

**AMENDMENT TO THE RULES COMMITTEE PRINT
112-21 (THE SEQUESTER REPLACEMENT
RECONCILIATION ACT OF 2012)
OFFERED BY MR. HONDA OF CALIFORNIA, MR.
GRIJALVA OF ARIZONA, AND MR. ELLISON OF
MINNESOTA**

Strike all after the enacting clause and insert the
following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Fair Budget Fix for All Act of 2012”.

4 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURE

Sec. 101. Short title.

Sec. 102. Termination of farm bill direct payments.

TITLE II—COMMITTEE ON WAYS AND MEANS

Sec. 201. Short title.

Sec. 202. Fair share tax on high-income taxpayers.

Sec. 203. Denial of deduction for advertising directed at children to promote
the consumption of food at fast food restaurants or of food of
poor nutritional quality.

Sec. 204. Income attributable to domestic production activities.

Sec. 205. Prohibition on using last-in, first-out accounting for major integrated
oil companies.

Sec. 206. Modifications of foreign tax credit rules applicable to dual capacity
taxpayers.

Sec. 207. Employment tax treatment of professional service businesses.

Sec. 208. Disallowance of mortgage interest deduction for certain boats and va-
cation homes.

TITLE III—COMMITTEE ON ARMED SERVICES

- Sec. 301. Short title.
Sec. 302. Findings.
Sec. 303. Reduction in nuclear forces.
Sec. 304. Reports required.

1 **TITLE I—AGRICULTURE**

2 **SEC. 101. SHORT TITLE.**

3 This title may be cited as the “Eliminating Wasteful
4 Agriculture Corporate Subsidies Act”.

5 **SEC. 102. TERMINATION OF FARM BILL DIRECT PAYMENTS.**

6 (a) **TERMINATION OF DIRECT PAYMENTS.—**

7 (1) **COVERED COMMODITIES.—**Section 1103 of
8 the Food, Conservation, and Energy Act of 2008 (7
9 U.S.C. 8713) is repealed.

10 (2) **PEANUTS.—**Section 1304 of the Food, Con-
11 servation, and Energy Act of 2008 (7 U.S.C. 8754)
12 is repealed.

13 (b) **PAYMENT LIMITATION ADJUSTMENT TO RE-**
14 **FLECT TERMINATION.—**Section 1001 of the Food Secu-
15 rity Act of 1985 (7 U.S.C. 1308) is amended—

16 (1) in subsection (b)(3), by striking “the sum
17 of” and all that follows through “(1)(B).” and in-
18 serting “\$65,000.”; and

19 (2) in subsection (c)(3), by striking “the sum
20 of” and all that follows through “(1)(B).” and in-
21 serting “\$65,000.”.

1 (c) APPLICATION OF AMENDMENTS.—The amend-
2 ments made by this section shall apply with respect to the
3 2012 crop year.

4 **TITLE II—COMMITTEE ON WAYS** 5 **AND MEANS**

6 **SEC. 201. SHORT TITLE.**

7 This title may be cited as the “Responsibly Raising
8 Revenue Act”.

9 **SEC. 202. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.**

10 (a) IN GENERAL.—Subchapter A of chapter 1 of the
11 Internal Revenue Code of 1986 is amended by adding at
12 the end the following new part:

13 **“PART VII—FAIR SHARE TAX ON HIGH-INCOME** 14 **TAXPAYERS**

“Sec. 59B. Fair share tax.

15 **“SEC. 59B. FAIR SHARE TAX.**

16 “(a) GENERAL RULE.—

17 “(1) PHASE-IN OF TAX.—In the case of any
18 high-income taxpayer, there is hereby imposed for a
19 taxable year (in addition to any other tax imposed
20 by this subtitle) a tax equal to the product of—

21 “(A) the amount determined under para-
22 graph (2), and

23 “(B) a fraction (not to exceed 1)—

1 “(i) the numerator of which is the ex-
2 cess of—

3 “(I) the taxpayer’s adjusted
4 gross income, over

5 “(II) the dollar amount in effect
6 under subsection (c)(1), and

7 “(ii) the denominator of which is the
8 dollar amount in effect under subsection
9 (c)(1).

10 “(2) AMOUNT OF TAX.—The amount of tax de-
11 termined under this paragraph is an amount equal
12 to the excess (if any) of—

13 “(A) the tentative fair share tax for the
14 taxable year, over

15 “(B) the excess of—

16 “(i) the sum of—

17 “(I) the regular tax liability (as
18 defined in section 26(b)) for the tax-
19 able year,

20 “(II) the tax imposed by section
21 55 for the taxable year, plus

22 “(III) the payroll tax for the tax-
23 able year, over

1 “(ii) the credits allowable under part
2 IV of subchapter A (other than sections
3 27(a), 31, and 34).

4 “(b) TENTATIVE FAIR SHARE TAX.—For purposes
5 of this section—

6 “(1) IN GENERAL.—The tentative fair share tax
7 for the taxable year is 30 percent of the excess of—

8 “(A) the adjusted gross income of the tax-
9 payer, over

10 “(B) the modified charitable contribution
11 deduction for the taxable year.

12 “(2) MODIFIED CHARITABLE CONTRIBUTION
13 DEDUCTION.—For purposes of paragraph (1)—

14 “(A) IN GENERAL.—The modified chari-
15 table contribution deduction for any taxable
16 year is an amount equal to the amount which
17 bears the same ratio to the deduction allowable
18 under section 170 (section 642(c) in the case of
19 a trust or estate) for such taxable year as—

20 “(i) the amount of itemized deduc-
21 tions allowable under the regular tax (as
22 defined in section 55) for such taxable
23 year, determined after the application of
24 section 68, bears to

1 “(ii) such amount, determined before
2 the application of section 68.

3 “(B) TAXPAYER MUST ITEMIZE.—In the
4 case of any individual who does not elect to
5 itemize deductions for the taxable year, the
6 modified charitable contribution deduction shall
7 be zero.

8 “(c) HIGH-INCOME TAXPAYER.—For purposes of this
9 section—

10 “(1) IN GENERAL.—The term ‘high-income tax-
11 payer’ means, with respect to any taxable year, any
12 taxpayer (other than a corporation) with an adjusted
13 gross income for such taxable year in excess of
14 \$1,000,000 (50 percent of such amount in the case
15 of a married individual who files a separate return).

16 “(2) INFLATION ADJUSTMENT.—

17 “(A) IN GENERAL.—In the case of a tax-
18 able year beginning after 2013, the \$1,000,000
19 amount under paragraph (1) shall be increased
20 by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year in which the taxable year be-
25 gins, determined by substituting ‘calendar

1 year 2012’ for ‘calendar year 1992’ in sub-
2 paragraph (B) thereof.

3 “(B) ROUNDING.—If any amount as ad-
4 justed under subparagraph (A) is not a multiple
5 of \$10,000, such amount shall be rounded to
6 the next lowest multiple of \$10,000.

7 “(d) PAYROLL TAX.—For purposes of this section,
8 the payroll tax for any taxable year is an amount equal
9 to the excess of—

10 “(1) the taxes imposed on the taxpayer under
11 sections 1401, 1411, 3101, 3201, and 3211(a) (to
12 the extent such taxes are attributable to the rate of
13 tax in effect under section 3101) with respect to
14 such taxable year or wages or compensation received
15 during the taxable year, over

16 “(2) the deduction allowable under section
17 164(f) for such taxable year.

18 “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—
19 For purposes of this section, in the case of an estate or
20 trust, adjusted gross income shall be computed in the
21 manner described in section 67(e).

22 “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
23 TER FOR CERTAIN PURPOSES.—The tax imposed under
24 this section shall not be treated as tax imposed by this
25 chapter for purposes of determining the amount of any

1 credit under this chapter (other than the credit allowed
2 under section 27(a)) or for purposes of section 55.”.

3 (b) CONFORMING AMENDMENT.—Section 26(b)(2) of
4 the Internal Revenue Code of 1986 is amended by redesi-
5 gnating subparagraphs (C) through (X) as subparagraphs
6 (D) through (Y), respectively, and by inserting after sub-
7 paragraph (B) the following new subparagraph:

8 “(C) section 59B (relating to fair share
9 tax),”.

10 (c) CLERICAL AMENDMENT.—The table of parts for
11 subchapter A of chapter 1 of the Internal Revenue Code
12 of 1986 is amended by adding at the end the following
13 new item:

“PART VII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2012.

17 **SEC. 203. DENIAL OF DEDUCTION FOR ADVERTISING DI-**
18 **RECTED AT CHILDREN TO PROMOTE THE**
19 **CONSUMPTION OF FOOD AT FAST FOOD RES-**
20 **TAURANTS OR OF FOOD OF POOR NUTRI-**
21 **TIONAL QUALITY.**

22 (a) IN GENERAL.—Part IX of subchapter B of chap-
23 ter 1 of the Internal Revenue Code of 1986 (relating to
24 items not deductible) is amended by adding at the end
25 the following new section:

1 **“SEC. 280I. DENIAL OF DEDUCTION FOR ADVERTISING DI-**
2 **RECTED AT CHILDREN TO PROMOTE THE**
3 **CONSUMPTION OF FOOD AT FAST FOOD RES-**
4 **TAURANTS OR OF FOOD OF POOR NUTRI-**
5 **TIONAL QUALITY.**

6 “(a) IN GENERAL.—No deduction shall be allowed
7 under this chapter with respect to—

8 “(1) any advertisement primarily directed at
9 children for purposes of promoting the consumption
10 by children of food from any fast food restaurant or
11 of any food of poor nutritional quality, and

12 “(2) any of the following which are incurred or
13 provided primarily for purposes described in para-
14 graph (1):

15 “(A) Travel expenses (including meals and
16 lodging).

17 “(B) Goods or services of a type generally
18 considered to constitute entertainment, amuse-
19 ment, or recreation or the use of a facility in
20 connection with providing such goods and serv-
21 ices.

22 “(C) Gifts.

23 “(D) Other promotion expenses.

24 “(b) FOOD OF POOR NUTRITIONAL QUALITY.—For
25 purposes of this section, the term ‘food of poor nutritional
26 quality’ means food that is determined by the Secretary

1 (in consultation with the Secretary of Health and Human
2 Services and the Federal Trade Commission) to provide
3 calories primarily through fats or added sugars and to
4 have minimal amounts of vitamins and minerals.

5 “(c) REGULATIONS.—The Secretary shall (in con-
6 sultation with the Secretary of Health and Human Serv-
7 ices and the Federal Trade Commission) prescribe such
8 regulations as may be necessary to carry out the purposes
9 of this section.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 for such part IX is amended by adding at the end the
12 following new item:

“Sec. 280I. Denial of deduction for advertising directed at children to promote
the consumption of food at fast food restaurants or of food of
poor nutritional quality.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to amounts paid or incurred after
15 the date of the enactment of this Act in taxable years end-
16 ing after such date.

17 **SEC. 204. INCOME ATTRIBUTABLE TO DOMESTIC PRODUC-**
18 **TION ACTIVITIES.**

19 (a) IN GENERAL.—Section 199 of the Internal Rev-
20 enue Code of 1986 is amended by adding at the end the
21 following new subsection:

22 “(e) EXCEPTION FOR TAXPAYER WHO IS NOT
23 SMALL, INDEPENDENT OIL AND GAS COMPANY.—Sub-
24 section (a) shall not apply to the income derived from the

1 production, transportation, or distribution of oil, natural
2 gas, or any primary product (within the meaning of sub-
3 section (d)(9)) thereof by any taxpayer which for the tax-
4 able year is an oil and gas company which is not a small,
5 independent oil and gas company.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to taxable years beginning after
8 December 31, 2011.

9 **SEC. 205. PROHIBITION ON USING LAST-IN, FIRST-OUT AC-**
10 **COUNTING FOR MAJOR INTEGRATED OIL**
11 **COMPANIES.**

12 (a) IN GENERAL.—Section 472 of the Internal Rev-
13 enue Code of 1986 is amended by adding at the end the
14 following new subsection:

15 “(h) MAJOR INTEGRATED OIL COMPANIES.—Not-
16 withstanding any other provision of this section, a major
17 integrated oil company (as defined in section 167(h)) may
18 not use the method provided in subsection (b) in
19 inventorying of any goods.”.

20 (b) EFFECTIVE DATE AND SPECIAL RULE.—

21 (1) IN GENERAL.—The amendment made by
22 subsection (a) shall apply to taxable years beginning
23 after December 31, 2011.

24 (2) CHANGE IN METHOD OF ACCOUNTING.—In
25 the case of any taxpayer required by the amendment

1 made by this section to change its method of ac-
2 counting for its first taxable year beginning after the
3 date of the enactment of this Act—

4 (A) such change shall be treated as initi-
5 ated by the taxpayer,

6 (B) such change shall be treated as made
7 with the consent of the Secretary of the Treas-
8 ury, and

9 (C) the net amount of the adjustments re-
10 quired to be taken into account by the taxpayer
11 under section 481 of the Internal Revenue Code
12 of 1986 shall be taken into account ratably over
13 a period (not greater than 8 taxable years) be-
14 ginning with such first taxable year.

15 **SEC. 206. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**

16 **APPLICABLE TO DUAL CAPACITY TAXPAYERS.**

17 (a) IN GENERAL.—Section 901 of the Internal Rev-
18 enue Code of 1986 is amended by redesignating subsection
19 (n) as subsection (o) and by inserting after subsection (m)
20 the following new subsection:

21 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY
22 TAXPAYERS.—

23 “(1) GENERAL RULE.—Notwithstanding any
24 other provision of this chapter, any amount paid or
25 accrued by a dual capacity taxpayer to a foreign

1 country or possession of the United States for any
2 period with respect to combined foreign oil and gas
3 income (as defined in section 907(b)(1)) shall not be
4 considered a tax to the extent such amount exceeds
5 the amount (determined in accordance with regula-
6 tions) which would have been required to be paid if
7 the taxpayer were not a dual capacity taxpayer.

8 “(2) DUAL CAPACITY TAXPAYER.—For pur-
9 poses of this subsection, the term ‘dual capacity tax-
10 payer’ means, with respect to any foreign country or
11 possession of the United States, a person who—

12 “(A) is subject to a levy of such country or
13 possession, and

14 “(B) receives (or will receive) directly or
15 indirectly a specific economic benefit (as deter-
16 mined in accordance with regulations) from
17 such country or possession.”.

18 (b) EFFECTIVE DATE.—

19 (1) IN GENERAL.—The amendments made by
20 this section shall apply to taxes paid or accrued in
21 taxable years beginning after December 31, 2011.

22 (2) CONTRARY TREATY OBLIGATIONS
23 UPHELD.—The amendments made by this section
24 shall not apply to the extent contrary to any treaty
25 obligation of the United States.

1 **SEC. 207. EMPLOYMENT TAX TREATMENT OF PROFES-**
2 **SIONAL SERVICE BUSINESSES.**

3 (a) IN GENERAL.—Section 1402 of the Internal Rev-
4 enue Code of 1986 is amended by adding at the end the
5 following new subsection:

6 “(m) SPECIAL RULES FOR PROFESSIONAL SERVICE
7 BUSINESSES.—

8 “(1) SHAREHOLDERS PROVIDING SERVICES TO
9 DISQUALIFIED S CORPORATIONS.—

10 “(A) IN GENERAL.—In the case of any dis-
11 qualified S corporation, each shareholder of
12 such disqualified S corporation who provides
13 substantial services with respect to the profes-
14 sional service business referred to in subpara-
15 graph (C) shall take into account such share-
16 holder’s pro rata share of all items of income or
17 loss described in section 1366 which are attrib-
18 utable to such business in determining the
19 shareholder’s net earnings from self-employ-
20 ment.

21 “(B) TREATMENT OF FAMILY MEMBERS.—
22 Except as otherwise provided by the Secretary,
23 the shareholder’s pro rata share of items re-
24 ferred to in subparagraph (A) shall be increased
25 by the pro rata share of such items of each
26 member of such shareholder’s family (within

1 the meaning of section 318(a)(1)) who does not
2 provide substantial services with respect to such
3 professional service business.

4 “(C) DISQUALIFIED S CORPORATION.—For
5 purposes of this subsection, the term ‘disquali-
6 fied S corporation’ means—

7 “(i) any S corporation which is a
8 partner in a partnership which is engaged
9 in a professional service business if sub-
10 stantially all of the activities of such S cor-
11 poration are performed in connection with
12 such partnership, and

13 “(ii) any other S corporation which is
14 engaged in a professional service business
15 if the principal asset of such business is
16 the reputation and skill of 3 or fewer em-
17 ployees.

18 “(2) PARTNERS.—In the case of any partner-
19 ship which is engaged in a professional service busi-
20 ness, subsection (a)(13) shall not apply to any part-
21 ner who provides substantial services with respect to
22 such professional service business.

23 “(3) PROFESSIONAL SERVICE BUSINESS.—For
24 purposes of this subsection, the term ‘professional
25 service business’ means any trade or business if sub-

1 stantially all of the activities of such trade or busi-
2 ness involve providing services in the fields of health,
3 law, lobbying, engineering, architecture, accounting,
4 actuarial science, performing arts, consulting, ath-
5 letics, investment advice or management, or broker-
6 age services.

7 “(4) REGULATIONS.—The Secretary shall pre-
8 scribe such regulations as may be necessary or ap-
9 propriate to carry out the purposes of this sub-
10 section, including regulations which prevent the
11 avoidance of the purposes of this subsection through
12 tiered entities or otherwise.

13 “(5) CROSS REFERENCE.—For employment tax
14 treatment of wages paid to shareholders of S cor-
15 porations, see subtitle C.”.

16 (b) CONFORMING AMENDMENT.—Section 211 of the
17 Social Security Act is amended by adding at the end the
18 following new subsection:

19 “(1) SPECIAL RULES FOR PROFESSIONAL SERVICE
20 BUSINESSES.—

21 “(1) SHAREHOLDERS PROVIDING SERVICES TO
22 DISQUALIFIED S CORPORATIONS.—

23 “(A) IN GENERAL.—In the case of any dis-
24 qualified S corporation, each shareholder of
25 such disqualified S corporation who provides

1 substantial services with respect to the profes-
2 sional service business referred to in subpara-
3 graph (C) shall take into account such share-
4 holder's pro rata share of all items of income or
5 loss described in section 1366 of the Internal
6 Revenue Code of 1986 which are attributable to
7 such business in determining the shareholder's
8 net earnings from self-employment.

9 “(B) TREATMENT OF FAMILY MEMBERS.—
10 Except as otherwise provided by the Secretary
11 of the Treasury, the shareholder's pro rata
12 share of items referred to in subparagraph (A)
13 shall be increased by the pro rata share of such
14 items of each member of such shareholder's
15 family (within the meaning of section 318(a)(1)
16 of the Internal Revenue Code of 1986) who
17 does not provide substantial services with re-
18 spect to such professional service business.

19 “(C) DISQUALIFIED S CORPORATION.—For
20 purposes of this subsection, the term ‘disquali-
21 fied S corporation’ means—

22 “(i) any S corporation which is a
23 partner in a partnership which is engaged
24 in a professional service business if sub-
25 stantially all of the activities of such S cor-

1 poration are performed in connection with
2 such partnership, and

3 “(ii) any other S corporation which is
4 engaged in a professional service business
5 if the principal asset of such business is
6 the reputation and skill of 3 or fewer em-
7 ployees.

8 “(2) PARTNERS.—In the case of any partner-
9 ship which is engaged in a professional service busi-
10 ness, subsection (a)(12) shall not apply to any part-
11 ner who provides substantial services with respect to
12 such professional service business.

13 “(3) PROFESSIONAL SERVICE BUSINESS.—For
14 purposes of this subsection, the term ‘professional
15 service business’ means any trade or business if sub-
16 stantially all of the activities of such trade or busi-
17 ness involve providing services in the fields of health,
18 law, lobbying, engineering, architecture, accounting,
19 actuarial science, performing arts, consulting, ath-
20 letics, investment advice or management, or broker-
21 age services.”.

22 “(c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2011.

1 **SEC. 208. DISALLOWANCE OF MORTGAGE INTEREST DE-**
2 **DUCTION FOR CERTAIN BOATS AND VACA-**
3 **TION HOMES.**

4 (a) **IN GENERAL.**—Subclause (II) of section
5 163(h)(4)(A)(i) of the Internal Revenue Code of 1986 is
6 amended by inserting “(other than a boat or a vacation
7 home)” after “1 other residence of the taxpayer”.

8 (b) **VACATION HOME DEFINED.**—Subparagraph (A)
9 of section 163(h)(4) of such Code is amended by adding
10 at the end the following new clause:

11 “(iv) **VACATION HOME.**—For purposes
12 of clause (i)(II), the term ‘vacation home’
13 means, with respect to any taxpayer for
14 any taxable year, any residence of the tax-
15 payer if—

16 “(I) such taxpayer has owned
17 such residence at least 1 year as of
18 the close of such taxable year, and

19 “(II) such taxpayer resides in
20 such residence for less than half of
21 such taxable year.”.

22 (c) **EFFECTIVE DATE.**—

23 (1) **IN GENERAL.**—The amendment made by
24 this section shall apply to indebtedness incurred
25 after the date of the enactment of this Act.

1 (2) SPECIAL RULE FOR REFINANCINGS.—For
2 purposes of this subsection, indebtedness resulting
3 from the refinancing of indebtedness shall be treated
4 as incurred on the date the refinanced indebtedness
5 was incurred (taking into account the application of
6 this paragraph in the case of multiple refinancings)
7 but only to the extent the indebtedness resulting
8 from such refinancing does not exceed the refi-
9 nanced indebtedness.

10 **TITLE III—COMMITTEE ON**
11 **ARMED SERVICES**

12 **SEC. 301. SHORT TITLE.**

13 This title may be cited as the “Smarter Approach to
14 Nuclear Expenditures Act”.

15 **SEC. 302. FINDINGS.**

16 Congress finds the following:

17 (1) The Berlin Wall fell in 1989, the U.S.S.R.
18 no longer exists, and the Cold War is over. The na-
19 ture of threats to the national security and military
20 interests of the United States has changed. How-
21 ever, the United States continues to maintain an
22 enormous arsenal of nuclear weapons and delivery
23 systems that were devised with the Cold War in
24 mind.

1 (2) The current nuclear arsenal of the United
2 States includes approximately 5,000 total nuclear
3 warheads, of which approximately 2,000 are de-
4 ployed with three delivery components: long-range
5 strategic bomber aircraft, land-based interconti-
6 nental ballistic missiles, and submarine-launched
7 ballistic missiles. The bomber fleet of the United
8 States comprises 93 B-52 and 20 B-2 aircraft. The
9 United States maintains 450 intercontinental bal-
10 listic missiles. The United States also maintains 14
11 Ohio-class submarines, up to 12 of which are de-
12 ployed at sea. Each of these submarines is armed
13 with up to 96 independently targetable nuclear war-
14 heads.

15 (3) This Cold War-based approach to nuclear
16 security comes at significant cost. Over the next 10
17 years, the United States will spend hundreds of bil-
18 lions of dollars maintaining its nuclear force. A sub-
19 stantial decrease in the nuclear arsenal of the
20 United States is prudent for both the budget and
21 national security.

22 (4) The national security interests of the
23 United States can be well served by reducing the
24 total number of deployed nuclear warheads and their
25 delivery systems, as suggested by the Department of

1 Defense’s January 2012 strategic guidance titled
2 “Sustaining U.S. Global Leadership: Priorities for
3 21st Century Defense”. Furthermore, a number of
4 arms control, nuclear, and national security experts
5 have urged the United States to reduce the number
6 of deployed nuclear warheads to no more than
7 1,000.

8 (5) Economic security and national security are
9 linked and both will be well served by smart defense
10 spending. Admiral Mike Mullen, Chairman of the
11 Joint Chiefs of Staff, stated on June 24, 2010, that
12 “Our national debt is our biggest national security
13 threat” and on August 2, 2011, stated that “I
14 haven’t changed my view that the continually in-
15 creasing debt is the biggest threat we have to our
16 national security.”.

17 (6) The Government Accountability Office has
18 found that there is significant waste in the construc-
19 tion of the nuclear facilities of the National Nuclear
20 Security Administration of the Department of En-
21 ergy.

22 **SEC. 303. REDUCTION IN NUCLEAR FORCES.**

23 (a) PROHIBITION ON USE OF B-2 AND B-52 AIR-
24 CRAFT FOR NUCLEAR MISSIONS.—Notwithstanding any
25 other provision of law, none of the funds authorized to

1 be appropriated or otherwise made available for fiscal year
2 2013 or any fiscal year thereafter for the Department of
3 Defense may be obligated or expended to arm a B-2 or
4 B-52 aircraft with a nuclear weapon.

5 (b) PROHIBITION ON NEW LONG-RANGE PENE-
6 TRATING BOMBER AIRCRAFT.—Notwithstanding any
7 other provision of law, none of the funds authorized to
8 be appropriated or otherwise made available for any of fis-
9 cal years 2013 through 2023 for the Department of De-
10 fense may be obligated or expended for the research, devel-
11 opment, test, and evaluation or procurement of a long-
12 range penetrating bomber aircraft.

13 (c) PROHIBITION ON F-35 NUCLEAR MISSION.—
14 Notwithstanding any other provision of law, none of the
15 funds authorized to be appropriated or otherwise made
16 available for fiscal year 2013 or any fiscal year thereafter
17 for the Department of Defense or the Department of En-
18 ergy may be used to make the F-35 Joint Strike Fighter
19 aircraft capable of carrying nuclear weapons.

20 (d) TERMINATION OF B61 LEP.—Notwithstanding
21 any other provision of law, none of the funds authorized
22 to be appropriated or otherwise made available for fiscal
23 year 2013 or any fiscal year thereafter for the Department
24 of Defense or the Department of Energy may be obligated
25 or expended for the B61 life extension program.

1 (e) TERMINATION OF W78 LEP.—Notwithstanding
2 any other provision of law, none of the funds authorized
3 to be appropriated or otherwise made available for fiscal
4 year 2013 or any fiscal year thereafter for the Department
5 of Defense or the Department of Energy may be obligated
6 or expended for the W78 life extension program.

7 (f) REDUCTION OF NUCLEAR-ARMED SUB-
8 MARINES.—Notwithstanding any other provision of law,
9 beginning in fiscal year 2013, the forces of the Navy shall
10 include not more than eight operational ballistic-missile
11 submarines available for deployment.

12 (g) LIMITATION ON SSBN-X SUBMARINES.—Not-
13 withstanding any other provision of law—

14 (1) none of the funds authorized to be appro-
15 priated or otherwise made available for any of fiscal
16 years 2013 through 2023 for the Department of De-
17 fense may be obligated or expended for the procure-
18 ment of an SSBN-X submarine; and

19 (2) none of the funds authorized to be appro-
20 priated or otherwise made available for fiscal year
21 2024 or any fiscal year thereafter for the Depart-
22 ment of Defense may be obligated or expended for
23 the procurement of more than eight such sub-
24 marines.

1 (h) REDUCTION OF ICBMs.—Notwithstanding any
2 other provision of law, none of the funds authorized to
3 be appropriated or otherwise made available for fiscal year
4 2013 or any fiscal year thereafter for the Department of
5 Defense may be obligated or expended to maintain more
6 than 200 intercontinental ballistic missiles.

7 (i) REDUCTION OF SLBMs.—Notwithstanding any
8 other provision of law, none of the funds authorized to
9 be appropriated or otherwise made available for fiscal year
10 2013 or any fiscal year thereafter for the Department of
11 Defense may be obligated or expended to maintain more
12 than 250 submarine-launched ballistic missiles.

13 (j) PROHIBITION ON NEW ICBM.—Notwithstanding
14 any other provision of law, none of the funds authorized
15 to be appropriated or otherwise made available for fiscal
16 year 2013 or any fiscal year thereafter for the Department
17 of Defense may be obligated or expended for the research,
18 development, test, and evaluation or procurement of a new
19 intercontinental ballistic missile.

20 (k) TERMINATION OF MOX FUEL PLANT
21 PROJECT.—Notwithstanding any other provision of law,
22 none of the funds authorized to be appropriated or other-
23 wise made available for fiscal year 2013 or any fiscal year
24 thereafter for the Department of Defense or the Depart-

1 ment of Energy may be obligated or expended for the
2 Mixed Oxide (MOX) Fuel Fabrication Facility project.

3 (l) TERMINATION OF CMRR PROJECT.—Notwith-
4 standing any other provision of law, none of the funds au-
5 thorized to be appropriated or otherwise made available
6 for fiscal year 2013 or any fiscal year thereafter for the
7 Department of Defense or the Department of Energy may
8 be obligated or expended for the Chemistry and Metal-
9 lurgy Research Replacement nuclear facility.

10 (m) TERMINATION OF UPF.—Notwithstanding any
11 other provision of law, none of the funds authorized to
12 be appropriated or otherwise made available for fiscal year
13 2013 or any fiscal year thereafter for the Department of
14 Defense or the Department of Energy may be obligated
15 or expended for the Uranium Processing Facility located
16 at the Y-12 National Security Complex.

17 (n) TERMINATION OF MEADS.—Notwithstanding
18 any other provision of law, none of the funds authorized
19 to be appropriated or otherwise made available for fiscal
20 year 2013 or any fiscal year thereafter for the Department
21 of Defense may be obligated or expended for the medium
22 extended air defense system.

23 **SEC. 304. REPORTS REQUIRED.**

24 (a) INITIAL REPORT.—Not later than 180 days after
25 the date of the enactment of this Act, the Secretary of

1 Defense and the Secretary of Energy shall jointly submit
2 to the appropriate committees of Congress a report out-
3 lining the plan of each Secretary to carry out section 3.

4 (b) ANNUAL REPORT.—Not later than March 1,
5 2013, and each year thereafter, the Secretary of Defense
6 and the Secretary of Energy shall jointly submit to the
7 appropriate committees of Congress a report outlining the
8 plan of each Secretary to carry out section 3, including
9 any updates to previously submitted reports.

10 (c) ANNUAL NUCLEAR WEAPONS ACCOUNTING.—
11 Not later than September 30, 2013, and each year there-
12 after, the President shall transmit to the appropriate com-
13 mittees of Congress a report containing a comprehensive
14 accounting by the Director of the Office of Management
15 and Budget of the amounts obligated and expended by the
16 Federal Government for each nuclear weapon and related
17 nuclear program during—

18 (1) the fiscal year covered by the report; and

19 (2) the life cycle of such weapon or program.

20 (d) APPROPRIATE COMMITTEES OF CONGRESS DE-
21 FINED.—In this section, the term “appropriate commit-
22 tees of Congress” means—

23 (1) the Committee on Armed Services, the
24 Committee on Foreign Relations, the Committee on

1 Appropriations, and the Committee on Energy and
2 Natural Resources of the Senate; and
3 (2) the Committee on Armed Services, the
4 Committee on Foreign Affairs, the Committee on
5 Appropriations, the Committee on Energy and Com-
6 merce, and the Committee on Natural Resources of
7 the House of Representatives.

