

**ESTIMATED REVENUE EFFECTS OF TITLE IX. OF H.R. 3550,  
THE "HIGHWAY REAUTHORIZATION TAX ACT OF 2004,"  
SCHEDULED FOR CONSIDERATION ON THE HOUSE FLOOR**

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
<b>Trust Fund and Expenditure Authority</b>													
<b>Reauthorization</b>													
1. Extend Highway Trust Fund and Aquatic Resources Trust Fund excise taxes (through 9/30/11).....	DOE	----- No Revenue Effect -----											
2. Extend Highway Trust Fund and Aquatic Resources Trust Fund expenditure authority (through 9/30/09) [1] .....	DOE	----- No Revenue Effect -----											
<b>Total of Trust Fund and Expenditure Authority Reauthorization .....</b>		<b>----- No Revenue Effect -----</b>											
<b>Restructuring of Incentives for Alcohol Fuels, Etc.</b>													
1. Provide excise tax credit (in lieu of reduced tax rate on gasoline) to certain blenders of alcohol fuel mixtures (sunset 12/31/10) .....	fsoua 9/30/04	----- No Revenue Effect -----											
2. Provide that all alcohol fuels excise tax credits and payments are paid from the General Fund [2].....	tra 9/30/04 & apa 9/30/04	---	---	---	---	---	---	---	1,131	1,559	1,586	---	4,276
3. Repeal reduced-rate sales of gasoline for blending with alcohol and reduced-rate sales of alcohol fuel blends .....	fsoua 9/30/04	---	22	23	23	23	22	22	22	21	21	91	199
4. Provide outlay payments (in lieu of excise tax credits and refunds) to producers of alcohol fuel mixtures:													
a. Outlay effects [3] [4] .....	fsoua 9/30/04	---	-105	-114	-116	-117	-119	-121	-38	---	---	-451	-730
b. Revenue effects.....	fsoua 9/30/04	---	105	114	116	117	119	121	38	---	---	451	730
5. Transfer full amount of alcohol fuel excise taxes to the Highway Trust Fund (i.e., repeal 2.5/2.8 cents transfer to General Fund).....	tia 9/30/03	----- No Revenue Effect -----											
6. Transfer full amount of motorboat fuel taxes and certain small engine fuel taxes to the Aquatic Resources Trust Fund .....	tia 9/30/03	----- No Revenue Effect -----											
<b>Total of Restructuring of Incentives for Alcohol Fuels, Etc. ....</b>		<b>---</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>1,153</b>	<b>1,580</b>	<b>1,607</b>	<b>91</b>	<b>4,475</b>
<b>Reduction of Fuel Tax Evasion</b>													
A. Exemption From Certain Excise Taxes for Mobile Machinery Vehicles .....	[5]	---	76	95	95	95	95	95	95	95	95	360	833
B. Taxation of Aviation-Grade Kerosene.....	[6]	---	395	423	426	427	427	425	421	417	413	1,671	3,774

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
C. Dye Injection Equipment, Security Standards, and Related Penalties.....	[7]	---	20	45	45	45	45	45	45	45	45	155	380
D. Authority to Inspect On-Site Records.....	DOE	----- Negligible Revenue Effect -----											
E. Registration and Reporting Requirements													
1. Registration of pipeline or vessel operators required for exemption of bulk transfers to registered terminals or refineries [8].....	10/1/04	---	115	123	124	124	124	124	124	123	122	486	1,103
2. Display of registration and penalty for failure to display.....	[9]	----- Revenue Effects Included in Line E.1. Above -----											
3. Penalties for failure to register and failure to report.....	pia 9/30/04	---	2	2	2	2	2	2	2	2	2	8	18
F. Collection From Customs Bonds Where Importer Not Registered.....	fea 9/30/04	2	7	8	8	8	8	8	8	8	8	33	73
G. Modifications to Heavy Vehicle Use Tax.....	tpba DOE	106	121	124	126	128	131	131	133	135	137	606	1,273
H. Modification of Ultimate Vendor Refund Claims With Respect to Farming.....	fsfua DOE	----- Negligible Revenue Effect -----											
I. Dedication of Revenue From Certain Penalties to the Highway Trust Fund.....	paa 10/1/04	----- No Revenue Effect -----											
<b>Total of Reduction of Fuel Tax Evasion .....</b>		<b>108</b>	<b>736</b>	<b>820</b>	<b>826</b>	<b>829</b>	<b>832</b>	<b>830</b>	<b>828</b>	<b>825</b>	<b>822</b>	<b>3,319</b>	<b>7,454</b>
<b>Other Highway Excise Tax Provisions</b>													
A. Taxable Fuel Refunds for Certain Ultimate Vendors.....	10/1/04	----- Negligible Revenue Effect -----											
B. Two-Party Exchanges.....	DOE	----- Negligible Revenue Effect -----											
C. Simplify the Heavy Truck Tire Tax [10].....	[11]	----- Negligible Revenue Effect -----											
<b>Total of Other Highway Excise Tax Provisions .....</b>		<b>----- Negligible Revenue Effect -----</b>											
<b>Two-Year Extension of Increased Expensing for Small Business - increase section 179 expensing from \$25,000 to \$100,000 and increase the phaseout threshold amount from \$200,000 to \$400,000; include software in section 179 property; and extend indexing of both the deduction limit and the phaseout threshold (sunset after 2007) .....</b>													
	tyba 12/31/05	---	---	-3,814	-6,636	-488	3,786	2,416	1,665	1,116	609	-10,938	-1,346
<b>Alternative Minimum Tax Relief</b>													
1. Repeal the 90% limitation on the use of foreign tax credits against the AMT .....	tyba 12/31/05	---	---	-278	-414	-395	-379	-365	-354	-346	-339	-1,087	-2,870
2. Phaseout 90% limitation on use of net operating losses (92% in 2006 through 2008, 94% in 2009 and 2010, 96% in 2011, 98% in 2012, and 100% in 2013 and thereafter) .....	tyba 12/31/05	---	---	-134	-182	-153	-264	-320	-444	-644	-847	-469	-2,988
3. Expansion of exemption from alternative minimum tax for small corporations to \$20 million .....	tyba 12/31/05	---	---	-99	-127	-108	-101	-96	-91	-88	-85	-334	-795

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
4. Coordinate farmer income averaging and the AMT.....	tyba 12/31/03	[12]	-2	-2	-3	-4	-5	-6	-7	-7	-8	-12	-45
<b>Total of Alternative Minimum Tax Relief .....</b>		<b>---</b>	<b>[12]</b>	<b>-513</b>	<b>-726</b>	<b>-660</b>	<b>-749</b>	<b>-787</b>	<b>-896</b>	<b>-1,085</b>	<b>-1,279</b>	<b>-1,902</b>	<b>-6,698</b>
<b>NET TOTAL .....</b>		<b>108</b>	<b>758</b>	<b>-3,484</b>	<b>-6,513</b>	<b>-296</b>	<b>3,891</b>	<b>2,481</b>	<b>2,750</b>	<b>2,436</b>	<b>1,759</b>	<b>-9,430</b>	<b>3,885</b>

Joint Committee on Taxation

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

Legend for "Effective" column:

apa = amounts paid after  
 DOE = date of enactment  
 fea = fuel entered after  
 fsfnua = fuels sold for nontaxable use after

fsoua = fuel sold or used after  
 paa = penalties assessed after  
 pia = penalties imposed after  
 tia = taxes imposed after

tpba = taxable periods beginning after  
 tra = taxes received after  
 tyba = taxable years beginning after

- [1] The outlay effects of this provision will be estimated by the Congressional Budget Office ("CBO").
- [2] The bill provides that the excise tax credit expires after December 31, 2010. If this bill is enacted, the Congressional Budget Office's subsequent baseline would not assume extension of the excise tax credit beyond its expiration because the requirement to assume extension of excise taxes dedicated to trust funds does not apply to excise tax credits paid from the General Fund. For purposes of this revenue estimate, therefore, it is assumed that the excise tax credit would expire as scheduled. This treatment generates changes in revenues after December 31, 2010.
- [3] Estimate provided by the Congressional Budget Office. Negative numbers indicate an increase in outlays.
- [4] The outlay payments for ethanol expire after December 31, 2010.
- [5] Generally effective the day after the date of enactment. As to fuel taxes, effective for taxable years beginning after the date of enactment.
- [6] Effective for aviation fuel removed, entered into the United States, or sold after September 30, 2004.
- [7] Generally effective 180 days after the date on which the Secretary issues the regulations, which are required no later than 180 days after the date of enactment.
- [8] Bulk transfers to unregistered parties would be taxed at the time of the transfer. The Secretary would be required to publish a list of certain registered persons beginning on July 1, 2004.
- [9] The display of registration provision is effective on October 1, 2004, and the penalty provision is effective for penalties imposed after September 30, 2004.
- [10] The revenue neutral tax rate on each ten pounds of tire capacity above 3,500 pounds is 9.4 cents on tires in general and 4.7 cents for biasply tires. Estimate does not include potential outlay effects, which are the responsibility of the Congressional Budget Office.
- [11] Effective for sales in calendar years beginning more than 30 days after the date of enactment.
- [12] Loss of less than \$500,000.