

**ESTIMATED BUDGET EFFECTS OF THE "TAXPAYER REFUND ACT OF 1999,"
AS APPROVED BY THE COMMITTEE ON FINANCE ON JULY 21, 1999**

Fiscal Years 1999 - 2009

[Millions of Dollars]

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|---|----------------------------------|------|-------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Title I. Broad-Based Tax Relief Provisions | | | | | | | | | | | | | | |
| A. Reduce 15% Income Tax Rate to 14% in 2001 and thereafter | tyba 12/31/00 | --- | --- | -15,798 | -23,062 | -23,685 | -24,245 | -24,801 | -25,371 | -25,874 | -26,357 | -26,857 | -86,790 | -216,050 |
| B. Increase the Width of the 14% Bracket by \$2,000 (\$4,000 for Joint Returns) Beginning in 2005, and by \$2,500 (\$5,000 for Joint Returns) Beginning in 2007 | tyba 12/31/04 | --- | --- | --- | --- | --- | --- | -10,156 | -14,720 | -17,417 | -19,098 | -20,062 | --- | -81,453 |
| Total of Broad-Based Tax Relief Provisions | | --- | --- | -15,798 | -23,062 | -23,685 | -24,245 | -34,957 | -40,091 | -43,291 | -45,455 | -46,919 | -86,790 | -297,503 |
| Title II. Family Tax Relief Provisions | | | | | | | | | | | | | | |
| A. Election to Calculate Combined Tax for a Married Couple Filing a Joint Return - allow married couples filing joint returns to elect to file single returns on a combined form; both must itemize deductions or take standard deduction; income follows ownership (50% split on jointly owned assets) | tyba 12/31/04 | --- | --- | --- | --- | --- | --- | -16,226 | -23,478 | -23,795 | -24,121 | -24,460 | --- | -112,080 |
| B. Marriage Penalty Relief Relating to the Earned Income Credit - adjust the income starting and ending point for the earned income credit for married couples filing joint returns by \$2,000 indexed after 2005 (phaseout rate stays the same) | tyba 12/31/04 | --- | --- | --- | --- | --- | --- | -268 | -1,344 | -1,349 | -1,336 | -1,316 | --- | -5,613 |
| C. Expand the Exclusion from Income for Certain Foster Care Payments | tyba 12/31/99 | --- | -6 | -14 | -21 | -29 | -37 | -44 | -52 | -61 | -70 | -80 | -106 | -414 |
| D. Increase and Expand the Dependent Care Tax Credit - increase percentage to 50% for AGI under \$30,000 and index maximum expense limits for inflation; percentage phases down in 1% increments for each \$1,000 of AGI over \$30,000 (percentage does not go below 20%) | tyba 12/31/00 | --- | --- | -191 | -762 | -762 | -773 | -764 | -761 | -755 | -729 | -733 | -2,488 | -6,231 |
| E. Tax Credit for Employer-Provided Child Care Facilities (maximum \$150,000) | tyba 12/31/00 | --- | --- | -46 | -91 | -108 | -127 | -146 | -161 | -175 | -188 | -202 | -372 | -1,245 |
| F. Modify the Individual Alternative Minimum Tax - make permanent the present-law provision to allow nonrefundable personal credits fully; allow personal exemption against the AMT | tyba 12/31/98 & tyba 12/31/04 | --- | -980 | -1,073 | -1,744 | -2,250 | -3,039 | -7,866 | -13,000 | -17,115 | -21,910 | -27,134 | -9,086 | -96,111 |
| Total of Family Tax Relief Provisions | | --- | -986 | -1,324 | -2,618 | -3,149 | -3,976 | -25,314 | -38,796 | -43,250 | -48,354 | -53,925 | -12,052 | -221,694 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|---|---------------|--|------|------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| Title III. Retirement Savings Tax Relief Provisions | | | | | | | | | | | | | | |
| A. Individual Retirement Arrangements | | | | | | | | | | | | | | |
| 1. Increase the annual contribution limit for deductible, nondeductible, and Roth IRAs in \$1,000 increments until it reaches \$5,000 and index for inflation thereafter, beginning in 2001 | tyba 12/31/00 | --- | --- | -618 | -1,878 | -3,068 | -3,968 | -4,701 | -5,444 | -6,199 | -6,882 | -7,659 | -9,532 | -40,418 |
| 2. Increase the AGI limitation for contributions to a deductible IRA - \$2,000 (\$4,000 joint returns) for 2008, and \$2,500 (\$5,000 joint returns) for 2009 through 2010; index in years thereafter | tyba 12/31/07 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -200 | -774 | --- | -975 |
| 3. Eliminate the AGI limitation for contributions to a Roth IRA | tyba 12/31/00 | --- | --- | -2 | -102 | -342 | -655 | -1,002 | -1,347 | -1,691 | -2,049 | -2,406 | -1,101 | -9,596 |
| 4. Increase the income limit to \$1 million for conversions of an IRA to a Roth IRA | tyba 12/31/02 | --- | --- | --- | --- | 1,330 | 3,484 | 1,326 | -2,257 | -3,175 | -1,803 | -347 | 4,814 | -1,441 |
| 5. 85% tax credit for matching contributions by financial institutions to individual development accounts, effective for 2001 through 2005; maximum tax credit \$300 per account per year | tyba 12/31/00 | --- | --- | -66 | -149 | -160 | -177 | -190 | -105 | 2 | 2 | 2 | -552 | -840 |
| 6. U.S. legal tender coins to be qualified investments for IRAs, if traded on national exchange | tyba 12/31/99 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | | |
| Subtotal of Individual Retirement Arrangements | | --- | --- | -686 | -2,129 | -2,240 | -1,316 | -4,567 | -9,153 | -11,063 | -10,932 | -11,184 | -6,371 | -53,270 |
| B. Expanding Coverage | | | | | | | | | | | | | | |
| 1. Option to treat elective deferrals under a 401(k) plan or tax-sheltered annuities as after-tax contributions | pyba 12/31/00 | --- | --- | 50 | 100 | 131 | 144 | 89 | -2 | -104 | -218 | -345 | 426 | -155 |
| 2. Increase contribution and benefit limits: | | | | | | | | | | | | | | |
| a. Increase limitation on exclusion for elective deferrals from \$10,000 to: \$11,000 in 2001, \$12,000 in 2002, \$13,000 in 2003, \$14,000 in 2004, \$15,000 in 2005; index in \$500 increments thereafter [1] [2] | | | | | | | | | | | | | | |
| | yba 12/31/00 | --- | --- | -131 | -315 | -465 | -574 | -658 | -715 | -764 | -808 | -849 | -1,485 | -5,279 |
| b. Increase section 457 limit from \$8,000 to \$9,000 in 2001, \$10,000 in 2002, \$11,000 in 2003, \$12,000 in 2004, and index in \$500 increments thereafter | | | | | | | | | | | | | | |
| | yba 12/31/00 | --- | --- | -13 | -33 | -55 | -79 | -111 | -128 | -136 | -145 | -153 | -180 | -854 |
| c. Increase limitation on SIMPLE elective contributions from \$6,000 to \$7,000 in 2001, \$8,000 in 2002, \$9,000 in 2003, \$10,000 in 2004; index in \$500 increments thereafter [1] [2] | | | | | | | | | | | | | | |
| | yba 12/31/00 | --- | --- | -5 | -14 | -22 | -27 | -29 | -29 | -30 | -31 | -33 | -67 | -219 |
| 3. Plan loans for subchapter S owners, partners, and sole proprietors | yba 12/31/00 | --- | --- | -20 | -30 | -32 | -35 | -37 | -39 | -41 | -44 | -46 | -117 | -325 |
| 4. Elective deferrals not taken into account for purposes of deduction limits | yba 12/31/00 | --- | --- | -38 | -71 | -81 | -85 | -89 | -93 | -97 | -101 | -104 | -275 | -759 |
| 5. Reduce PBGC premium for new plans of small employers [3] | pea 12/31/00 | --- | --- | --- | [4] | [4] | [4] | [4] | [4] | [4] | [4] | [4] | -1 | -3 |
| 6. Phase-in of additional PBGC premium for new plans [3] | pea 12/31/00 | --- | --- | --- | -1 | -1 | -1 | -2 | -2 | -2 | -2 | -2 | -4 | -12 |
| 7. Elimination of user fee for requests regarding new employer pension plans [3] | rma 12/31/00 | --- | --- | [4] | [4] | [4] | [4] | [4] | [4] | [4] | [4] | [4] | -8 | -18 |
| 8. SAFE annuities and trusts | pyba 12/31/00 | --- | --- | -22 | -124 | -273 | -409 | -474 | -454 | -460 | -480 | -492 | -828 | -3,188 |
| 9. Modify top-heavy rules | pyba 12/31/00 | --- | --- | -3 | -5 | -6 | -7 | -8 | -9 | -10 | -11 | -12 | -21 | -72 |
| Subtotal of Expanding Coverage | | --- | --- | -184 | -495 | -806 | -1,075 | -1,321 | -1,473 | -1,646 | -1,842 | -2,038 | -2,560 | -10,884 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|---|-------------------|---------------------------------------|------|------|------|------|------|------|------|------|------|------|---------|---------|
| C. Enhancing Fairness for Women | | | | | | | | | | | | | | |
| 1. Increase in maximum contribution limits for IRAs and other pension plans for individuals age 50 and above by 10% annually beginning in 2001, not to exceed 50% | cmi tyba 12/31/00 | --- | --- | -136 | -310 | -329 | -323 | -353 | -395 | -443 | -493 | -565 | -1,097 | -3,346 |
| 2. Equitable treatment for contributions of employees to defined contribution plans [1] | yba 12/31/00 | --- | --- | -50 | -75 | -81 | -87 | -92 | -97 | -103 | -107 | -110 | -294 | -804 |
| 3. Clarification of tax treatment of division of section 457 plan benefits upon divorce | tdapma 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 4. Modification of safe harbor relief for hardship withdrawals from 401(k) plans | aiii TRA'97 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 5. Faster vesting of certain employer matching contributions | pyba 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| Subtotal of Enhancing Fairness for Women | | --- | --- | -186 | -385 | -410 | -410 | -445 | -492 | -546 | -600 | -675 | -1,391 | -4,150 |
| D. Increasing Portability for Participants | | | | | | | | | | | | | | |
| 1. Rollovers allowed among governmental section 457, section 403(b), and qualified plans | dma 12/31/00 | --- | --- | -7 | -11 | -12 | -12 | -12 | -13 | -13 | -13 | -14 | -41 | -106 |
| 2. Rollovers of IRAs to workplace retirement plans | dma 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 3. Rollovers of after-tax retirement plan contributions | dma 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 4. Waiver of 60-day rule | dma 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 5. Treatment of forms of qualified plan distributions | yba 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 6. Rationalization of restrictions on distributions | da 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 7. Purchase of service credit in governmental defined benefit plans | ta 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 8. Employers may disregard rollovers for cash-out amounts | da 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| Subtotal of Increasing Portability for Participants | | --- | --- | -7 | -11 | -12 | -12 | -12 | -13 | -13 | -13 | -14 | -41 | -106 |
| E. Strengthening Pension Security and Enforcement | | | | | | | | | | | | | | |
| 1. Phase-in repeal of 150% of current liability funding limit; extend maximum deduction rule | yba 12/31/00 | --- | --- | -7 | -21 | -33 | -36 | -36 | -38 | -38 | -39 | -41 | -98 | -290 |
| 2. Missing plan participants | [5] | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 3. Treatment of multiemployer plans under section 415 | yba 12/31/00 | --- | --- | -4 | -7 | -8 | -8 | -8 | -8 | -9 | -9 | -9 | -26 | -69 |
| 4. Excise tax relief for sound pension funding | yba 12/31/00 | --- | --- | -2 | -3 | -3 | -3 | -3 | -3 | -3 | -3 | -3 | -11 | -26 |
| 5. Notice of significant reduction in plan benefit accruals | pateo/a DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 6. Protection of investment of employee contributions in 401(k) plans | yba 12/31/00 | ----- No Revenue Effect ----- | | | | | | | | | | | | |
| Subtotal of Strengthening Pension Security and Enforcement | | --- | --- | -13 | -31 | -44 | -47 | -47 | -49 | -50 | -51 | -53 | -135 | -385 |
| F. Encouraging Retirement Education | | | | | | | | | | | | | | |
| 1. Periodic pension benefit statements | yba 12/31/00 | ----- No Revenue Effect ----- | | | | | | | | | | | | |
| 2. Treatment of employer-provided retirement advice | yba 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| Subtotal of Encouraging Retirement Education | | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| G. Reducing Regulatory Burdens | | | | | | | | | | | | | | |
| 1. Flexibility in nondiscrimination and line of business rules [6] | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 2. Modification of timing of plan valuations | pyba 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 3. Rules for substantial owner benefits in terminated plans [3] | noitta 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 4. ESOP dividends may be reinvested without loss of dividend deduction | tyba 12/31/00 | --- | --- | -19 | -44 | -56 | -61 | -63 | -66 | -69 | -71 | -74 | -180 | -523 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|---|---------------|--|-----------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 5. Notice and consent period regarding distributions | yba 12/31/00 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 6. Repeal transition rule relating to certain highly compensated employees | pyba 12/31/99 | --- | -1 | -2 | -3 | -3 | -3 | -3 | -4 | -4 | -4 | -4 | -12 | -31 |
| 7. Employees of tax-exempt entities [6] | DOE | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | | |
| 8. Provisions relating to plan amendments | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 9. Extension to international organization of moratorium on application of certain nondiscrimination rules applicable to State and local government plans | yba 12/31/00 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | | |
| 10. Annual report dissemination | yba 12/31/98 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 11. Clarification of exclusion for employer-provided transit passes | tyba 12/31/99 | --- | -4 | -8 | -10 | -13 | -14 | -15 | -15 | -16 | -16 | -16 | -49 | -127 |
| Subtotal of Reducing Regulatory Burdens | | --- | -5 | -29 | -57 | -72 | -78 | -81 | -85 | -89 | -91 | -94 | -241 | -681 |
| Total of Retirement Savings Tax Relief Provisions | | --- | -5 | -1,105 | -3,108 | -3,584 | -2,938 | -6,473 | -11,265 | -13,407 | -13,529 | -14,058 | -10,739 | -69,476 |

Title IV. Education Tax Relief Provisions

| | | | | | | | | | | | | | | |
|--|---------------|-----|------|------|------|------|------|------|------|------|------|------|--------|--------|
| A. Student Loan Interest Deduction - increase student loan deduction income limits for single taxpayers by \$10,000 and adjust the income limits for married couples filing joint returns to twice that of a single taxpayer; phase-out range of \$15,000 for both; repeal 60-month rule for everyone | tyea 12/31/99 | --- | -55 | -228 | -261 | -294 | -332 | -343 | -354 | -366 | -378 | -390 | -1,170 | -3,000 |
| B. Prepaid Savings Plans - State-sponsored plans: exclusions for distributions for education expenses, beginning in 2000; private plans: tax deferral on income beginning in 2000; exclusion for distributions for education expenses beginning in 2004; allow tax-free education withdrawals from prepaid savings plans and education IRAs as long as they are not used for the same expenses for which HOPE or Lifetime Learning credits are claimed, beginning in 2000; miscellaneous other changes (clarify definition; one rollover per year) | tyba 12/31/99 | --- | -8 | -26 | -41 | -61 | -87 | -120 | -155 | -191 | -225 | -261 | -222 | -1,175 |
| C. Exclude from Tax Awards Under the Following Programs: the National Health Corps Scholarship program, beginning in 1994; and F. Edward Hebert Armed Forces Health Professions Scholarship program, beginning in 1994 | tyba 12/31/93 | --- | -2 | -1 | -1 | -1 | [7] | [7] | -1 | -1 | -1 | -1 | -5 | -8 |
| D. Permanent Extension of Employer Provided Educational Assistance - extend the exclusion for undergraduate courses; add the exclusion for graduate level courses [8] | 1/1/00 | --- | -254 | -510 | -598 | -637 | -682 | -731 | -783 | -839 | -899 | -964 | -2,682 | -6,898 |
| E. Liberalize Tax-Exempt Financing Rules for Public School Construction | | | | | | | | | | | | | | |
| 1. Increase the school construction small issue arbitrage rebate exception school construction from \$10 million to \$15 million | bia 12/31/99 | --- | [7] | -2 | -4 | -5 | -13 | -14 | -14 | -15 | -16 | -17 | -25 | -102 |
| 2. Provide for issuance of tax-exempt private activity bonds for qualified education facilities with annual volume cap the greater of \$10 per resident or \$5 million | bia 12/31/99 | --- | -4 | -16 | -33 | -52 | -76 | -103 | -133 | -163 | -192 | -220 | -181 | -992 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 | |
|---|--------------------|-------------------------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|--|
| 3. Allow Federal Home Loan Bank to guarantee school construction bonds, capped at \$500 million a year | [9] | ----- No Revenue Effect ----- | | | | | | | | | | | | | |
| Total of Education Tax Relief Provisions | | -- | -323 | -783 | -938 | -1,050 | -1,190 | -1,311 | -1,440 | -1,575 | -1,711 | -1,853 | -4,285 | -12,175 | |
| Title V. Health Care Tax Relief Provisions | | | | | | | | | | | | | | | |
| A. Provide an above-the-line deduction for health insurance expenses for which the taxpayer pays at least 50% of the premium, phased in as follows: 25% in 2001 through 2003, 50% in 2004 through 2005, 100% in 2006 and thereafter; for purposes of the 50% payment rule, all health plans of a single employer are combined; does not apply to any month in which the taxpayer is enrolled in Medicare, Medicaid, Champus, VA, Indian Health service, Children's Health Insurance or Federal Employees Health Benefits (non-COBRA) programs | tyba 12/31/00 | -- | -- | -416 | -1,289 | -1,379 | -2,014 | -3,241 | -4,781 | -7,783 | -8,299 | -8,848 | -5,097 | -38,050 | |
| B. Long-Term Care Insurance Provisions | | | | | | | | | | | | | | | |
| 1. Provide an above-the-line deduction for long-term care insurance expenses for which the taxpayer pays at least 50% of the premium, phased in as follows: 25% in 2001 through 2003, 50% in 2004 through 2005; 100% in 2006 and thereafter | tyba 12/31/00 | -- | -- | -40 | -276 | -328 | -425 | -801 | -1,005 | -1,908 | -2,027 | -2,146 | -1,069 | -8,956 | |
| 2. Allow long-term care insurance to be offered as part of cafeteria plans [10] | tyba 12/31/00 | -- | -- | -99 | -136 | -151 | -165 | -173 | -185 | -184 | -215 | -247 | -551 | -1,555 | |
| C. Provide an Additional Dependency Deduction to Caretakers of Elderly Family Members | tyba 12/31/99 | -- | -180 | -266 | -262 | -265 | -268 | -336 | -388 | -414 | -438 | -463 | -1,240 | -3,279 | |
| D. Add Streptococcus Pneumoniae Vaccine to the List of Taxable Vaccines; Reduce Excise Tax on All Taxable Vaccines to \$0.25 Per Dose Beginning in 2005; Study of Vaccine Program | [11] | -- | 4 | 7 | 9 | 10 | 10 | -62 | -87 | -87 | -88 | -89 | 39 | -374 | |
| Total of Health Care Tax Relief Provisions | | -- | -176 | -814 | -1,954 | -2,113 | -2,862 | -4,613 | -6,446 | -10,376 | -11,067 | -11,793 | -7,918 | -52,214 | |
| Title VI. Small Business Tax Relief Provisions | | | | | | | | | | | | | | | |
| A. Accelerate 100% Deduction for Health Insurance of Self-Employed Individuals | tyba 12/31/99 | -- | -245 | -1,007 | -1,040 | -657 | -- | -- | -- | -- | -- | -- | -2,949 | -2,949 | |
| B. Increase Section 179 Expensing to \$30,000 | tyba 12/31/99 | -- | -790 | -880 | -189 | -95 | 2 | -31 | -90 | -142 | -157 | -160 | -1,954 | -2,533 | |
| C. Accelerate Repeal of the FUTA Surtax | lpo/a 1/1/05 | -- | -- | -- | -- | -- | -- | -1,029 | -421 | -21 | 1,058 | 413 | -- | -- | |
| D. Coordinate Farmer Income Averaging and the AMT | tyba 12/31/99 | -- | [7] | -1 | -1 | -1 | -2 | -2 | -2 | -3 | -4 | -5 | -6 | -22 | |
| E. Create New Farm and Ranch Risk Management ("FARRM") Accounts | tyba 12/31/00 | -- | -- | -7 | -147 | -204 | -173 | -142 | -110 | -48 | -23 | -23 | -531 | -877 | |
| Total of Small Business Tax Relief Provisions | | -- | -1,035 | -1,895 | -1,377 | -957 | -173 | -1,204 | -623 | -214 | 874 | 225 | -5,440 | -6,381 | |
| Title VII. Estate and Gift Tax Relief Provisions | | | | | | | | | | | | | | | |
| A. Reduce Estate, Gift, and Generation-Skipping Transfer Taxes: beginning in 2001, repeal the 5% "bubble" (which phases out the lower rates), and repeal rates in excess of 50%; beginning in 2004, convert the unified credit into a true exemption; in 2007, increase \$1 million exemption amount to \$1.5 million | dda & gma 12/31/00 | -- | -- | -- | -2,076 | -2,190 | -2,236 | -6,385 | -6,872 | -7,337 | -15,227 | -16,262 | -6,502 | -58,585 | |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|--|--------------------------------|------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|----------------|
| B. Expand Estate Tax Rule for Conservation Easements - increase the 25-mile limit to 50 miles and clarify that the date for determining easement compliance | dda 12/31/97 & dda 12/31/99 | --- | --- | -9 | -12 | -17 | -18 | -18 | -19 | -20 | -22 | -23 | -56 | -158 |
| C. Increase the Annual Gift Tax Exclusion - increase from \$10,000 to \$12,000 for 2001, \$13,500 for 2002, \$15,000 for 2003, \$16,500 for 2004, \$18,000 for 2005, and \$20,000 for 2006 and thereafter | gma 12/31/00 | --- | --- | --- | -74 | -137 | -281 | -389 | -516 | -705 | -794 | -903 | -492 | -3,799 |
| D. Simplification of Generation-Skipping Transfer Tax Rules | generally DOE | --- | -3 | -4 | -5 | -6 | -6 | -6 | -6 | -6 | -6 | -6 | -24 | -54 |
| Total of Estate and Gift Tax Relief Provisions | | --- | -3 | -13 | -2,167 | -2,350 | -2,541 | -6,798 | -7,413 | -8,068 | -16,049 | -17,194 | -7,074 | -62,596 |
| Title VIII. Tax-Exempt Organization Provisions | | | | | | | | | | | | | | |
| A. Provide a Tax Exemption for Organizations Created by a State to Provide Property and Casualty Insurance Coverage for Property for Which Such Coverage is Otherwise Unavailable | tyba 12/31/99 | --- | -2 | -4 | -4 | -4 | -5 | -5 | -6 | -7 | -8 | -8 | -19 | -53 |
| B. Modify Section 512(b)(13) - exempt income received by a tax-exempt organization from certain subsidiaries when fair market value pricing is used, excess of fair market value subject to UBIT and 20% penalty, and extension of transition relief for certain binding contracts | DOE & pra 12/31/99 | --- | -7 | -9 | -11 | -11 | -11 | -11 | -12 | -12 | -12 | -13 | -49 | -110 |
| C. Simplify Lobbying Expenditure Limitations | tyba 12/31/99 | --- | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -1 |
| D. Tax-Free Withdrawals from IRAs for Charitable Donations After Age 70.5 | tyba 12/31/00 | --- | --- | -172 | -267 | -270 | -273 | -276 | -279 | -282 | -285 | -288 | -982 | -2,393 |
| E. Provide Exclusion for Mileage Reimbursements by Public Charities (not in excess of standard business mileage rate) | tyba 12/31/99 | --- | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -1 | -2 |
| F. Charitable Deduction for Certain Expenses in Support of Native Alaskan Subsistence Whaling | tyba 12/31/99 | --- | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -1 | -3 |
| G. Allow Charitable Donations to Certain Low Income Schools to be Made on or Before the Deadline for Filing a Federal Income Tax Return (not including extensions) | tyba 12/31/99 | --- | -4 | -30 | -32 | -33 | -35 | -37 | -38 | -40 | -42 | -44 | -134 | -335 |
| H. Allow Taxpayers Who Do Not Itemize to Deduct up to \$50 (\$100 joint) of Their Charitable Contributions in Addition to Their Standard Deduction for 2000 and 2001 | tyba 12/31/99 | --- | -98 | -655 | -558 | --- | --- | --- | --- | --- | --- | --- | -1,311 | -1,311 |
| I. Increase AGI Percentage Limits for Deduction of Charitable Donations by 2% Annually Until the 50%-of-AGI Limit Reaches 60% and the 30%-of-AGI Limit Reaches 40%, Then by an Additional 10% in 2007 for Both Limits | tyba 12/31/01 | --- | --- | --- | -122 | -275 | -317 | -326 | -333 | -614 | -842 | -882 | -714 | -3,711 |
| J. Increase the Limit for Deduction for Corporate Charitable Donations by 2% Annually Until the 10% Limit Reaches 20% | tyba 12/31/01 | --- | --- | --- | -15 | -34 | -40 | -41 | -42 | -43 | -45 | -47 | -89 | -307 |
| K. Allow Private Foundations to Increase Their Holding in Publicly Traded Voting Stock of a Corporation Received by Bequest from 20% to: 40% in 2007, and 49% in 2008 and thereafter | dda 12/31/06 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -627 | -845 | --- | -1,472 |
| Total of Tax-Exempt Organization Provisions | | --- | -111 | -870 | -1,009 | -627 | -681 | -696 | -710 | -998 | -1,861 | -2,127 | -3,300 | -9,698 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|---|---------------|---------------------------------------|------------|------------|------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Title IX. International Tax Relief Provisions | | | | | | | | | | | | | | |
| A. Allocation Interest Expense on Worldwide Basis | tyba 12/31/03 | --- | --- | --- | --- | --- | -820 | -2,190 | -2,278 | -2,369 | -2,464 | -2,562 | -820 | -12,683 |
| B. Simplify and Apply Look-Through Treatment for Dividends of 10/50 Companies and Separate Basket Excess Credit Carryovers | tyba 12/31/02 | --- | --- | --- | --- | -221 | -255 | -63 | -32 | -22 | -17 | -12 | -476 | -622 |
| C. Exception from Subpart F Treatment for Certain Pipeline Transportation and Electricity Transmission Income | tyba 12/31/02 | --- | --- | --- | --- | -4 | -13 | -15 | -17 | -20 | -23 | -25 | -17 | -117 |
| D. Prohibit Disclosure of Advance Pricing Agreements (APAs) and Related Information; Require the IRS to Submit to Congress an Annual Report of Such Agreements; APA User Fee | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| E. Exempt from the 7.5% Air Passenger Ticket Tax Frequent Flier Miles to Persons With Foreign Addresses | 1/1/00 | --- | -15 | -15 | -17 | -21 | -24 | -26 | -28 | -29 | -30 | -32 | -92 | -238 |
| F. Repeal Limits on Foreign Sales Corporation Tax Benefits for the Defense Products Industry | tyba 12/31/04 | --- | --- | --- | --- | --- | --- | -56 | -160 | -173 | -194 | -215 | --- | -798 |
| G. Repeal the 90% Limit on Foreign Tax Credits for the Individual and Corporate Alternative Minimum Tax..... | tyba 12/31/04 | --- | --- | --- | --- | --- | --- | -239 | -446 | -447 | -440 | -441 | --- | -2,014 |
| Total of International Tax Relief Provisions | | --- | -15 | -15 | -17 | -246 | -1,112 | -2,589 | -2,961 | -3,060 | -3,168 | -3,287 | -1,405 | -16,472 |
| Title X. Housing and Real Estate Tax Relief Provisions | | | | | | | | | | | | | | |
| A. Increase Low-Income Housing Per Capita Amount - increase from \$1.25 by \$0.10 annually for 2001 through 2005; allow \$2 million small State minimum beginning in 2001 | tyba 12/31/00 | --- | --- | -4 | -24 | -71 | -147 | -251 | -382 | -528 | -681 | -836 | -246 | -2,924 |
| B. Tax Credit for Renovating Historic Homes - 20% tax credit for renovating historic homes up to a maximum of \$20,000; must live in the home for 5 years; limit to homes in historic districts with median income less than twice the State median income; include mortgage certificates | eia 12/31/99 | --- | -33 | -132 | -135 | -139 | -141 | -143 | -146 | -149 | -151 | -154 | -580 | -1,323 |
| C. Provisions Relating to REITs: | | | | | | | | | | | | | | |
| 1. Impose 10% vote or value test | tyba 12/31/00 | --- | --- | 2 | 8 | 8 | 8 | 9 | 9 | 9 | 10 | 10 | 26 | 73 |
| 2. Treatment of income and services provided by taxable REIT subsidiaries | tyba 12/31/00 | --- | --- | 60 | 158 | 53 | 23 | -9 | -45 | -84 | -127 | -173 | 294 | -145 |
| 3. Special foreclosure rule for health care REITs | tyba 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 4. Conformity with RIC 90% distribution rules | tyba 12/31/00 | --- | --- | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 5 |
| 5. Clarification of definition of independent contractors for REITs | tyba 12/31/00 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 6. Modification of earnings and profits rules | da 12/31/00 | --- | --- | -6 | -3 | -3 | -3 | -4 | -4 | -4 | -4 | -4 | -16 | -35 |
| D. Accelerate 5-Year Phase in of Private Activity Bond Volume Cap | bia 12/31/00 | --- | --- | -9 | -36 | -75 | -117 | -155 | -183 | -188 | -177 | -164 | -237 | -1,104 |
| E. Provide a 15-Year Recovery Period for Depreciation of Leasehold Improvements | ima 12/31/02 | --- | --- | --- | --- | -35 | -123 | -227 | -325 | -411 | -445 | -475 | -158 | -2,041 |
| Total of Housing and Real Estate Tax Relief Provisions | | --- | -33 | -88 | -31 | -261 | -499 | -779 | -1,075 | -1,354 | -1,574 | -1,795 | -914 | -7,494 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|---|---------------------|---------------------------------------|------|------|------|------|------|------|------|------|------|------|---------|---------|
| Title XI. Miscellaneous Provisions | | | | | | | | | | | | | | |
| A. Motor Fuels Taxes - repeal 4.3-cents-per-gallon fuel tax on railroads inland waterway carriers currently paid into the General Fund | 10/1/00 | --- | --- | -109 | -117 | -120 | -122 | -125 | -128 | -131 | -134 | -137 | -469 | -1,124 |
| B. Tax Treatment of Alaska Native Settlement Trusts - exempt from tax distributions from Alaska Native Corporations to Alaska Native Settlement Trusts; special treatment of income earned; distributions to beneficiaries taxed as ordinary income | da & tyea 12/31/99 | --- | -9 | -7 | -7 | -7 | -7 | -8 | -8 | -8 | -8 | -8 | -38 | -76 |
| C. Corporate AMT - allow certain AMT credit carryovers to reduce minimum tax by 50% but not below regular tax | tyba 12/31/03 | --- | --- | --- | --- | --- | -552 | -772 | -671 | -578 | -499 | -432 | -552 | -3,504 |
| D. Allow 5-Year Carryback of Oil and Gas Net Operating Losses | lii tyba 12/31/98 | --- | -46 | -28 | -24 | -21 | -20 | -20 | -21 | -21 | -22 | -23 | -139 | -246 |
| E. Allow Deduction for Geological and Geophysical Expenses | eiopi tyba 12/31/99 | --- | -16 | -25 | -26 | -27 | -27 | -28 | -29 | -29 | -30 | -31 | -121 | -267 |
| F. Allow Deduction for "Delay Rental Payments" | pi tyba 12/31/99 | --- | -3 | -4 | -4 | -4 | -4 | -4 | -4 | -3 | -4 | -5 | -16 | -39 |
| G. Simplify the Active Trade or Business Requirement for Tax-Free Spin-Offs | da DOE | --- | -3 | -5 | -5 | -5 | -5 | -5 | -5 | -5 | -5 | -5 | -23 | -48 |
| H. Increase Reforestation Credit Expenses to \$25,000 Beginning in 2000; No Cap on Reforestation Expenses Qualifying for 7 Year Amortization for 2000 through 2003; Cap of \$25,000 Beginning in 2004 | epoi tyba 12/31/99 | --- | -5 | -15 | -22 | -29 | -34 | -36 | -38 | -37 | -33 | -29 | -104 | -277 |
| I. Add Inserts and Outserts to Arrow Excise Tax; Reduce Excise Tax Rate on "Broadhead" Arrow Points | fcqb 30da DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| J. Increase the Joint Committee on Taxation Refund Review Threshold from \$1 Million to \$2 Million | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| K. Clarify the Definition of Rural Airport to Include Communities That Cannot be Reached by Road | tyba 12/31/99 | --- | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -1 | -3 |
| L. Allow Farmer Cooperatives to Pay Dividends on Capital Stock Without Reducing Patronage Dividends | tyba DOE | --- | [7] | [7] | -1 | -1 | -1 | -1 | -2 | -2 | -3 | -4 | -3 | -15 |
| M. Repeal Prohibition on Life Companies Filing on a Consolidated Basis Until They Have Been Part of an Affiliated Group for at Least 5 Years | tyba 12/31/00 | --- | --- | -42 | -85 | -86 | -87 | -88 | -90 | -92 | -93 | -94 | -300 | -757 |
| N. Modifies Definition of Personal Holding Company and Groups Treating all Lending or Finance Businesses of a Controlled Corporate Group as a Single Corporation | tyba 12/31/99 | --- | -4 | -10 | -17 | -24 | -27 | -28 | -28 | -28 | -29 | -30 | -82 | -227 |
| O. 50% Tax Credit for Cost of Complying with Wheelchair Accessibility on Certain Inter-City Buses (sunset 12/31/11) | tyba 12/31/99 | --- | --- | -1 | -3 | -3 | -3 | -3 | -4 | -4 | -4 | -4 | -11 | -29 |
| P. Accelerate the 80% Meals Deduction for Persons Subject to the Hours of Service Requirements by 1 Year | DOE | --- | --- | --- | --- | --- | --- | --- | --- | -13 | -13 | --- | --- | -26 |
| Q. Allow a Limited Number of Private Highway Projects to Qualify for Tax-Exempt-Facility Bond Financing | bia 12/31/99 | --- | --- | --- | -2 | -5 | -8 | -11 | -14 | -18 | -21 | -24 | -15 | -102 |
| R. Extend the DC First-Time Homebuyer Tax Credit 1 Year and Increase Phaseout for Joint Filers to \$140,000 - \$180,000 | tyba 12/31/99 | [7] | -11 | -14 | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -25 | -25 |

| Provision | Effective | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 1999-04 | 1999-09 |
|--|----------------|---------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| G. Loophole Closers | | | | | | | | | | | | | | |
| 1. Limit use of non-accrual experience method of accounting to amounts to be received for the performance of qualified professional services | tyea DOE | --- | 77 | 60 | 33 | 28 | 10 | 12 | 14 | 16 | 18 | 20 | 208 | 288 |
| 2. Impose limitation on pre-funding of certain employee benefits | cmo/a 6/9/99 | 22 | 93 | 141 | 147 | 149 | 140 | 129 | 118 | 105 | 90 | 74 | 693 | 1,209 |
| 3. Repeal installment method for most accrual basis taxpayers; adjust pledge rules | iso/a DOE | --- | 477 | 677 | 406 | 257 | 72 | 8 | 21 | 35 | 48 | 62 | 1,889 | 2,063 |
| 4. Prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gain rates | teio/a 7/12/99 | --- | 15 | 45 | 47 | 49 | 51 | 54 | 58 | 62 | 66 | 70 | 207 | 517 |
| 5. Deny deduction and impose excise tax with respect to charitable split-dollar life insurance arrangements..... | [14] | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 6. Modify estimated tax rules for closely-owned REIT dividends | epdo/a 9/15/99 | --- | 40 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 45 | 52 |
| 7. Prohibited allocation of stock in an ESOP of a subchapter S corporation | [15] | --- | [16] | [16] | [16] | [16] | [16] | [16] | [16] | [16] | [16] | [16] | 17 | 47 |
| 8. Modify anti-abuse rules related to assumption of liabilities | aolo/a 7/15/99 | --- | 2 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 21 | 46 |
| 9. Require consistent treatment and provide basis allocation rules for transfers of intangibles in certain nonrecognition transactions | to/a DOE | --- | 25 | 26 | 28 | 29 | 30 | 32 | 34 | 35 | 37 | 39 | 138 | 315 |
| 10. Modify treatment of closely-held REITs, with incubator REIT exception | tyea 7/14/99 | --- | 2 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 7 | 7 | 23 | 55 |
| 11. Distributions by a partnership to a corporate partner of stock in another corporation | dma 7/14/99 | --- | 6 | 11 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 8 | 46 | 90 |
| Total of Revenue Offset Provisions | | 22 | 826 | 1,614 | 1,235 | 1,053 | 865 | 770 | 658 | 653 | 659 | 666 | 5,616 | 9,024 |
| Title XIV. Tax Technical Correction Provisions | | ----- No Revenue Effect ----- | | | | | | | | | | | | |
| NET TOTAL | | 22 | -4,139 | -24,615 | -39,400 | -41,979 | -45,357 | -89,876 | -114,676 | -129,407 | -145,746 | -156,655 | -155,472 | -791,848 |

| | | | | | | | | | | | | | |
|---------------------------------------|------------|----------------|---------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| ADDENDUM: TAX CUT TARGET | --- | -14,000 | -7,800 | -53,500 | -31,800 | -49,200 | -62,600 | -109,300 | -135,800 | -150,700 | -177,200 | -156,300 | -791,900 |
|---------------------------------------|------------|----------------|---------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

Joint Committee on Taxation

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

Legend and Footnotes for JCX-55-99:

Legend for "Effective" column:

aiii TRA'97 = as if included in the Taxpayer Relief Act of 1997
aolo/a = assumption of liabilities on or after
bia = bonds issued after
cmi = contributions made in
coda = cancellation of indebtedness after
cmo/a = contributions made on or after
da = distributions after
dda = decedents dying after
dma = distributions made after
DCZaoaa = DC Zone assets originally acquired after
DOE = date of enactment
eia = expenses incurred after
eiopi = expenses incurred or paid in
epdo/a = estimated payments due on or after
fcqb = first calendar quarter beginning at least
gma = gifts made after
ima = improvements made after
iso/a = installment sales on or after
lii = losses incurred in

lpo/a = labor performed on or after
noitta = notice of intent to terminate after
pateo/a = plan amendments taking effect on or after
pea = plans established after
pi = payments in
ppiso/a = property placed in service on or after
pra = payments received after
pyba = plan years beginning after
rma = requests made after
ta = transfers after
tdapma = transfers, distributions, and payments made after
teia = transactions entered into after
teio/a = transactions entered into on or after
tmi = transfers made in
to/a = transactions on or after
tyba = taxable years beginning after
tyea = taxable years ending after
wpoifibwa = wages paid or incurred for individuals beginning work after
yba = years beginning after

- [1] Proposal includes interaction with other provisions in Provisions for Expanding Coverage.
[2] Proposal includes interaction with other provisions in Provisions for Individual Retirement Arrangements.
[3] Estimate provided by the Congressional Budget Office.
[4] Loss of less than \$5 million.
[5] Effective for distributions from terminating plans that occur after the PBGC has adopted final regulations implementing provision.
[6] Directs the Secretary of the Treasury to modify rules through regulations.
[7] Loss of less than \$500,000.
[8] Estimate considers interaction with HOPE and Lifetime Learning tax credits.
[9] The provision takes effect only if subsequent non-tax legislation specifically granting the Federal Home Loan Banks the authority to enter into these guarantees is enacted.
[10] Estimate assumes concurrent enactment of the above-the-line deduction for health and long-term care insurance (item 1. under Health Care Tax Relief Provisions).
[11] Effective for vaccine sales the date after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugate *Streptococcus Pneumoniae* vaccines to children.
[12] Extension of credit effective for expenses incurred after 6/30/99; increase in AIC rates effective for taxable years beginning after 6/30/99.
[13] For wind and closed-loop biomass, provision applies to production from facilities placed in service after 6/30/99 and before 7/1/04; for poultry waste and landfill gas, provision applies to production from facilities placed in service after 12/31/99 and before 7/1/04; for non-closed-loop biomass, provision applies to production after 12/31/99 from facilities placed in service before 1/1/03.
[14] Effective for transfers made after 2/8/99 and for premiums paid after the date of enactment.
[15] Effective with respect to ESOPs established on or after July 15, 1999; in the case of an ESOP established by an S corporation before such date, the provision would apply to plan years beginning after 12/31/00.
[16] Gain of less than \$10 million.