

- Senate Finance Committee -
ESTIMATED REVENUE EFFECTS OF CHAIRMAN'S MARK

Fiscal Years 1992-1996

[Billions of Dollars]

Item	Effective	1992	1993	1994	1995	1996	1992-96
PROVIDE FAIR TREATMENT OF WORKING FAMILIES							
1. Provide \$300 tax credit for dependents under 16 years; phased out for AGI between \$50,000-\$70,000.....	1/1/92	-0.8	-8.2	-7.6	-7.5	-7.2	-31.4
2. Earned income tax credit (EITC):							
a. Repeal young child credit.....	1/1/92	(1)	0.3	0.3	0.3	0.3	1.1
b. EITC expansion and simplification.....	1/1/92	(2)	-0.5	-0.5	-0.5	-0.5	-2.1
3. Extend targeted jobs tax credit (18 months).....	7/1/92	(2)	-0.1	-0.2	-0.1	(2)	-0.5
PROMOTE LONG-TERM ECONOMIC GROWTH THROUGH:							
1. Increased savings - Restoration of the fully-deductible IRAs and creation of Special IRAs.....	(3)	(2)	1.9	-1.1	-1.9	-3.9	-5.0
2. Improved educational opportunities:							
a. Self-reliance loans (4).....	--	(2)	-0.1	-0.1	-0.1	-0.1	-0.2
b. Permit deduction/credit for student loan interest.....	1/1/92	(2)	-0.1	-0.2	-0.2	-0.2	-0.7
c. Youth training program (LEAP).....	2/1/92	(2)	(2)	(2)	-0.1	-0.1	-0.2
d. Penalty-free withdrawals for education (includes interaction with withdrawals for first-time homebuyers).....	1/1/92	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
e. Extend employer-provided educational assistance (18 months).....	7/1/92	-0.1	-0.2	-0.2	--	--	-0.5
f. Expand exclusion for education savings bonds.....	1/1/92	(2)	(2)	(2)	(2)	(2)	(2)
g. Extend access to tax information by the Department of Veterans Affairs (9/30/98) (4).....	--	--	(1)	0.1	0.1	0.1	0.2
3. Better access to affordable health care:							
a. Extend 100% deduction for health insurance premiums of self-employed (25% in 1992; 100% in 1993 and 1994).....	7/1/92	-0.1	-0.6	-1.7	-1.2	--	-3.6

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b. Adopt small-employer health insurance market reforms; eliminate loss of health insurance resulting from pre-existing condition exclusions.....	(5)	--	(6)	(6)	(6)	(6)	(6)
c. Medicare prevention benefits (4).....	1/1/93	--	-0.1	-0.1	-0.1	-0.1	-0.3
d. Penalty-free IRA withdrawals for serious medical expenses.....	1/1/92	(2)	(2)	(2)	(2)	(2)	(2)
e. Increase excise tax on ozone-depleting chemicals (7).....	7/1/92	(1)	0.1	0.5	0.7	0.1	1.4
f. Extend orphan drug tax credit (18 months).....	7/1/92	(2)	(2)	(2)	--	--	(2)
4. Investment in real estate:							
a. Penalty-free withdrawals for first-home purchase (8).....	1/1/92	-0.2	-0.4	-0.4	-0.3	-0.2	-1.7
b. UBIT changes to promote increased pension investment in real estate (8).....	1/1/92	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4
c. \$5,000 credit for first-home purchase (through 12/31/93, new homes only) (8).....	2/1/92	-0.1	-0.7	-0.6	-0.1	(2)	-1.5
d. Allow passive losses for active real estate developers (existing properties) (8).....	1/1/92	-0.1	-0.4	-0.4	-0.4	-0.5	-1.9
e. Extend depreciation period for nonresidential real estate from 31.5 to 40 years.....	2/12/92	(1)	0.1	0.3	0.6	0.9	1.9
f. Extend and modify low-income housing tax credit (18 months).....	7/1/92	(2)	-0.1	-0.2	-0.3	-0.3	-0.9
g. Extend mortgage revenue bonds and mortgage credit certificates (18 months).....	7/1/92	(2)	(2)	-0.1	-0.1	-0.1	-0.3
5. Other incentives to promote long-term investment and improve competitiveness:							
a. 10% investment tax allowance (through 12/31/92) (8).....	2/1/92	-4.3	-2.4	1.8	1.3	0.9	-2.7
b. Alternative minimum tax relief:							
(1.) Gifts of appreciated property to charitable organizations (18 months).....	7/1/92	(2)	(2)	-0.1	(1)	(2)	-0.1
(2.) Modify treatment of IDCs in minimum tax.....	tyba 12/31/91	-0.1	-0.2	-0.2	-0.1	-0.1	-0.8
(3.) Repeal ACE depreciation adjustment (8).....	2/1/92	-0.2	-0.3	-0.3	-0.3	-0.2	-1.4
c. Extend research and experimentation tax credit (18 months).....	7/1/92	-0.2	-0.8	-0.5	-0.1	-0.1	-1.7
d. Progressive capital gains relief; 2-year holding period; depreciation recapture at 31%; and 50% exclusion for gains from venture capital investments (8).....	2/1/92	-0.1	-1.3	-3.2	-2.1	-0.9	-7.7
e. Extend small-issue bonds (18 months).....	7/1/92	(2)	(2)	-0.1	-0.1	-0.1	-0.3
f. Extend business energy credits (solar and geothermal) (18 months).....	7/1/92	(2)	(2)	(2)	(2)	(2)	-0.1
g. Modify import category for certain vehicles (4).....	4/1/92	0.1	0.2	0.2	0.2	0.2	1.0
h. Cap deduction for regular tax and AMT purposes for executive compensation at \$1 million.....	1/1/92	0.1	0.3	0.4	0.4	0.4	1.5

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i. Expand exclusion for transit passes to \$60 per month; extend exclusion to vanpooling and park-and-ride benefits; limit exclusion for employer-provided parking to \$160 per month.....	(9)	(1)	(1)	(1)	(2)	(2)	(2)
j. Repeal luxury tax on boats, airplanes, jewelry, and furs; index threshold for automobiles; and impose diesel excise tax on motor boats.....	(10)	(2)	(2)	-0.1	-0.1	-0.1	-0.3
k. Extension of other expiring provisions (11).....	--	--	--	--	--	--	---
6. Simplification of the Internal Revenue Code.....	--	0.4	-0.1	-0.6	-0.6	0.3	-0.6
7. Taxpayer Bill of Rights.....	(12)	(2)	-0.1	-0.1	-0.1	-0.1	-0.3
SUBTOTALS.....		-6.0	-14.4	-15.2	-13.1	-11.8	-60.5
CBO Revenue Surplus.....		3.0					3.5
TOTALS: Fairness and Long-Term Economic Growth.....		-3.0	-14.4	-15.2	-13.1	-11.8	-57.0
PROPOSALS TO ENSURE HIGH-INCOME TAXPAYERS PAY THEIR FAIR SHARE							
1. Add fourth individual rate bracket of 36% beginning at taxable income of \$150,000 (single), \$175,000 (joint), and \$162,500 (head of household).....	tyba 12/31/91	3.4	10.2	9.5	10.0	9.9	43.0
2. Impose 10% surtax on tax attributable to taxable income in excess of \$1 million.....	tyba 12/31/91	0.6	1.9	1.9	2.0	2.1	8.5
3. Extend permanently the personal exemption phaseout and the itemized deduction limitation.....	tyba 12/31/95	--	--	--	--	3.7	3.7
4. Conform book and tax accounting for securities inventories.....	tyeo/a 12/31/93	--	0.1	0.4	0.5	0.5	1.5
5. Make corporate and individual estimated tax changes permanent.....	--	--	--	--	--	--	---
6. Extend 45-day processing rule to all taxes and refunds (4).....	7/1/92	--	0.1	0.1	0.1	0.1	0.2
SUBTOTALS.....		4.1	12.3	11.8	12.6	16.3	57.0
GRAND TOTALS.....		1.0	-2.1	-3.4	-0.5	4.5	0.0

Joint Committee on Taxation

NOTES: Details may not add to totals due to rounding.

[Legend and Footnotes appear on the following page.]

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Legend and Footnotes for JCX-9-92 Revised:

Legend for Effective column: D/o/E = Date of enactment

tyba = taxable years beginning after

tyeo/a = taxable years ending on or after

- (1) Gain of less than \$50 million.
- (2) Loss of less than \$50 million.
- (3) Generally effective 1/1/93; provision for transfers to special IRAs effective 1/1/92.
- (4) Estimate for this provision provided by the Congressional Budget Office (CBO).
- (5) Effective dates: Small market reform = plans offered, issued, or renewed on or after 1/1/94; pre-existing conditions = plan years beginning after 12/31/92.
- (6) Gain or loss of less than \$50 million.
- (7) Tax is \$1.85 in 1992 (effective 7/1/92), \$2.75 in 1993, \$3.65 in 1994, \$4.55 in 1995, and (as scheduled under present law) increased by \$0.45 per year thereafter.
- (8) A similar or related proposal was included in the President's 7-point plan.
- (9) Effective dates: Transit passes = 1/1/92; Parking cap = D/o/E.
- (10) Net of income tax offsets. Effective dates: Luxury tax = 1/1/92; Diesel tax = 7/1/92.
- (11) Other expiring provisions to be extended: excise tax on certain vaccines for the Vaccine Injury Compensation Fund for two years and Railroad Retirement Tier II transfers. (NOTE: Extension of the vaccine excise taxes is assumed in the CBO baseline; therefore, an extension of the Vaccine Injury Compensation Fund has no revenue effect.)
- (12) Effective dates: For sections 201, 204, 501, 703, 704, 802, 803, and 902 = date of enactment; for sections 202 and 401 = six months after the date of enactment; for sections 303, 502, and 905 = taxable years beginning after 12/31/92.