionally approved by a simple majority of the
legislatures of the several states, in such form as provided respectively by state law; provided that no
inducement requiring an expenditure or tax levy shall be demanded, offered or accepted as a quid pro
quo for such approval. If such approval is not obtained within sixty (60) calendar days after referral then
the measure shall be deemed disapproved and the authorized debt shall thereby remain unchanged.

Section 4. Whenever the outstanding debt exceeds 98 percent of the debt limit set by Section 2, the
President shall enforce said limit by publicly designating specific expenditures for impoundment in an
amount sufficient to ensure outstanding debt shall not exceed the authorized debt. Said impoundment
shall become effective thirty (30) days thereafter, unless Congress first designates an alternate
impoundment of the same or greater amount by concurrent resolution, which shall become immediately
effective. The failure of the President to designate or enforce the required impoundment is an
impeachable misdemeanor. Any purported issuance or incurrence of any debt in excess of the debt
limit set by Section 2 is void.

Section 5. No bill that provides for a new or increased general revenue tax shall become law unless
approved by a two-thirds roll call vote of the whole number of each House of Congress. However, this
requirement shall not apply to any bill that provides for a new end user sales tax which would completely
replace every existing income tax levied by the government of the United States; or for the reduction
or elimination of an exemption, deduction, or credit allowed under an existing general revenue tax.

Section 6. For purposes of this article, “debt” means any obligation backed by the full faith and credit
of the government of the United States; “outstanding debt” means all debt held in any account and by
any entity at a given point in time; “authorized debt” means the maximum total amount of debt that may
be lawfully issued and outstanding at any single point in time under this article; “total outlays of the
government of the United States” means all expenditures of the government of the United States from
any source; “total receipts of the government of the United States” means all tax receipts and other
income of the government of the United States, excluding proceeds from its issuance or incurrence of
debt or any type of liability; “impoundment” means a proposal not to spend all or part of a sum of money
appropriated by Congress; and “general revenue tax” means any income tax, sales tax, or value-added
tax levied by the government of the United States excluding imposts and duties.

Section 7. This article is immediately operative upon ratification, self-enforcing, and Congress may
enact conforming legislation to facilitate enforcement.