



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 13, 2001

H.J. Res. 41
**A joint resolution proposing an amendment to the Constitution of the
United States with respect to tax limitations**

As ordered reported by the House Committee on the Judiciary on April 4, 2001

H.J. Res. 41 would propose amending the Constitution to require that any change to the nation's internal revenue laws pass both houses of Congress by a two-thirds vote. Current law requires that such measures pass by a simple majority. The amendment would except instances where it is determined the change in law would increase taxes by not more than a minimal amount. For the amendment to become effective, the legislatures of three-fourths of the states would be required to ratify it within seven years of enactment.

By itself, this resolution would have no impact on the federal budget. If the proposed amendment to the Constitution is approved by the states, then it would be more difficult for future Congresses to pass legislation increasing revenues through changes to the internal revenue code. Because enactment of H.J. Res. 41 would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.J. Res 41 contains no private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act, and would impose no costs on state, local, or tribal governments. In order to become part of the Constitution, three-fourths of the state legislatures would have to ratify the resolution within seven years of its submission to the states by the Congress. However, no state is required to take action on the resolution, either to reject it or to approve it.

The CBO staff contacts for this estimate are John R. Righter (for federal costs), and Shelley Finlayson (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.