

- Ways and Means Committee -  
 1989 RECONCILIATION -- ADDITIONAL ITEMS

Fiscal Years 1990-1994

[Millions of Dollars]

Item	1990	1991	1992	1993	1994	1990-94
I. CHAIRMAN'S MARK, as modified by previous Committee action (1).....	5,464	6,993	5,616	5,448	5,312	28,809
II. CHILD CARE INITIATIVE						
A. Expanded Earned Income Tax Credit (effective 1/1/91):						
1. Adjustments for family size (3+):						
phasein 17%, 21%, 25%; phaseout 12%, 15%, 18%.....	--	-301	-2,853	-3,062	-3,280	-9,496
2. Supplemental for children under 6 years old:						
phasein 6%; phaseout 4.25%.....	--	-149	-1,505	-1,614	-1,730	-4,998
B. Expansion of Title XX Block Grant for Child Care Services (outlays).....	--	-350	-400	-400	-400	-1,550
Subtotal, CHILD CARE INITIATIVE.....	---	-800	-4,758	-5,076	-5,410	-16,044
III. EXPIRING PROVISIONS						
A. Temporary Extensions (through 12/31/91)						
	Code Section	Current-Law Expiration				
1. Employer-provided education assistance (3 years).....	Sec. 127	12/31/88	-497	-316	-96	--
2. Targeted jobs tax credit (2 years).....	Sec. 51	12/31/89	-47	-134	-144	-80
3. Mortgage revenue bonds (2 years).....	Sec. 143	12/31/89	-11	-55	-117	-145
4. Small-issue manufacturing bonds (2 years).....	Sec. 144	12/31/89	-7	-39	-80	-78
5. Business energy credits (solar and geothermal; 2 years).....	Sec. 46	12/31/89	-56	-81	-26	5
B. Permanent Extensions						
1. Low-income housing credit (with modifications).	Sec. 42	12/31/89	-80	-335	-685	-1,067
2. Research and experimentation credit (with modifications).....	Sec. 41	12/31/89	-398	-782	-968	-1,063
3. Research and experimentation cost allocation rules (64% allocation; effective for taxable years beginning after 8/1/89).....	Sec. 861	*	-310	-625	-708	-772
Subtotal, EXPIRING PROVISIONS.....			-1,406	-2,367	-2,824	-3,200
IV. AMENDMENTS TO MEDICARE CATASTROPHIC PROGRAM (includes outlay effects).....			397	186	337	1,321
					N/A	2,241

Item	1990	1991	1992	1993	1994	1990-94
V. ELIMINATE FROM CHAIRMAN'S MARK REPEAL OF REMAINING 10-PERCENT CONSUMER INTEREST DEDUCTION FOR 1990.....	-184	-1,042	--	--	--	-1,226
VI. SUBCOMMITTEE-RELATED ITEMS						
A. Simplify Corporate Alternative Minimum Tax						
1. Eliminate book backstop.....	-388	-590	-575	-538	-560	-2,650
2. Adjust treatment of installment sales of timeshares and residential lots.....	-5	-7	-7	-6	-6	-31
3. Other changes.....	(2)	(2)	(2)	(2)	(2)	(2)
B. Modify Rehabilitation Tax Credit.....	-8	-21	-29	-39	-48	-145
C. CBI Proposal (previously reported by full Committee as H.R. 1233).....	-31	-35	-39	-12	-2	-119
Subtotal, SUBCOMMITTEE-RELATED ITEMS.....	-432	-653	-650	-595	-616	-2,945
VII. REVENUE-RAISING OFFSETS						
A. Tax on Ozone-Depleting Chemicals.....	653	1,280	1,751	2,216	2,615	8,515
B. Treatment of Policyholder Dividends of Mutual Life Insurance Companies..	763	870	332	--	--	1,965
C. Permanent Extension of Telephone Excise Tax.....	--	1,612	2,732	2,930	3,143	10,417
D. Modify Collection Period of Airline Ticket Tax (effective for tax billed after June 30, 1990).....	56	-27	2	2	2	35
Subtotal, REVENUE-RAISING OFFSETS.....	1,472	3,735	4,817	5,148	5,760	20,932
<b>GRAND TOTALS.....</b>	<b>5,311</b>	<b>6,052</b>	<b>2,538</b>	<b>3,046</b>	<b>1,303</b>	<b>18,226</b>

July 18, 1989

- \* Rules expire four months after start of a firm's first tax year beginning after August 1, 1987.  
(1) Estimate total includes a loss of \$24 million in FY 1989.  
(2) Loss of less than \$5 million.