

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK OF S. 1637,  
THE "JUMPSTART OUR BUSINESS STRENGTH ('JOBS') ACT,"  
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON OCTOBER 1, 2003

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
<b>Provisions Relating to Repeal of Exclusion for Extraterritorial Income</b>													
1. Repeal of exclusion for extraterritorial income [1] .....	toa DOE	3,710	4,780	5,093	5,312	5,508	5,727	5,993	6,258	6,518	6,789	24,403	55,688
2. Deduction relating to income attributable to United States production activities .....	tyea DOE	-339	-835	-1,609	-3,510	-4,340	-4,947	-6,094	-6,300	-7,682	-9,952	-10,633	-45,608
<b>Total of Provisions Relating to Repeal of Exclusion for Extraterritorial Income .....</b>		<b>3,371</b>	<b>3,945</b>	<b>3,484</b>	<b>1,802</b>	<b>1,168</b>	<b>780</b>	<b>-101</b>	<b>-42</b>	<b>-1,164</b>	<b>-3,163</b>	<b>13,770</b>	<b>10,080</b>
<b>General Transition for Repeal of Exclusion for Extraterritorial Income .....</b>	<b>toa DOE &amp; before 2007</b>	<b>-3,105</b>	<b>-3,234</b>	<b>-2,682</b>	<b>-765</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-9,786</b>	<b>-9,786</b>
<b>International Tax Provisions</b>													
<b>A. International Tax Reform</b>													
1. Extend the foreign tax credit carryforward from 5 years to 20 years .....	[2]	---	-266	-343	-412	-577	-767	-941	-1,080	-1,253	-1,453	-1,598	-7,092
2. Apply look-through rules for dividends from noncontrolled section 902 corporations .....	tyba 12/31/02	-585	-77	-51	-23	-6	-1	[3]	[3]	[3]	[3]	-742	-743
3. Repeal the 90% limitation on the use of foreign tax credits against the AMT .....	tyba 12/31/04	---	-236	-355	-338	-334	-333	-334	-338	-344	-352	-1,263	-2,964
4. Recharacterize overall domestic loss .....	lf tyba 12/31/06	---	---	---	-57	-680	-713	-756	-793	-829	-862	-737	-4,690
5. Interest expense allocation rules .....	tyba 12/31/09	---	---	---	---	---	---	-963	-2,586	-2,689	-2,797	---	-9,035
6. Determination of foreign personal holding company income with respect to transactions in commodities .....	teia 12/31/04	---	-4	-10	-10	-10	-10	-11	-11	-11	-11	-34	-88
<b>B. International Tax Simplification</b>													
1. Repeal of rules applicable to foreign personal holding companies and foreign investment companies, personal holding company rules as they apply to foreign corporations, and include in subpart F personal service contract income, as defined under the foreign personal holding company rules .....	[4]	---	-25	-65	-73	-81	-91	-102	-114	-128	-143	-244	-822
2. Expand the subpart F de minimis rule to the lesser of 5% of gross income or \$5 million .....	[4]	---	-15	-143	-157	-173	-190	-209	-230	-253	-279	-488	-1,649
3. Attribution of stock ownership through partnerships in determining section 902 and 960 credits .....	tyba DOE	[3]	-1	-3	-3	-3	-3	-3	-3	-3	-3	-10	-25
4. Limit application of uniform capitalization rules in the case of foreign persons .....	tyba 12/31/04	---	-125	-278	-79	-27	-8	-12	-14	-16	-18	-509	-577
5. Eliminate secondary withholding tax with respect to dividends paid by certain foreign corporations .....	pma 12/31/04	---	-2	-3	-3	-3	-3	-3	-3	-3	-3	-11	-26

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
6. Eliminate 30% tax on certain U.S.-source capital gains of nonresident individuals .....	tyba 12/31/03	---	-2	-2	-2	-3	-3	-3	-3	-3	-3	-9	-24
<b>Total of International Tax Provisions .....</b>		<b>-585</b>	<b>-753</b>	<b>-1,253</b>	<b>-1,157</b>	<b>-1,897</b>	<b>-2,122</b>	<b>-3,337</b>	<b>-5,175</b>	<b>-5,532</b>	<b>-5,924</b>	<b>-5,645</b>	<b>-27,735</b>
<b>Interaction.....</b>		<b>13</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>19</b>	<b>21</b>	<b>245</b>	<b>620</b>	<b>646</b>	<b>674</b>	<b>79</b>	<b>2,285</b>
<b>Additional Provisions</b>													
<b>A. Provisions Designed to Curtail Tax Shelters</b>													
1. Clarification of the economic substance doctrine and related penalty provisions .....	teia DOE	1,031	1,242	1,163	1,049	1,086	1,200	1,335	1,517	1,729	1,970	5,571	13,322
2. Provisions relating to reportable transactions and tax shelters .....	various dates after DOE [5]	92	115	119	120	124	131	139	150	164	179	570	1,333
3. Modification to the substantial understatement penalty .....	tyba DOE	---	4	11	19	23	26	30	34	38	38	57	223
4. Impose a civil penalty (of up to \$5,000) on failure to report interest in foreign financial accounts .....	DOE	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	1	3
5. Actions to enjoin conduct with respect to tax shelters .....	DOE	----- <i>Negligible Revenue Effect</i> -----											
6. Understatement of taxpayer's liability by income tax return preparer .....	dpa DOE	----- <i>Negligible Revenue Effect</i> -----											
7. Frivolous tax submissions .....	[7]	3	3	3	3	3	3	3	3	3	3	15	30
8. Regulation of individuals practicing before the Department of Treasury .....	ata DOE	----- <i>No Revenue Effect</i> -----											
9. Extend statute of limitations for undisclosed listed transactions .....	[8]	---	---	1	1	1	1	1	1	1	1	3	8
10. Deny deduction for interest paid to the IRS on underpayments involving certain tax motivated transactions .....	tyba DOE	---	---	1	1	3	4	4	4	4	4	5	25
11. Authorize additional \$300 million per year to the IRS to combat abusive tax avoidance transactions [9] .....	DOE	----- <i>No Revenue Effect</i> -----											
<b>Total of Provisions Designed to Curtail Tax Shelters .....</b>		<b>1,126</b>	<b>1,364</b>	<b>1,298</b>	<b>1,193</b>	<b>1,240</b>	<b>1,365</b>	<b>1,512</b>	<b>1,709</b>	<b>1,939</b>	<b>2,195</b>	<b>6,222</b>	<b>14,944</b>
<b>B. Other Corporate Governance Provisions</b>													
1. Affirmation of consolidated return regulation authority .....	[10]	----- <i>Negligible Revenue Effect</i> -----											
2. Chief executive officer required to sign declaration as part of corporate income tax return .....	rfa DOE	----- <i>Negligible Revenue Effect</i> -----											
3. Denial of deduction for certain fines, penalties, and other amounts .....	apoia 4/27/03	101	10	10	10	10	10	10	10	10	10	141	191
4. Denial of deduction for punitive damages .....	dpoia DOE	38	29	30	31	32	33	34	35	36	37	160	333
5. Criminal tax fraud package .....	oco/a DOE	---	---	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	5
<b>Total of Other Corporate Governance Provisions .....</b>		<b>139</b>	<b>39</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>301</b>	<b>529</b>
<b>C. Enron-Related Tax Shelter Provisions</b>													
1. Limitation on transfer or importation of built-in losses .....	ta 2/13/03	128	123	136	149	164	180	198	218	240	264	700	1,800
2. No reduction of basis under section 734 in stock held by partnership in corporate partner .....	da 2/13/03	9	13	20	28	36	44	51	54	56	57	105	368
3. Repeal of special rules for FASITs .....	after 2/13/03	----- <i>Negligible Revenue Effect</i> -----											

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
4. Expanded disallowance of deduction for interest on convertible debt .....	diia 2/13/03	6	88	90	94	96	98	101	103	106	109	374	891
5. Expanded authority to disallow tax benefits under section 269 .....	aa 2/13/03	10	9	9	10	10	11	11	12	12	13	48	108
6. Modification of CFC-PFIC coordination rules .....	[11]	23	15	8	4	5	6	8	10	12	15	55	106
Total of Enron-Related Tax Shelter Provisions .....		176	248	263	285	311	339	369	397	426	458	1,282	3,273
D. Tax Treatment of Inversion Transactions .....	[12]	172	137	140	168	202	242	290	348	418	493	819	2,610
E. Impose Mark-to-Market on Individuals who Expatriate .....	[13]	101	84	80	74	71	67	61	57	54	51	410	700
F. Other Revenue Provisions													
1. Effectively connected income to include certain foreign-source income .....	tyba DOE	3	5	7	8	9	10	10	10	10	11	32	83
2. Recapture of overall foreign losses on sale of controlled foreign corporation stock.....	DOE	[6]	3	7	8	9	9	9	10	10	10	27	75
3. Disallowance of partnership loss transfers .....	ctada DOE	15	39	57	70	79	84	86	89	91	94	261	705
4. Treatment of stripped bonds to apply to stripped interests in bond and preferred stock funds .....	padoa DOE	2	13	11	8	5	3	[6]	[6]	[6]	[6]	39	42
5. Minimum holding period for foreign tax credit on withholding tax on income other than dividends .....	apoamt30da DOE	[6]	3	3	3	3	4	4	4	4	5	12	33
6. Modify treatment of transfers to creditors in divisive reorganizations .....	to/a DOE	[6]	8	9	10	10	10	11	11	12	12	37	93
7. Extend present-law intangibles amortization provisions to acquisitions of sports franchises .....	aoa DOE	13	61	94	68	36	23	21	19	22	24	272	381
8. Clarification of rules for payment of estimated tax for certain deemed asset sales .....	toa DOE	51	37	10	3	3	3	3	4	4	5	104	123
9. Extension of IRS user fees (through 9/30/13) [9] .....	rma DOE	33	34	35	36	38	39	41	42	44	45	176	386
10. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements .....	oyo/a DOE	2	1	1	[14]	[14]	[14]	[14]	[14]	[14]	[14]	4	6
11. Add vaccines against Hepatitis A to the list of taxable vaccines [15] .....	[16]	6	9	9	9	9	9	9	9	9	9	42	87
12. Exclusion of like-kind exchange property from nonrecognition treatment on the sale or exchange of a principal residence.....	sopra DOE	[6]	11	13	15	17	19	21	23	25	27	56	171
13. Authorize IRS to enter into installment agreements that provide for partial payment .....	iaeio/a DOE	40	14	5	[6]	[6]	[6]	[6]	[6]	[6]	[6]	60	63
14. Lease term to include certain service contracts .....	leia DOE	14	26	41	57	74	92	110	129	150	171	212	864
Total of Other Revenue Provisions .....		179	264	302	295	292	305	325	350	381	413	1,334	3,112
<b>Total of Additional Provisions .....</b>		<b>1,893</b>	<b>2,136</b>	<b>2,123</b>	<b>2,056</b>	<b>2,158</b>	<b>2,361</b>	<b>2,601</b>	<b>2,906</b>	<b>3,264</b>	<b>3,657</b>	<b>10,368</b>	<b>25,168</b>
<b>NET TOTAL .....</b>		<b>1,587</b>	<b>2,108</b>	<b>1,688</b>	<b>1,953</b>	<b>1,448</b>	<b>1,040</b>	<b>-592</b>	<b>-1,691</b>	<b>-2,786</b>	<b>-4,756</b>	<b>8,786</b>	<b>12</b>

Joint Committee on Taxation

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

[Legend and Footnotes for JCX-84-03 appear on the following page]

**Legend and Footnotes for JCX-84-03:**

Legend for "Effective" column:

aa = acquisitions after

aoa = acquisitions occurring after

apoamt30da = amounts paid or accrued more than 30 days after

apoia = amounts paid or incurred after

ata = actions taken after

ctada = contributions, transfers, and distributions after

da = distributions after

diiia = debt instrument issued after

DOE = date of enactment

dpa = documents prepared after

dpoia = damages paid or incurred after

iaeio/a = installment agreements entered into on or after

lf = losses for

oco/a = offenses committed on or after

oyo/a = open years on or after

padoa = purchases and dispositions occurring after

pma = payments made after

rfa = returns filed after

rma = requests made after

sopra = sales of principal residences after

ta = transactions after

teia = transactions entered into after

toa = transactions occurring after

to/a = transactions on or after

tyba = taxable years beginning after

tyea = taxable years ending after

[1] Includes estimate for binding contract relief.

[2] Effective for excess foreign taxes that may be carried forward to any taxable year beginning after December 31, 2004.

[3] Loss of less than \$1 million.

[4] Effective for taxable years of foreign corporations beginning after December 31, 2004, and taxable years of U.S. persons owning stock of such corporations with or within such corporations' taxable years end.

[5] Effective dates for provisions relating to reportable transactions and tax shelters: the penalty for failure to disclose reportable transactions is effective for returns and statements the due date of which is after the date of enactment; the modification to the accuracy-related penalty for listed or reportable transactions is effective for taxable years ending after the date of enactment; the tax shelter exception to confidentiality privileges is effective for communications made on or after the date of enactment; the material advisor and investor list disclosure provisions applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment; the failure to register tax shelter penalty applies to returns the due date for which is after the date of enactment; the investor list penalty applies to requests made after the date of enactment; and the penalty on promoters of tax shelters is effective for activities after the date of enactment.

[6] Gain of less than \$1 million.

[7] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).

[8] Effective for taxable years with respect to which the period for assessing deficiencies did not expire before October 1, 2003.

[9] Estimate provided by the Congressional Budget Office.

[10] Effective for all taxable years, whether beginning before, with, or after the date of enactment.

[11] Effective for taxable years of controlled foreign corporations beginning after February 13, 2003, and to taxable years of U.S. shareholders in which or with which such taxable years of controlled corporations end.

[12] Effective for certain transactions completed after March 20, 2002, and would also affect certain taxpayers who completed transactions before March 21, 2002.

[13] Generally effective for U.S. citizens who expatriate or long-term residents who terminate their residency on or after February 5, 2003.

[14] Gain of less than \$500,000.

[15] Estimate contains outlay effects that will be provided by the Congressional Budget Office.

[16] Effective for vaccines sold beginning on the first day of the first month beginning more than four weeks after the date of enactment.