
Line Item Veto

A phrase used to describe an executive power to veto or “cross out” only certain parts of legislation while allowing the rest of the legislation to become law. At the federal level, legislation granting the President a line item veto has been declared unconstitutional. The line item veto exists at the state level because their constitutions grant the power to the governors in forms that vary from state to state. Some states only permit line item vetoes in bills appropriating money.

Several legislative initiatives have been introduced in Congress over the years to give the President expanded or enhanced rescission or line item veto authority. In 1996 the Line Item Veto Act was enacted authorizing the President, after signing a bill into law, to cancel in whole any dollar amount of discretionary budget authority, any item of new direct spending, or any limited tax benefit if the President made certain determinations. In 1998, the United States Supreme Court in *Clinton v. City of New York*, 524 U.S. 417 (1998), held that the Line Item Veto Act violated the Presentment Clause, article 1, section 7, of the U.S. Constitution. Under that clause, the President must accept or veto in its entirety any bill passed by Congress. Granting the President line item veto authority would require a constitutional amendment. See also “Account” in the Department of the Treasury’s Annual Report Appendix. (*See also* Discretionary; Enhanced Rescission *and* Expedited Rescission *under* Rescission; Line Item; Mandatory; Separate Enrollment.)

Liquidating Appropriation

An appropriation to pay obligations incurred pursuant to substantive legislation, usually contract authority. A liquidating appropriation is not recorded as budget authority.

Lockbox

In the budget context, any of several legislative mechanisms that attempt to isolate, or “lock away,” funds of the federal government for purposes such as reducing federal spending, preserving surpluses, or protecting the solvency of trust funds.