

REVENUE ESTIMATES RELATING TO
THE HOUSE, SENATE, AND CONFERENCE
VERSIONS OF H.R. 8363, THE REVENUE BILL
OF 1964

PREPARED FOR THE USE OF
THE SENATE COMMITTEE ON FINANCE AND THE
HOUSE COMMITTEE ON WAYS AND MEANS
BY THE STAFF OF THE
JOINT COMMITTEE ON
INTERNAL REVENUE TAXATION



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TABLE 1.—Revenue bill of 1964, H.R. 8363—Estimated decrease (—) and increase (+) in tax liability¹ of provisions of bill

A. AS APPROVED BY THE CONFERENCE (FEB. 19, 1964)

[In millions of dollars]

	Calendar year 1964 liability			Calendar year 1965 liability			Longrun liability		
	Individual	Corporation	Total	Individual	Corporation	Total	Individual	Corporation	Total
A. 1963-64 tax program:									
Rate changes (basic rates)	-6,310	-1,320	-7,630	-9,470	-2,190	-11,660	-9,470	-2,190	-11,660
Structural changes:									
(a) Revenue raising:									
1. Group term insurance	+5		+5	+5		+5	+5		+5
2. Bank loan insurance	+5		+5	+5		+5	+10		+10
3. Sick pay exclusion	+65		+65	+65		+65	+65		+65
4. Deduction of personal taxes	+300		+300	+300		+300	+300		+300
5. Casualty loss deduction	+50		+50	+50		+50	+50		+50
6. Aggregation of mineral properties		+40	+40		+40	+40		+10	+10
7. Personal holding companies	+15		+15	+15		+15	+15		+15
8. Repeal of dividend credit and increase in exclusion	+120		+120	+300		+300	+300		+300
9. Multiple corporation penalty tax		+35	+35		+35	+35		+35	+35
10. Exclusion of foreign earned income				(2)		(2)	(2)		(2)
Total, revenue raising	+560	+75	+635	+740	+75	+815	+745	+75	+820
(b) Revenue reducing:									
11. Medical expense deduction	-10		-10	-10		-10	-10		-10
12. Child care allowance	-15		-15	-15		-15	-15		-15
13. Moving expenses	-60		-60	-60		-60	-60		-60
14. Income averaging	-40		-40	-40		-40	-40		-40
15. Minimum standard deduction	-320		-320	-320		-320	-320		-320
16. Repeal of 2-percent tax on consolidated returns ²		-55	-55		-55	-55		-55	-55
17. Installment sales treatment		-100	-100		-5	-5		-5	-5
18. Expropriation loss carryover		(2)	(2)		-5	-5		-5	-5
19. Retirement income credit	-10		-10	-10		-10	-10		-10
Total, revenue reducing	-455	-155	-610	-455	-65	-520	-455	-65	-520
Total, structural changes	+105	-80	+25	+285	+10	+295	+290	+10	+300
Total, rate and structural changes, 1963-64, tax program	-6,205	-1,400	-7,605	-9,185	-2,180	-11,365	-9,180	-2,180	-11,360

Capital gains revisions (including induced effects):									
1. Unlocking of capital gains from general rate reduction.....	+130	(2)	+130	+130	.....	+130	+50	.....	+50
2. Sale or exchange of real estate.....	.....	(2)	(2)	.....	+5	+5	.....	+15	+15
3. Carryover of losses.....	-30	.....	-30	-30	.....	-30	-30	.....	-30
4. Sales of residences by taxpayers aged 65 or over.....	-10	.....	-10	-10	.....	-10	-10	.....	-10
5. Capital gains treatment of iron ore royalties.....	.....	-5	-5	.....	-5	-5	.....	-5	-5
Total, capital gains revisions.....	+90	-5	+85	+90	.....	+90	+10	+10	+20
Total, 1963-64 tax program.....	-6,115	-1,405	-7,520	-9,095	-2,180	-11,275	-9,170	-2,170	-11,340
B. Revision of 1962 legislation:									
1. Repeal of requirement to reduce basis by investment credit.....	-20	-140	*-160	-25	-170	*-195	-25	-170	*-195
2. Allow investment credit for elevators and escalators.....	.....	-10	-10	.....	-10	-10	.....	-10	-10
3. Elimination of allocation of travel expenses.....	(2)	.....	(2)	(2)	.....	(2)	(2)	.....	(2)
Total, revision of 1962 legislation.....	-20	-150	*-170	-25	-180	*-205	-25	-180	*-205
C. Total, revenue bill of 1964.....	-6,135	-1,555	*-7,690	-9,120	-2,360	*-11,480	-9,195	-2,370	*-11,545

¹ At levels of income estimated for the calendar year 1963 without feedback.

² Less than \$2,500,000.

³ Including 100-percent intercorporate dividend deduction for certain affiliated groups.

⁴ Includes relatively small amount attributable to individuals.

⁵ Treasury Department estimate; estimate of staff of Joint Committee on Internal

Revenue Taxation is \$245,000,000 for 1964, \$305,000,000 for 1965, and \$435,000,000 for the long run (1968).

⁶ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is higher, because of the investment credit basis provision, by \$85,000,000 for 1964, by \$110,000,000 for 1965, and by \$240,000,000 for the long run (1968).

TABLE 1.—Revenue bill of 1964, H.R. 8363: Estimated decrease (—) and increase (+) in tax liability¹ of provisions of bill (Continued)

B. AS PASSED BY THE SENATE (FEB. 7, 1964)

[In millions of dollars]

	Calendar year 1964 liability			Calendar year 1965 liability			Longrun liability		
	Individual	Corporation	Total	Individual	Corporation	Total	Individual	Corporation	Total
A. 1963-64 tax program:									
Rate changes (basic rates).....	-6,310	-1,320	-7,630	-9,470	-2,190	-11,660	-9,470	-2,190	-11,660
Structural changes:									
(a) Revenue raising:									
1. Group term insurance.....	(2)		(2)	(2)		(2)	(2)		(2)
2. Bank loan insurance.....	+5		+5	+5		+5	+10		+10
3. Sick pay exclusion.....	+55		+55	+55		+55	+55		+55
4. Deduction of personal taxes.....	+190		+190	+190		+190	+190		+190
5. Casualty loss deduction.....	+50		+50	+50		+50	+50		+50
6. Aggregation of mineral properties.....		+40	+40		+40	+40		+40	+40
7. Personal holding companies.....	+15		+15	+15		+15	+15		+15
8. Repeal of dividend credit and increase in exclusion.....	+120		+120	+300		+300	+300		+300
9. Multiple corporation penalty tax.....		+35	+35		+35	+35		+35	+35
10. Exclusion of foreign earned income.....	+10		+10	+10		+10	+10		+10
Total, revenue raising.....	+445	+75	+520	+625	+75	+700	+630	+75	+705
(b) Revenue reducing:									
11. Medical expense deduction.....	-10		-10	-10		-10	-10		-10
12. Child care allowance.....	-20		-20	-20		-20	-20		-20
13. Moving expenses.....	-105		-105	-105		-105	-105		-105
14. Income averaging.....	-40		-40	-40		-40	-40		-40
15. Minimum standard deduction.....	-320		-320	-320		-320	-320		-320
16. Repeal of 2-percent tax on consolidated returns ²		-55	-55		-55	-55		-55	-55
17. Political contributions.....	-25		-25	-5		-5	-15		-15
18. Installment sales treatment.....		-140	-140		-10	-10		-10	-10
19. Expropriation loss carryover.....		(2)	(2)		-5	-5		-5	-5
20. Retirement income credit.....	-10		-10	-10		-10	-10		-10
21. Extension of head-of-household status.....	-20		-20	-20		-20	-20		-20
22. Extra exemption and transportation expense for disabled.....	-185		-185	-185		-185	-185		-185

23. Double investment credit for facilities to control pollution.....		-25	-25		-30	-30		-50	-50
Total, revenue reducing.....	-735	-220	-955	-715	-100	-815	-725	-120	-845
Total, structural changes.....	-290	-115	-435	-90	-25	-115	-95	-45	-140
Total, rate and structural changes, 1963-64, tax program.....	-6,600	-1,465	-8,065	-9,560	-2,217	-11,775	-9,565	-2,235	-11,800
Capital gains revisions (including induced effects):									
1. Unlocking of capital gains from general rate reduction.....	+130		+130	+130		+130	+50		+50
2. Sale or exchange of real estate.....		(2)	(2)		+5	+5		+15	+15
3. Sales of residences by taxpayers aged 65 or over.....	-10		-10	-10		-10	-10		-10
4. Capital gains treatment of iron ore royalties.....		-5	-5		-5	-5		-5	-5
Total, capital gains revisions.....	+120	-5	+115	+120		+120	+40	+10	+50
Total, 1963-64 tax program.....	-6,480	-1,470	-7,950	-9,440	-2,215	-11,655	-9,525	-2,225	-11,750
B. Revision of 1962 legislation:									
1. Repeal of requirement to reduce basis by investment credit.....	-20	-140	* -160	-25	-170	* -195	-25	-170	* -195
2. Allow investment credit for elevators and escalators.....		-10	-10		-10	-10		-10	-10
3. Elimination of allocation of travel expenses.....	-5		-5	-5		-5	-5		-5
Total, revision of 1962 legislation.....	-25	-150	* -175	-30	-180	* -210	-30	-180	* -210
C. Total, revenue bill of 1964.....	-6,505	-1,620	* -8,125	-9,470	-2,395	* -11,865	-9,555	-2,405	* -11,960

¹ At levels of income estimated for the calendar year 1963 without feedback.

² Less than \$2,500,000.

³ Including 100-percent intercorporate dividend deduction for certain affiliated groups.

⁴ Includes relatively small amount attributable to individuals.

⁵ Treasury Department estimate; estimate of staff of Joint Committee on Internal

Revenue Taxation is \$245,000,000 for 1964, \$305,000,000 for 1965, and \$435,000,000 for the long run (1968).

* Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is higher, because of the investment credit basis provision, by \$85,000,000 for 1964, by \$110,000,000 for 1965, and by \$240,000,000 for the long run (1968).

TABLE 1.—Revenue bill of 1964, H.R. 8363—Estimated decrease (–) and increase (+) in tax liability¹ of provisions of bill—Continued

C. AS PASSED BY HOUSE OF REPRESENTATIVES (SEPT. 25, 1963)

[In millions of dollars]

	Calendar year 1964 liability			Calendar year 1965 liability		
	Individual	Corporation	Total	Individual	Corporation	Total
A. 1963-64 tax program:						
Rate changes (basic rates).....	-6,310	-1,320	-7,630	-9,470	-2,190	-11,660
Structural changes:						
(a) Revenue raising:						
1. Group term insurance.....	+5		+5	+5		+5
2. Bank loan insurance.....	+5		+5	+5		+5
3. Sick pay exclusion.....	+110		+110	+110		+110
4. Deduction of personal taxes.....	+520		+520	+520		+520
5. Casualty loss deduction.....	+50		+50	+50		+50
6. Aggregation of mineral properties.....		+40	+40		+40	+40
7. Personal holding companies.....	+15		+15	+15		+15
8. Repeal of dividend credit and increase in exclusion.....	+120		+120	+300		+300
9. Multiple corporation penalty tax.....		+35	+35		+35	+35
Total, revenue raising.....	+825	+75	+900	+1,005	+75	+1,080
(b) Revenue reducing:						
10. Medical expense deduction.....	-10		-10	-10		-10
11. Child care allowance.....	-5		-5	-5		-5
12. Moving expenses.....	-60		-60	-60		-60
13. Income averaging.....	-40		-40	-40		-40
14. Minimum standard deduction.....	-320		-320	-320		-320
15. Repeal of 2-percent tax on consolidated returns.....		-50	-50		-50	-50
Total, revenue reducing.....	-435	-50	-485	-435	-50	-485
Total, structural changes.....	+390	+25	+415	+570	+25	+595
Total, rate and structural changes 1963-64 tax program.....	-5,920	-1,295	-7,215	-8,900	-2,165	-11,065
Capital gains revision (including induced effects):						
1. 50- to 40-percent inclusion ²	+340		+340	+210		+210
2. Sale or exchange of real estate.....		(3)	(3)		+5	+5
3. Carryover of losses.....	-30		-30	-30		-30
4. Sales of residences by taxpayers aged 65 or over.....	-10		-10	-10		-10

29-031-64-2	5. Capital gains treatment of iron ore royalties.....		-5	-5		-5	-5
	Total, capital gains revision.....	+300	-5	+245	+170	0	+170
	Total, 1963-64 tax program.....	-5,620	-1,300	-6,920	-8,730	-2,165	-10,895
	B. Revision of 1962 legislation:						
	1. Repeal of requirement to reduce basis by investment credit.....	-20	-125	⁴ -145	-25	-160	⁴ -185
	2. Allow investment credit for elevators and escalators.....		-10	-10		-10	-10
	Total, revision of 1962 legislation.....	-20	-135	⁴ -155	-25	-170	⁴ -195
	C. Total, revenue bill of 1964.....	-5,640	-1,435	⁴ -7,075	-8,755	-2,335	⁴ -11,090

¹ At levels of income estimated for the calendar year 1963 without feedback; as set forth in the report of the Committee on Ways and Means.

² Includes amounts shown in part A as "unlocking due to general rate reduction."

³ Less than \$2,500,000.

⁴ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is \$245,000,000 for 1964, and \$305,000,000 for 1965.

⁵ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is higher, because of the investment credit basis provision, by \$100,000,000 for 1964 and by \$120,000,000 for 1965.

TABLE 2.—Revenue bill of 1964, H.R. 8363—Estimated decrease (–) and increase (+) in fiscal year receipts¹ of provisions of bill

A. AS APPROVED BY THE CONFERENCE (FEB. 19, 1964)

[In millions of dollars]

	Fiscal year 1964 receipts			Fiscal year 1965 receipts		
	Individual	Corporation	Total	Individual	Corporation	Total
A. 1963-64 tax program:						
Rate changes:						
Basic rates.....	-1,900		-1,900	-8,060	-1,320	-9,380
Acceleration of corporation tax payments.....		+260	+260		+900	+900
Total, rate changes.....	-1,900	+260	-1,640	-8,060	-420	-8,480
Structural changes:						
(a) Revenue raising:						
1. Group term insurance.....				+5		+5
2. Bank loan insurance.....				+5		+5
3. Sick pay exclusion.....				+65		+65
4. Deduction of personal taxes.....				+300		+300
5. Casualty loss deduction.....				+50		+50
6. Aggregation of mineral properties.....					+40	+40
7. Personal holding companies.....				+15		+15
8. Repeal of dividend credit and increase in exclusion.....				+120		+120
9. Multiple corporation penalty tax.....					+35	+35
10. Exclusion of foreign earned income.....						
Total, revenue raising.....				+560	+75	+635
(b) Revenue reducing:						
11. Medical expense deduction.....				-10		-10
12. Child care allowance.....				-15		-15
13. Moving expenses.....				-60		-60
14. Income averaging.....				-40		-40
15. Minimum standard deduction.....				-320		-320
16. Repeal of 2-percent tax on consolidated returns ³					-55	-55
17. Installment sales treatment.....					⁴ -100	-100
18. Expropriation loss carryover.....						

(2)

(2)

19. Retirement income credit.....				-10		-10
Total, revenue reducing.....				-455	-155	-610
Total, structural changes.....				+105	-80	+25
Total, rate and structural changes, 1963-64 tax program.....	-1,900	+260	-1,640	-7,955	-500	-8,455
Capital gains revisions (including induced effects):						
1. Unlocking of capital gains from general rate reduction.....				+130		+130
2. Sale or exchange of real estate.....					(2)	(2)
3. Carryover of losses.....				-30		-30
4. Sales of residences by taxpayers aged 65 or over.....				-10		-10
5. Capital gains treatment of iron ore royalties.....					-5	-5
Total, capital gains revisions.....				+100	-5	+85
Total, 1963-64 tax program.....	-1,900	+260	-1,640	-7,865	-505	-8,370
B. Revision of 1962 legislation:						
1. Repeal of requirement to reduce basis by investment credit.....				-20	-140	^a -160
2. Allow investment credit for elevators and escalators.....		-5	-5		-10	-10
3. Elimination of allocation of travel expenses.....	(2)		(2)	(2)		(2)
Total, revision of 1962 legislation.....	(2)	-5	-5	-20	-150	^b -170
C. Total, revenue bill of 1964.....	-1,900	+255	-1,645	-7,885	-655	^c -8,540

¹ At levels of income estimated for the calendar year 1963 without feedback. Assumes effective date for withholding change of Mar. 8, 1964.

² Less than \$2,500,000.

³ Including 100-percent intercorporate dividend deduction for certain affiliated groups.

⁴ Includes relatively small amount attributable to individuals.

⁵ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is \$245,000,000.

⁶ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is higher by \$85,000,000 because of the investment credit basis provision.

TABLE 2. - Revenue bill of 1964, H.R. 8363--Estimated decrease (-) and increase (+) in fiscal year receipts¹ of provisions of bill - Con.

B. AS PASSED BY THE SENATE (FEB. 7, 1964)

[In millions of dollars]

	Fiscal year 1964 receipts			Fiscal year 1965 receipts		
	Individual	Corporation	Total	Individual	Corporation	Total
A. 1963-64 tax program:						
Rate changes:						
Basic rates	-1,900		-1,900	-8,060	-1,320	-9,380
Acceleration of corporation tax payments		+260	+260		+900	+900
Total, rate changes	-1,900	+260	-1,640	-8,060	-420	-8,480
Structural changes:						
(a) Revenue raising:						
1. Group term insurance				(2)		(2)
2. Bank loan insurance				+5		+5
3. Sick pay exclusion				+55		+55
4. Deduction of personal taxes				+190		+190
5. Casualty loss deduction				+50		+50
6. Aggregation of mineral properties					+40	+40
7. Personal holding companies				+15		+15
8. Repeal of dividend credit and increase in exclusion				+120		+120
9. Multiple corporation penalty tax					+35	+35
10. Exclusion of foreign earned income				+10		+10
Total, revenue raising				+445	+75	+520
(b) Revenue reducing:						
11. Medical expense deduction				-10		-10
12. Child care allowance				-20		-20
13. Moving expenses				-105		-105
14. Income averaging				-40		-40
15. Minimum standard deduction				-320		-320
16. Repeal of 2-percent tax on consolidated returns ²					-55	-55
17. Political contributions				-25		-25
18. Installment sales treatment					-110	-110
19. Expropriation loss carryover					(2)	2
20. Retirement income credit				-10		-10
21. Extension of head-of-household status				-20		-20
22. Extra exemption and transportation expense for disabled				-185		-185

23. Double investment credit for facilities to control pollution.....					-25	-25
Total, revenue reducing.....				-735	-220	-955
Total, structural changes.....				-290	-145	-435
Total, rate and structural changes, 1963-64 tax program.....	-1,900	+260	-1,640	-8,350	-565	-8,915
Capital gains revisions (including induced effects):						
1. Unlocking of capital gains from general rate reduction.....				+130		+130
2. Sale or exchange of real estate.....				-10	(2)	(2) -10
3. Sales of residences by taxpayers aged 65 or over.....					-5	-5
4. Capital gains treatment of iron ore royalties.....						
Total, capital gains revisions.....				+120	-5	+115
Total, 1963-64 tax program.....	-1,900	+260	-1,640	-8,230	-570	-8,800
B. Revision of 1962 legislation.....						
1. Repeal of requirement to reduce basis by investment credit.....				-20	-140	* -160
2. Allow investment credit for elevators and escalators.....		-5	-5		-10	-10
3. Elimination of allocation of travel expenses.....	(2)		(2)	-5		-5
Total, revision of 1962 legislation.....		-5	-5	-25	-150	* -175
C. Total, revenue bill of 1964.....	-1,900	+255	-1,645	-8,255	-720	* -8,975

¹ At levels of income estimated for the calendar year 1963 without feedback. Assumes effective date for withholding change of Mar. 8, 1964.

² Less than \$2,500,000.

³ Including 100-percent intercorporate dividend deduction for certain affiliated groups.

⁴ Includes relatively small amount attributable to individuals.

⁵ Treasury Department estimate, estimate of staff of Joint Committee on Internal Revenue Taxation is \$245,000,000.

⁶ Treasury Department estimate, estimate of staff of Joint Committee on Internal Revenue Taxation is higher by \$85,000,000 because of the investment credit basis provision.

TABLE 2.—Revenue bill of 1964, H.R. 8363—Estimated decrease (–) and increase (+) in fiscal year receipts¹ of provisions of bill—Continued

C. AS PASSED BY HOUSE OF REPRESENTATIVES (SEPT. 25, 1963)

[In millions of dollars]

	Fiscal year 1964 receipts			Fiscal year 1965 receipts		
	Individual	Corporation	Total	Individual	Corporation	Total
A. 1963-64 tax program:						
Rate changes (basic rates).....	-2,430		-2,430	-7,530	-1,320	-8,850
Acceleration of corporation tax payments.....		+260	+260		+900	+900
Total, rate changes.....	-2,430	+260	-2,170	-7,530	-420	-7,950
Structural changes:						
(a) Revenue raising:						
1. Group term insurance.....				+5		+5
2. Bank loan insurance.....				+5		+5
3. Sick pay exclusion.....				+110		+110
4. Deduction of personal taxes.....				+520		+520
5. Casualty loss deduction.....				+50		+50
6. Aggregation of mineral properties.....					+40	+40
7. Personal holding companies.....				+15		+15
8. Repeal of dividend credit and increase in exclusion.....				+120		+120
9. Multiple corporation penalty tax.....					+35	+35
Total, revenue raising.....				+825	+75	+900
(b) Revenue reducing:						
10. Medical expense deduction.....				-10		-10
11. Child care allowance.....				-5		-5
12. Moving expenses.....				-60		-60
13. Income averaging.....				-40		-40
14. Minimum standard deduction.....				-320		-320
15. Repeal of 2-percent tax on consolidated returns.....					-50	-50
Total, revenue reducing.....				-435	-50	-485
Total, structural changes.....				+390	+25	+415
Total, rate and structural changes, 1963-64 tax program.....	-2,430	+260	-2,170	-7,140	-395	-7,535

Capital gains revision (including induced effects):						
1. 50 to 40 percent inclusion ¹				+340	(2)	+340
2. Sale or exchange of real estate				-30		-30
3. Carryover of losses				-10		-10
4. Sales of residences by taxpayers aged 65 or over					-5	-5
5. Capital gains treatment of iron ore royalties						
Total, capital gains revision				+300	-5	+295
Total, 1963-64 tax program	-2,430	+260	-2,170	-6,840	-400	-7,240
B. Revision of 1962 legislation:						
1. Repeal of requirement to reduce basis by investment credit		-15	-15	-20	-125	⁴ -145
2. Allowing investment credit for elevators and escalators		-5	-5		-10	-10
Total, revision of 1962 legislation		-20	-20	-20	-135	⁴ -155
C. Total, revenue bill of 1964	-2,430	+240	-2,190	-6,860	-535	⁴ -7,395

¹ At levels of income estimated for the calendar year 1963 without feedback; as set forth in the report of the Committee on Ways and Means.

² Includes amounts shown in pt. A as "unlocking due to general rate reduction."

³ Less than \$2,500,000.

⁴ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is \$245,000,000.

⁵ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is higher by \$100,000,000 because of the investment credit basis provision.

TABLE 3.—Revenue bill of 1964, H.R. 8363—Estimated decrease (—) and increase (+) in tax liability¹ of provisions of bill as passed by the House of Representatives, as passed by the Senate, and as approved by the Conference, calendar years 1964 and 1965 and long run

[In millions of dollars]

	Calendar year 1964 liability			Calendar year 1965 liability			Long-run liability		
	As passed by the House of Representatives	As passed by the Senate	As approved by the Conference	As passed by the House of Representatives	As passed by the Senate	As approved by the Conference	As passed by the House of Representatives	As passed by the Senate	As approved by the Conference
A. 1963-64 tax program:									
Rate changes (basic rates):									
Individual	-6,310	-6,310	-6,310	-9,470	-9,470	-9,470	-9,470	-9,470	-9,470
Corporation	-1,320	-1,320	-1,320	-2,190	-2,190	-2,190	-2,190	-2,190	-2,190
Total, rate changes	-7,630	-7,630	-7,630	-11,660	-11,660	-11,660	-11,660	-11,660	-11,660
Structural changes:									
(a) Revenue raising:									
1. Group term insurance	+5	(2)	+5	+5	(2)	+5	+5	(2)	+5
2. Bank loan insurance	+5	+5	+5	+5	+5	+5	+10	+10	+10
3. Sick pay exclusion	+110	+55	+65	+110	+55	+65	+110	+55	+65
4. Deduction of personal taxes	+520	+190	+300	+520	+190	+300	+520	+190	+300
5. Casualty loss deduction	+50	+50	+50	+50	+50	+50	+50	+50	+50
6. Aggregation of mineral properties	+40	+40	+40	+40	+40	+40	+40	+40	+40
7. Personal holding companies	+15	+15	+15	+15	+15	+15	+15	+15	+15
8. Repeal of dividend credit and increase in exclusion	+120	+120	+120	+300	+300	+300	+300	+300	+300
9. Multiple corporation penalty tax	+35	+35	+35	+35	+35	+35	+35	+35	+35
10. Exclusion of foreign earned income		+10			+10	(2)		+10	(2)
Total, revenue raising	+900	+520	+635	+1,080	+700	+815	+1,085	+705	+820
(b) Revenue reducing:									
11. Medical expense deduction	-10	-10	-10	-10	-10	-10	-10	-10	-10
12. Child care allowance	-5	-20	-15	-5	-20	-15	-5	-20	-15
13. Moving expenses	-60	-105	-60	-60	-105	-60	-60	-105	-60
14. Income averaging	-40	-40	-40	-40	-40	-40	-40	-40	-40
15. Minimum standard deduction	-320	-320	-320	-320	-320	-320	-320	-320	-320
16. Repeal of 2-percent tax on consolidated returns	-50	2 -55	2 -55	-50	2 -55	2 -55	-50	2 -55	2 -55
17. Political contributions		-25			-5			-15	
18. Installment sales treatment		-140	-100		-10	-5		-10	-5
19. Expropriation loss carryover		(2)	(2)		-5	-5		-5	-5
20. Retirement income credit		-10	-10		-10	-10		-10	-10
21. Extension of head-of-household status		-20			-20			-20	

1950-67 64 ::	22. Extra exemption and transportation expense for disabled		-185		-185		-185		
	23. Double investment credit for facilities to control pollution		-25		-30		-50		
	Total, revenue reducing	-485	-955	-610	-485	-815	-520	-485	-520
	Total, structural changes	+415	-435	+25	+595	-115	+295	+600	+300
	Total, rate and structural changes, 1963-64 tax program	-7,215	-8,065	-7,605	-11,065	-11,775	-11,365	-11,060	-11,800
	Capital gains revision (including induced effects):								
	1. Unlocking of capital gains from general rate reduction	+130	+130	+130	+130	+130	+130	+50	+50
	2. 50-40 percent inclusion, additional holding period, and 21-percent maximum rate	+130			+10			-230	
	3. Carryover of losses	-30		-30	-30		-30	-30	-30
	4. Sale or exchange of real estate	(2)	(2)	(2)	+5		+5	+15	+15
	5. Sales of residences by taxpayers aged 65 or over	-10	-10	-10	-10	-10	-10	-10	-10
	6. Capital gains treatment of iron ore royalties	-5	-5	-5	-5	-5	-5	-5	-5
	Total, capital gains revisions	+215	+115	+85	+80	+120	+90	-210	+20
	Total, 1963-64 tax program	-7,000	-7,950	-7,520	-10,985	-11,655	-11,275	-11,270	-11,750
	B. Revision of 1962 legislation:								
	1. Repeal of requirement to reduce basis by investment credit ¹	-160	-160	-160	-195	-195	-195	-195	-195
	2. Allow investment credit for elevators and escalators	-10	-10	-10	-10	-10	-10	-10	-10
	3. Elimination of allocation of travel expenses		-5	(2)	-5	(2)		-5	(2)
	Total, revision of 1962 legislation ²	-170	-175	-170	-205	-10	-205	-205	-210
	C. Total, revenue bill of 1964: ³								
	Individual	-5,520	-6,505	-6,135	-8,845	-9,470	-9,120	-9,140	-9,195
	Corporation	-1,450	-1,620	-1,555	-2,345	-2,365	-2,360	-2,335	-2,350
	Total	-7,170	-8,125	-7,690	-11,190	-11,835	-11,480	-11,475	-11,545

¹ At levels of income estimated for calendar year 1963 without feedback.

² Less than \$2,500,000.

³ Includes 100-percent intercorporate dividend deduction for certain affiliated groups.

⁴ Revised; estimates in Ways and Means Committee report combining this item with "unlocking" were \$340,000,000 in 1964 and \$210,000,000 in 1965.

⁵ Treasury Department estimates revised from estimates of \$145,000,000 for 1964 and

\$185,000,000 for 1965 in Ways and Means Committee report; estimates of staff of Joint Committee on Internal Revenue Taxation are \$245,000,000 for 1964, \$305,000,000 for 1965, and \$435,000,000 for the long run (1968).

⁶ Treasury Department estimates; estimates of staff of Joint Committee on Internal Revenue Taxation are higher, because of the investment credit basis provision, by \$85,000,000 for 1964, by \$110,000,000 for 1965, and by \$249,000,000 for the long run (1968).

TABLE 4.—Revenue bill of 1964, H.R. 8363—Estimated decrease (–) and increase (+) in fiscal year receipts¹ of provisions of bill as passed by the House of Representatives, as passed by the Senate, and as approved by the Conference, fiscal years 1964 and 1965

[In millions of dollars]

	Fiscal year 1964 receipts			Fiscal year 1965 receipts		
	As passed by the House of Representatives	As passed by the Senate	As approved by the Conference	As passed by the House of Representatives	As passed by the Senate	As approved by the Conference
A. 1963-64 tax program:						
Rate changes:						
Individual (basic rates).....	–2,430	2–1,900	2–1,900	–7,530	2–8,060	2–8,060
Corporation (basic rates).....	–1,320			–1,320	–1,320	–1,320
Corporation (acceleration of tax payments).....	+260	+260	+260	+900	+900	+900
Total, corporation.....	+260	+260	+260	–420	–420	–420
Total, rate changes.....	–2,170	–1,640	–1,640	–7,950	–8,480	–8,480
Structural changes:						
(a) Revenue raising:						
1. Group term insurance.....				+5	(1)	+5
2. Bank loan insurance.....				+5	+5	+5
3. Sick pay exclusion.....				+110	+55	+65
4. Deduction of personal taxes.....				+520	+190	+300
5. Casualty loss deduction.....				+50	+50	+50
6. Aggregation of mineral properties.....				+10	+10	+10
7. Personal holding companies.....				+15	+15	+15
8. Repeal of dividend credit and increase in exclusion.....				+120	+120	+120
9. Multiple corporation penalty tax.....				+35	+35	+35
10. Exclusion of foreign earned income.....				+10		(1)
Total, revenue raising.....				+900	+520	+635
(b) Revenue reducing:						
11. Medical expense deduction.....				–10	–10	–10
12. Child care allowance.....				–5	–20	–15
13. Moving expenses.....				–60	–105	–60
14. Income averaging.....				–40	–40	–40
15. Minimum standard deduction.....				–320	–320	–320
16. Repeal of 2-percent tax on consolidated returns.....				–50	–55	–55
17. Political contributions.....					–25	
18. Installment sales treatment.....					–140	–100
19. Expropriation loss carryover.....					(2)	(2)
20. Retirement income credit.....					–10	–10
21. Extension of head-of-household status.....					–20	

22. Extra exemption and transportation expense for disabled.					-185	
23. Double investment credit for facilities to control pollution.					-25	
Total, revenue reducing				-485	-955	-610
Total, structural changes				+415	-435	+25
Total, rate and structural changes, 1963-64 tax program.	-2,170	-1,640	-1,640	-7,535	-8,915	-8,455
Capital gains revision (including induced effects):						
1. Unlocking of capital gains from general rate reduction.				+130	+130	+130
2. 50-40-percent inclusion, additional holding period, and 21-percent maximum rate.				+130		
3. Carryover of losses				-30		-30
4. Sale or exchange of real estate				(2) -10	(2) -10	(2) -10
5. Sales of residences by taxpayers aged 65 or over				-5	-5	-5
6. Capital gains treatment of iron ore royalties.						
Total, capital gains revisions				+215	+115	+85
Total, 1963-64 tax program	-2,170	-1,640	-1,640	-7,320	-8,800	-8,370
B. Revision of 1962 legislation:						
1. Repeal of requirement to reduce basis by investment credit	-15			⁶ -160	⁶ -160	⁶ -160
2. Allow investment credit for elevators and escalators.	-5	-5	-5	-10	-10	-10
3. Elimination of allocation of travel expenses		(2)	(3)		-5	(2)
Total, revision of 1962 legislation	-20	-5	-5	-170	-175	-170
C. Total, revenue bill of 1964:						
Individual	-2,430	-1,900	-1,900	-6,940	-8,255	-7,885
Corporation	+240	+255	+255	-550	-720	-655
Total	-2,190	-1,645	-1,645	-7,490	-8,975	-8,540

¹ At levels of income estimated for calendar year 1963 without feedback.

² Assumes effective date for withholding change of Mar. 8, 1964.

³ Less than \$2,500,000.

⁴ Includes 100-percent intercorporate dividend deduction for certain affiliated groups.

⁵ Revised, estimate in Ways and Means Committee report, combining this item with "unlocking" was \$340,000,000.

⁶ Treasury Department estimate revised from estimate of \$145,000,000 in Ways and Means Committee report; estimate of staff of Joint Committee on Internal Revenue Taxation is \$245,000,000.

⁷ Treasury Department estimate; estimate of staff of Joint Committee on Internal Revenue Taxation is higher by \$85,000,000 because of the investment credit basis provision.

TABLE 5.—*Action by Senate on H.R. 8363 resulting in significant change in tax liability over House bill, calendar years 1964 and 1965 and long run*

(In millions of dollars)

Action by Senate	Change in tax liability from House bill		
	1964	1965	Long run
1. Deduction for political contributions.....	-25	-5	¹ -15
2. Liberalized deduction for child care expense.....	-15	-15	-15
3. Elimination of allocation of travel expenses.....	-5	-5	-5
4. 100 percent intercorporate dividend deduction for certain affiliated groups.....	-5	-5	-5
5. Restoration of deduction of State and local gas tax and auto registration fees.....	-330	-330	-330
6. Allowance to reimbursed employee, as part of sales price, of selling costs and loss on forced sale of house.....	-45	-45	-45
7. Elimination of general capital gains provision ²	-100	+40	+260
8. Allowance of installment sales treatment for revolving credit plans.....	-140	-10	-10
9. Permitting election of 10-year carryforward without carryback for expropriation losses.....	(1)	-5	³ -5
10. Increasing from \$30,000 to \$70,000 the maximum group-term life insurance not subject to tax.....	-5	-5	-5
11. Liberalization of retirement income credit on certain joint returns.....	-10	-10	-10
12. Liberalization of restriction on sick-pay exclusion.....	-55	-55	-55
13. Reduction of exclusion of foreign earned income.....	+10	+10	+10
14. Extension of head-of-household status.....	-20	-20	-20
15. Extra exemption and transportation expenses for disabled.....	-185	-185	-185
16. Double investment credit for facilities to control pollution.....	-25	-30	-50
Total.....	-955	-675	-485

¹ \$25,000,000 for presidential election year; 50 percent of that amount for congressional election year and 25 percent for off year; average about \$15,000,000 per year.

² These differences are based on revised estimates of effect of House action.

³ Less than \$2,500,000 in 1964 and practically exhausted by 1970.

TABLE 6.—*Action by Senate on H.R. 8363 resulting in significant change in tax receipts over House bill, fiscal years 1964 and 1965*

(In millions of dollars)

Action by Senate	Change in tax receipts from House bill	
	Fiscal year 1964	Fiscal year 1965
1. Deduction for political contributions.....		-25
2. Liberalized deduction for child care expense.....		-15
3. Elimination of allocation of travel expenses.....	(1)	-5
4. 100 percent intercorporate dividend deduction for certain affiliated groups.....		-5
5. Restoration of deduction of State and local gas tax and auto registration fees.....		-330
6. Allowance to reimbursed employee, as part of sales price, of selling costs and loss on forced sale of house.....		-45
7. Elimination of general capital gains provision.....		² -100
8. Allowance of installment sales treatment for revolving credit plans.....		-140
9. Permitting election of 10-year carryforward without carryback for expropriation losses.....		(1)
10. Increasing from \$30,000 to \$70,000 the maximum group-term life insurance not subject to tax.....		-5
11. Liberalization of retirement income credit on certain joint returns.....		-10
12. Liberalization of restriction on sick-pay exclusion.....		-55
13. Reduction of exclusion of foreign earned income.....		+10
14. Extension of head-of-household status.....		-20
15. Extra exemption and transportation expenses for disabled.....		-185
16. Double investment credit for facilities to control pollution.....		-25
17. Postponed termination of 18-percent withholding rate and advanced initiation of 14-percent rate.....	¹ +530	³ -530
18. Postponement of repeal of basis adjustment under the investment credit.....	+15	
Total.....	+545	-1,485

¹ Less than \$2,500,000.

² This difference is based on revised estimate of effect of House action.

³ Assumes effective date for withholding change of Mar. 8, 1964.

TABLE 7.—Action by Conference on H.R. 8363 resulting in significant change in tax liability over House bill and Senate bill, calendar years 1964 and 1965 and long run

[In millions of dollars]

Action by Conference	Change in tax liability					
	From House bill			From Senate bill		
	1964	1965	Long run	1964	1965	Long run
1. Elimination of deduction for political contributions.....				+25	+5	¹ +15
2. Revision of deduction for child care expenses.....	-10	-10	-10	+5	+5	+5
3. Limitation of allocation of expenses of travel to foreign travel.....	-(²)	-(²)	-(²)	+(²)	+(²)	+(²)
4. 100 percent intercorporate dividend deduction for certain affiliated groups.....	-5	-5	-5			
5. Retention of deduction of State and local tax on motor fuels.....	-220	-220	-220	+110	+110	+110
6. Elimination of allowance to reimbursed employee, as part of sales price, of selling costs and loss on forced sale of house.....				+45	+45	+45
7. Elimination of 40 percent inclusion, additional holding period, and 21 percent maximum rate with respect to capital gains.....	³ -130	³ +10	³ +230			
8. Allowance of indefinite carryover of capital losses.....				-30	-30	-30
9. Modification of allowance of installment sales treatment for revolving credit plans.....	-100	-5	-5	+40	+5	+5
10. Permitting election of 10-year carryforward without carryback for expropriation losses.....	-(²)	-5	⁴ -5			
11. Establishment of \$50,000 as the maximum group-term life insurance not subject to tax.....	-(²)	-(²)	-(²)	+(²)	+(²)	+(²)
12. Liberalization of retirement income credit on certain joint returns.....	-10	-10	-10			
13. Modification of restriction on sick pay exclusion.....	-45	-45	-45	+10	+10	+10
14. Modification of exclusion of foreign earned income.....		+(²)	+(²)	-10	-10	-10
15. Elimination of extension of head-of-household status.....				+20	+20	+20
16. Elimination of extra exemption and transportation expenses for disabled.....				+185	+185	+185
17. Elimination of double investment credit for facilities to control pollution.....				+25	+30	+50
Total.....	-520	-250	-70	+425	+375	+405

¹ \$25,000,000 for presidential election year; 50 percent of that amount for congressional election year and 25 percent for off year; average about \$15,000,000 per year.

² Less than \$2,500,000.

³ These differences are based on revised estimates of effect of House action.

⁴ Negligible by 1970.

TABLE 8.—Action by Conference on H.R. 8363 resulting in significant change in tax receipts over House bill and Senate bill, fiscal years 1964 and 1965.

[In millions of dollars]

Action by Conference	Change in tax receipts			
	From House bill		From Senate bill	
	Fiscal year 1964	Fiscal year 1965	Fiscal year 1964	Fiscal year 1965
1. Elimination of deduction for political contributions.....				+25
2. Revision of deduction for child care expenses.....		-10		+5
3. Limitation of allocation of expenses of travel to foreign travel.....	-(1)	-(1)	+(1)	+(1)
4. 100 percent intercorporate dividend deduction for certain affiliated groups.....		-5		
5. Retention of deduction of State and local tax on motor fuels.....		-220		+110
6. Elimination of allowance to reimbursed employee, as part of sales price, of selling costs and loss on forced sale of house.....				+45
7. Elimination of 40 percent inclusion, additional holding period, and 21 percent maximum rate with respect to capital gains.....		¹ -130		
8. Allowance of indefinite carryover of capital losses.....				-30
9. Modification of allowance of installment sales treatment for revolving credit plans.....		-100		+40
10. Permitting election of 10-year carryforward without carry-back for expropriation losses.....		-(1)		
11. Establishment of \$50,000 as the maximum group-term insurance not subject to tax.....		-(1)		+(1)
12. Liberalization of retirement income credit on certain joint returns.....		-10		
13. Modification of restriction on sick-pay exclusion.....		-45		+10
14. Modification of exclusion of foreign earned income.....				-10
15. Elimination of extension of head-of-household status.....				+20
16. Elimination of extra exemption and transportation expenses for disabled.....				+185
17. Elimination of double investment credit for facilities to control pollution.....				+25
18. Postponed termination of 18-percent withholding rate and advanced initiation of 14-percent rate.....	² +530	³ -530		
19. Postponement of repeal of basis adjustment under the investment credit.....	+15			
Total.....	+545	-1,050	+(1)	+425

¹ Less than \$2,500,000.² This difference is based on revised estimate of effect of House action.³ Assumes effective date for withholding change of Mar. 8, 1964.

TABLE 9.—*Corporate income tax liability under present law and under H.R. 8363, calendar year corporations with selected levels of income, calendar years 1964 and 1965*

	Under present law	Under H.R. 8363		Percentage change from present law	
		1964	1965	1964	1965
Rates					
Normal tax rate.....	30	22	22	-26.67	-26.67
Surtax rate.....	22	28	26	+27.27	+18.18
Combined rate.....	52	50	48	-3.85	-7.69
Tax liability					
Taxable income:					
\$10,000.....	\$3,000	\$2,200	\$2,200	-26.67	-26.67
\$25,000.....	7,500	5,500	5,500	-26.67	-26.67
\$30,000.....	10,100	8,000	7,900	-20.79	-21.78
\$40,000.....	15,300	13,000	12,700	-15.03	-16.99
\$50,000.....	20,500	18,000	17,500	-12.20	-14.63
\$75,000.....	33,500	30,500	29,500	-8.96	-11.94
\$100,000.....	46,500	43,000	41,500	-7.53	-10.75
\$200,000.....	98,500	93,000	89,500	-5.58	-9.14
\$500,000.....	254,500	243,000	233,500	-4.52	-8.25
\$1,000,000.....	514,500	493,000	473,500	-4.18	-7.97
\$10,000,000.....	5,194,500	4,993,000	4,793,500	-3.88	-7.72
\$100,000,000.....	51,994,500	49,993,000	47,993,500	-3.85	-7.70

TABLE 10.—Revenue bill of 1964, H.R. 8363—Distribution by adjusted gross income class of the full year effect of rate and structural changes affecting individuals ¹

A. AS APPROVED BY THE CONFERENCE (FEB. 19, 1964)

Adjusted gross income class (thousands of dollars)	Number of taxable returns (millions)	Tax liability under present law	Effect of revenue bill of 1964			Total tax under revenue bill of 1964
			Rate change	Structural changes	Total	
			In millions of dollars			
0 to 3	9.7	1,450	-400	-165	-565	885
3 to 5	10.5	4,020	-1,020	-65	-1,085	2,945
5 to 10	22.9	18,300	-3,905	+130	-3,775	14,525
10 to 20	6.7	12,710	-2,285	+125	-2,160	10,550
20 to 50	1.0	6,760	-1,150	+105	-1,045	5,715
50 and over .....	.2	4,170	-710	+160	-550	3,620
Total	51.0	47,420	-9,470	+290	-9,180	38,240
			Percent distribution by income class			
0 to 3	19.0	3.1	4.2	-56.9	6.2	2.3
3 to 5	20.6	8.5	10.8	-22.4	11.8	7.7
5 to 10	44.9	38.6	41.2	+44.8	41.1	38.0
10 to 20	13.1	26.8	24.1	+43.1	23.5	27.6
20 to 50	2.0	14.3	12.1	+36.2	11.4	14.9
50 and over .....	.4	8.8	7.5	+55.2	6.0	9.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
			Percent of tax liability under present law			
0 to 3		100.0	-27.6	-11.4	-39.0	61.0
3 to 5		100.0	-25.3	-1.6	-26.9	73.1
5 to 10		100.0	-21.3	+7	-20.6	79.4
10 to 20		100.0	-18.0	+1.0	-17.0	83.0
20 to 50		100.0	-17.0	+1.6	-15.5	84.5
50 and over		100.0	-17.0	+3.8	-13.2	86.8
Total		100.0	-20.0	+6	-19.4	80.6

¹ Excluding effect of capital gains provisions and repeal of the requirement to reduce basis by amount of investment credit.² Excludes alternative tax on capital gain.

TABLE 10.—Revenue bill of 1964, H.R. 8363—Distribution by adjusted gross income class of the full year effect of rate and structural changes affecting individuals ¹—Continued

B. AS PASSED BY THE SENATE (FEB. 7, 1964)

Adjusted gross income class (thousands of dollars)	Number of taxable returns (millions)	Tax liability under present law ²	Effect of revenue bill of 1964			Total tax under revenue bill of 1964 ²
			Rate change	Structural changes	Total	
			In millions of dollars			
0 to 3	9.7	1,450	-400	-185	-585	865
3 to 5	10.5	1,030	-1,020	-130	-1,150	2,880
5 to 10	22.9	18,300	-3,905	-50	-3,955	14,345
10 to 20	6.7	12,710	-2,285	+55	-2,230	10,480
20 to 50	1.0	6,760	-1,150	+65	-1,085	5,675
50 and over .....	.2	4,170	-710	+145	-565	3,605
Total.....	51.0	47,420	-9,470	-100	-9,570	37,850
			Percent distribution by income class			
0 to 3	19.0	3.1	4.2	+185.0	6.1	2.3
3 to 5	20.6	8.5	10.8	+130.0	12.0	7.6
5 to 10	44.9	38.6	41.2	+50.0	41.3	37.9
10 to 20	13.1	26.8	24.1	-55.0	23.3	27.7
20 to 50	2.0	14.3	12.1	-65.0	11.3	15.0
50 and over .....	.4	8.8	7.5	-145.0	5.9	9.5
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
			Percent of tax liability under present law			
0 to 3		100.0	-27.6	-12.8	-40.3	59.7
3 to 5		100.0	-25.3	-3.2	-28.5	71.5
5 to 10		100.0	-21.3	-3	-21.6	78.4
10 to 20		100.0	-18.0	+1.4	-17.5	82.5
20 to 50		100.0	-17.0	+1.0	-16.1	83.9
50 and over		100.0	-17.0	+3.5	-13.5	86.5
Total.....		100.0	-20.0	-2	-20.2	79.8

¹ Excluding effect of capital gains provisions and repeal of the requirement to reduce basis by amount of investment credit.

² Excludes alternative tax on capital gain.

TABLE 10.—Revenue bill of 1964, H.R. 8363—Distribution by adjusted gross income class of the full year effect of rate and structural changes affecting individuals ¹—Continued

C. AS PASSED BY HOUSE OF REPRESENTATIVES (SEPT. 25, 1963)

Adjusted gross income class (thousands of dollars)	Number of taxable returns (millions)	Tax liability under present law ²	Effect of revenue bill of 1964			Total tax under revenue bill of 1964 ²
			Rate change	Structural changes	Total	
In millions of dollars						
0 to 3.....	9.7	1.450	-400	-155	-555	895
3 to 5.....	10.5	4.030	-1,020	-35	-1,055	2,975
5 to 10.....	22.9	18.300	-3,905	+255	-3,650	14,650
10 to 20.....	6.7	12.710	-2,285	+195	-2,090	10,620
20 to 50.....	1.0	6.760	-1,150	+130	-1,020	5,740
50 and over.....	.2	4.170	-710	+185	-525	3,645
Total.....	51.0	47,420	-9,470	+575	-8,895	38,525
Percent distribution by income class						
0 to 3.....	19.0	3.1	4.2	-27.0	-6.2	2.3
3 to 5.....	20.6	8.5	10.8	-6.1	-11.9	7.7
5 to 10.....	44.9	38.6	41.2	+44.3	-41.0	38.0
10 to 20.....	13.1	26.8	24.1	+33.9	-23.5	27.6
20 to 50.....	2.0	14.3	12.1	+22.6	-11.5	14.9
50 and over.....	.4	8.8	7.5	+32.2	-5.9	9.5
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Percent of tax liability under present law						
0 to 3.....		100.0	-27.6	-10.7	-38.3	61.7
3 to 5.....		100.0	-25.3	-.9	-26.2	73.8
5 to 10.....		100.0	-21.3	+1.4	-19.9	80.1
10 to 20.....		100.0	-18.0	+1.5	-16.4	83.6
20 to 50.....		100.0	-17.0	+1.9	-15.1	84.9
50 and over.....		100.0	-17.0	+4.4	-12.6	87.4
Total.....		100.0	-20.0	+1.2	-18.8	81.2

¹ Excluding effect of capital gains provisions and repeal of the requirement to reduce basis by amount of investment credit.² Excludes alternative tax on capital gains.

TABLE 11.—Revenue bill of 1964, H.R. 8363—Distribution by adjusted gross income class of the full year effect of rate and structural changes affecting individuals ¹

A. AS APPROVED BY THE CONFERENCE (FEB. 19, 1964)

Adjusted gross income class (thousands of dollars)	Rate change	Structural changes													Total rate and structural changes
		Group term and other insurance	Sick-pay exclusion	Limitation of deductions	Casualty loss deduction	Personal holding companies	Dividend credit and exclusion	Medical care deduction (aged)	Child care allowance	Moving expenses	Income averaging	Minimum standard deduction	Retirement income credit	Total structural changes	
In millions of dollars															
0 to 3.....	-400	(2)	(2)	5	(2)	(2)	(2)	(2)	(2)	(2)	-170	(2)	-165	-565	
3 to 5.....	-1,020	(2)	15	30	5	(2)	10	(2)	-10	-15	-100	(2)	-65	-1,085	
5 to 10.....	-3,905	(2)	30	130	25	(2)	30	(2)	-5	-25	(2)	-50	-5	+130	
10 to 20.....	-2,285	(2)	15	75	15	(2)	50	(2)	(2)	-15	-10	(2)	-5	+125	
20 to 50.....	-1,150	5	5	35	5	(2)	85	-5	(2)	-5	-20	(2)	(2)	+105	
50 and over.....	-710	10	(2)	25	(2)	15	125	-5	(2)	(2)	-10	(2)	(2)	+160	
Total.....	-9,470	15	65	300	50	15	300	-10	-15	-60	-40	-320	-10	+200	
Change as a percent of present tax															
0 to 3.....	-27.6	(2)	(2)	0.3	(2)	(2)	(2)	(2)	(2)	(2)	-11.7	(2)	-11.4	-39.0	
3 to 5.....	-25.3	(2)	0.4	.7	0.1	(2)	0.2	(2)	0.2	-0.4	-2.5	(2)	-1.6	-26.9	
5 to 10.....	-21.3	(2)	.2	.7	.1	(2)	.2	(2)	(2)	.1	(2)	-3	(2)	+7	
10 to 20.....	-18.0	(2)	.1	.6	.1	(2)	.4	(2)	(2)	.1	-0.1	(2)	(2)	+1.0	
20 to 50.....	-17.0	0.1	.1	.5	.1	(2)	1.3	-0.1	(2)	.1	-3	(2)	(2)	+1.6	
50 and over.....	-17.0	.2	(2)	.6	(2)	0.4	3.0	.1	(2)	(2)	-2	(2)	(2)	+3.8	
Total.....	-20.0	(2)	.1	.6	.1	(2)	.6	(2)	(2)	-.1	-.1	-7	(2)	+6	

¹ Excludes effect of capital gains provisions and repeal of the requirement to reduce basis by amount of investment credit.² Less than \$2,500,000 or 0.05 percent.

TABLE 11.—Revenue bill of 1964, H.R. 8363—Distribution by adjusted gross income class of the full year effect of rate and structural changes affecting individuals¹—Continued

B. AS PASSED BY THE SENATE (FEB. 7, 1964)

Adjusted gross income class (thousands of dollars)	Rate change	Structural changes																	Total rate and structural changes	
		Group term and other insurance	Sick-pay exclusion	Limitation of deductions	Casualty loss deduction	Personal holding companies	Dividend credit and exclusion	Income earned abroad	Medical care deduction (aged)	Child care allowance	Moving expenses	Income averaging	Minimum standard deduction	Political contribution	Travel and entertainment expense	Retirement income credit	Head of household treatment	Disabled persons		Total structural changes
		In millions of dollars																		
0 to 3	-400	(2)	(2)	5	(2)	(2)	(2)	-	(2)	(2)	(2)	-	-170	(2)	(2)	(2)	(2)	-20	-185	-585
3 to 5	-1,020	(2)	10	20	5	(2)	10	-	(2)	-10	-25	-	-100	(2)	(2)	(2)	(2)	-40	-130	-1,150
5 to 10	-3,905	(2)	25	80	25	(2)	30	(2)	(2)	-10	-40	(2)	-50	(2)	(2)	-5	-10	-95	-50	-3,955
10 to 20	-2,285	(2)	15	45	15	(2)	50	5	(2)	(2)	-25	-10	-	(2)	-5	-5	-5	-25	+55	-2,230
20 to 50	-1,150	(2)	5	20	5	(2)	85	5	-5	(2)	-10	-20	-	-10	(2)	(2)	-5	-5	+65	-1,085
50 and over	-710	10	(2)	20	(2)	15	125	(2)	-5	(2)	-5	-10	-	-5	(2)	(2)	(2)	(2)	+145	-565
Total	-9,470	10	55	190	50	15	300	10	-10	-20	-105	-40	-320	-15	-5	-10	-20	-185	-100	-9,570
Change as a percent of present tax																				
0 to 3	-27.6	(2)	(2)	0.3	(2)	(2)	(2)	-	(2)	(2)	(2)	-	-11.7	(2)	(2)	(2)	(2)	-1.4	-12.8	-40.3
3 to 5	-25.3	(2)	0.2	.5	0.1	(2)	0.2	-	(2)	-0.2	-0.6	-	-2.5	(2)	(2)	(2)	(2)	-1.0	-3.2	-28.5
5 to 10	-21.3	(2)	.1	.4	.1	(2)	.2	(2)	(2)	-1	-2	(2)	-3	(2)	(2)	(2)	-0.1	-1.5	-1.3	-21.6
10 to 20	-18.0	(2)	.1	.4	.1	(2)	.4	(2)	(2)	(2)	-2	-0.1	-	(2)	(2)	(2)	(2)	-2	+4	-17.5
20 to 50	-17.0	(2)	.1	.3	.1	(2)	1.3	0.1	-0.1	(2)	-1	-3	-	-0.1	(2)	(2)	(2)	-1	+1.0	-16.1
50 and over	-17.0	0.2	(2)	.5	(2)	0.4	3.0	(2)	-1	(2)	-1	-2	-	-1	(2)	(2)	(2)	(2)	+3.5	-13.5
Total	-20.0	(2)	.1	.4	.1	(2)	.6	(2)	(2)	(2)	-2	-1	-7	(2)	(2)	(2)	(2)	-4	-2	-20.2

¹ Excludes effect of capital gains provisions and repeal of the requirement to reduce basis by amount of investment credit.

² Less than \$2,500,000 or 0.05 percent.

TABLE 11.—Revenue bill of 1964, H.R. 8363—Distribution by adjusted gross income class of the full year effect of rate and structural changes affecting individuals ¹—Continued

C. AS PASSED BY THE HOUSE OF REPRESENTATIVES (SEPT. 25, 1963)

Adjusted gross income class (thousands of dollars)	Rate change	Structural changes												Total rate and structural changes
		Group term and other insur- ance	Sick pay exclu- sion	Limita- tion of deduc- tions	Casualty loss deduc- tion	Personal holding compa- nies	Divi- dend credit and exclu- sion	Medical care deduc- tion (aged)	Child care allow- ance	Moving expenses	Income averag- ing	Mini- mum standard deduc- tion	Total struc- tural changes	
In millions of dollars														
0 to 3	- 400	(2)	5	10	(2)	(2)	(2)	(2)	(2)	(2)	-----	- 170	- 155	- 555
3 to 5	-1,020	(2)	20	50	5	(2)	10	(2)	- 5	- 15	-----	- 100	- 35	-1,055
5 to 10	-3,905	(2)	55	220	25	(2)	30	(2)	(2)	- 25	(2)	- 50	+ 255	-3,650
10 to 20	-2,285	(2)	25	130	15	(2)	50	(2)	(2)	- 15	- 10	-----	+ 195	-2,090
20 to 50	-1,150	5	5	60	5	(2)	85	- 5	(2)	- 5	- 20	-----	+ 130	-1,020
50 and over	- 710	10	(2)	50	(2)	15	125	- 5	(2)	(2)	- 10	-----	+ 185	- 525
Total	-9,470	15	110	520	50	15	300	- 10	- 5	- 60	- 40	- 320	+ 575	-8,895
Change as a percent of present tax														
0 to 3	- 27.6	(2)	0.3	0.7	(2)	(2)	(2)	(2)	(2)	(2)	-----	-11.7	- 10.7	- 38.3
3 to 5	-25.3	(2)	.5	1.2	0.1	(2)	0.2	(2)	- 0.1	- 0.4	-----	- 2.5	- .9	-26.2
5 to 10	-21.3	(2)	.3	1.2	.1	(2)	.2	(2)	(2)	-.1	(2)	-.3	+ 1.4	-19.9
10 to 20	-18.0	(2)	.2	1.0	.1	(2)	.4	(2)	(2)	-.1	-0.1	-----	+ 1.5	-16.4
20 to 50	-17.0	0.1	.1	.9	.1	(2)	1.3	-0.1	(2)	-.1	-.3	-----	+ 1.9	-15.1
50 and over	-17.0	.2	(2)	1.2	(2)	0.4	3.0	-.1	(2)	(2)	-.2	-----	+ 4.1	-12.6
Total	-20.0	(2)	.2	1.1	.1	(2)	.6	(2)	(2)	-.1	-.1	-.7	+ 1.2	-18.8

¹ Excludes effect of capital gains provisions and repeal of the requirement to reduce basis by amount of investment credit.² Less than \$2,500,000 or 0.05 percent.

TABLE 12.—*Individual income tax liability under present law and under H.R. 8363*

A. SINGLE PERSON WITH STANDARD DEDUCTION

Adjusted gross income (wages and salaries)	Under present law	Under H.R. 8363		
		Amount of tax	Tax reduction	
			Amount	Percent-age

CALENDAR YEAR 1964				
\$1,000	\$62	\$18	\$44	71
\$1,500	152	99	53	35
\$2,000	242	182	60	25
\$3,000	427	365	62	15
\$4,000	625	545	80	13
\$5,000	818	720	98	12
\$6,000	1,048	928	120	11
\$7,500	1,405	1,251	154	11
\$10,000	2,096	1,872	224	11
\$12,500	2,982	2,666	316	11
\$15,000	4,002	3,565	437	11
\$17,500	5,153	4,566	584	11
\$20,000	6,412	5,690	722	11

CALENDAR YEAR 1965				
\$1,000	\$62	\$16	\$46	74
\$1,500	152	87	65	43
\$2,000	242	163	79	33
\$3,000	427	333	94	22
\$4,000	625	504	121	19
\$5,000	818	671	147	18
\$6,000	1,048	866	182	17
\$7,500	1,406	1,168	237	17
\$10,000	2,096	1,742	354	17
\$12,500	2,982	2,478	504	17
\$15,000	4,002	3,334	668	17
\$17,500	5,153	4,291	862	17
\$20,000	6,412	5,350	1,062	17

TABLE 12.—*Individual income tax liability under present law and under H.R. 8363—Continued*

B. MARRIED COUPLE WITH NO DEPENDENTS, WITH STANDARD DEDUCTION

Adjusted gross income (wages and salaries)	Under present law	Under H.R. 8363		
		Amount of tax	Tax reduction	
			Amount	Percent- age
CALENDAR YEAR 1964				
\$1,000.....	0	0		
\$1,500.....	\$32	0	\$32	100
\$2,000.....	122	86	36	46
\$3,000.....	305	240	75	25
\$4,000.....	485	399	86	18
\$5,000.....	640	554	106	16
\$6,000.....	844	720	124	15
\$7,500.....	1,141	990	151	13
\$10,000.....	1,636	1,440	196	12
\$12,500.....	2,278	2,021	257	11
\$15,000.....	2,960	2,636	324	11
\$17,500.....	3,710	3,311	399	11
\$20,000.....	4,532	4,049	483	11
CALENDAR YEAR 1965				
\$1,000.....	0	0	0	0
\$1,500.....	32	0	32	100
\$2,000.....	122	88	64	52
\$3,000.....	305	204	101	33
\$4,000.....	485	358	127	26
\$5,000.....	640	501	159	24
\$6,000.....	844	658	186	22
\$7,500.....	1,141	915	226	20
\$10,000.....	1,636	1,342	294	18
\$12,500.....	2,278	1,886	392	17
\$15,000.....	2,960	2,460	500	17
\$17,500.....	3,710	3,085	625	17
\$20,000.....	4,532	3,764	768	17

TABLE 12.—*Individual income tax liability under present law and under H.R. 8363—Continued*

C. MARRIED COUPLE WITH 2 DEPENDENTS, WITH STANDARD DEDUCTION

Adjusted gross income (wages and salaries)	Under present law	Under H.R. 8363		
		Amount of tax	Tax reduction	
			Amount	Percentage
CALENDAR YEAR 1964				
\$1,000.....	0	0		
\$1,500.....	0	0		
\$2,000.....	0	0		
\$3,000.....	\$65	\$4	\$61	94
\$4,000.....	245	164	81	33
\$5,000.....	420	325	95	23
\$6,000.....	600	500	100	17
\$7,500.....	877	750	127	14
\$10,000.....	1,372	1,200	172	13
\$12,500.....	1,966	1,739	227	12
\$15,000.....	2,616	2,326	290	11
\$17,500.....	3,350	2,987	363	11
\$20,000.....	4,124	3,683	441	11
CALENDAR YEAR 1965				
\$1,000.....	0	0		
\$1,500.....	0	0		
\$2,000.....	0	0		
\$3,000.....	\$65	\$4	\$61	94
\$4,000.....	245	144	101	41
\$5,000.....	420	290	130	31
\$6,000.....	600	450	150	25
\$7,500.....	877	687	190	22
\$10,000.....	1,372	1,114	258	19
\$12,500.....	1,966	1,622	344	17
\$15,000.....	2,616	2,172	444	17
\$17,500.....	3,350	2,785	565	17
\$20,000.....	4,124	3,428	696	17

TABLE 12.—*Individual income tax liability under present law and under H.R. 8563—Continued*

D. HEAD OF HOUSEHOLD WITH 1 DEPENDENT, WITH STANDARD DEDUCTION

Adjusted gross income (wages and salaries)	Under present law	Under H.R. 8563		
		Amount of tax	Tax reduction	
			Amount	Percentage
CALENDAR YEAR 1964				
\$1,000.....	0	0		
\$1,500.....	\$32	0	\$32	100
\$2,000.....	122	\$66	56	46
\$3,000.....	305	231	71	23
\$4,000.....	489	415	74	15
\$5,000.....	673	582	91	14
\$6,000.....	858	759	109	13
\$7,500.....	1,192	1,056	136	11
\$10,000.....	1,768	1,569	199	11
\$12,500.....	2,516	2,242	274	11
\$15,000.....	3,348	2,991	357	11
\$17,500.....	4,287	3,817	470	11
\$20,000.....	5,316	4,730	586	11
CALENDAR YEAR 1965				
\$1,000.....	0	0		
\$1,500.....	\$32	0	\$32	100
\$2,000.....	122	\$58	64	52
\$3,000.....	305	208	97	32
\$4,000.....	489	376	113	23
\$5,000.....	673	534	139	21
\$6,000.....	858	700	168	19
\$7,500.....	1,192	970	222	19
\$10,000.....	1,768	1,456	312	18
\$12,500.....	2,516	2,081	435	17
\$15,000.....	3,348	2,788	560	17
\$17,500.....	4,287	3,576	711	17
\$20,000.....	5,316	4,430	886	17