

**ESTIMATED REVENUE EFFECTS OF H.R. 4923,
THE "COMMUNITY RENEWAL AND NEW MARKETS ACT OF 2000"**

Fiscal Years 2001 - 2005

[Millions of Dollars]

Provision	Effective	2001	2002	2003	2004	2005	2001-05
1. Designate 40 renewal communities, 8 of which are in rural areas, to receive the following tax benefits: 0% capital gains tax rate on qualifying assets held more than 5 years; deduction for qualified revitalization expenditures, capped at \$6 million per community in 2001 and \$12 million thereafter; an additional \$35,000 of section 179 expensing; expensing of qualifying environmental remediation costs; a wage credit of 15% on first \$10,000 of qualified wages	DOE [1]	-75	-545	-576	-578	-606	-2,380
2. Provide new markets tax credit with allocation authority of \$1.0 billion in 2001, \$1.5 billion in 2002 and 2003, \$2.0 billion in 2004 and 2005, and \$3.5 billion in 2006 and 2007	ima 12/31/00	-2	-18	-115	-246	-365	-747
3. Designate 9 new empowerment zones, extend present-law empowerment zone designations through 12/31/09, expand the 20% wage credit to all empowerment zones, increase the additional section 179 expensing to \$35,000 for all empowerment zones including D.C. in 2002, and extend the more favorable round II tax exempt financing rules to all existing and new empowerment zones excluding D.C.	DOE [2]	---	-246	-476	-474	-541	-1,737
4. Capital gain rollover of empowerment zone assets and increased exclusion of gain on sale of certain empowerment zone investments	ima DOE	[3]	-3	-15	-32	-52	-102

Provision	Effective	2001	2002	2003	2004	2005	2001-05
5. Improvements in the Low-Income Housing Credit - increase per capita credit to \$1.35 in 2001, \$1.45 in 2002, \$1.55 in 2003, \$1.65 in 2004, \$1.70 in 2005, \$1.75 in 2006, and indexed for inflation thereafter; \$2 million small State minimum beginning in 2001 and indexed for inflation beginning in 2007; modify stacking rules and credit allocation rules; certain Native American housing assistance disregarded in determining whether building is Federally subsidized for purposes of the low-income housing credit	tyba 12/31/00	-4	-24	-68	-140	-239	-475
6. Accelerate 5-year phasein of private activity bond volume cap	cyba 12/31/00	-10	-39	-80	-122	-155	-406
NET TOTAL		-91	-875	-1,330	-1,592	-1,958	-5,847

Joint Committee on Taxation

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

Legend for "Effective" column:

cyba = calendar years beginning after
DOE = date of enactment

ima = investments made after
tyba = taxable years beginning after

- [1] The Secretary of Housing and Urban Development must prescribe regulations for the nomination process no later than 4 months after the date of enactment. The tax benefits for the designated communities generally are effective beginning on 7/1/01, and terminating on 12/31/09.
- [2] Area may be designated as an empowerment zone any time after the date of enactment and before 1/1/02. The tax benefits generally become effective after 12/31/01 and terminate on 12/31/09.
- [3] Loss of less than \$500,000.