ESTIMATED BUDGET EFFECTS OF H.R. 6081, THE "HEROES EARNINGS ASSISTANCE AND RELIEF TAX ACT OF 2008," SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES ON MAY 20, 2008

Fiscal Years 2008 - 2018

[Millions of Dollars]

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
I. Benefits for the Military														
1. Allow taxpayers who file a joint return, and														
one of whom is in the armed forces														
to be eligible for the recovery rebates as														
enacted in the Economic Stimulus Act of 2008	[1]		-14										-14	-14
2. Permanently extend the election to include	10/21/07		20	10	11	2	2	2	2	2	2	2		70
combat pay as earned income	tyea 12/31/07		-20	-18	-11	-3	-3	-3	-3	-3	-3	-3	-55	-70
3. Special mortgage bonds rules for veterans:														
a. Permanently extend the qualified mortgage bond first-time homebuyer exception for														
veterans	bia 12/31/07	-2	-10	-25	-41	-57	-73	-88	-102	-115	-126	-135	-208	-776
b. Increase the veterans mortgage bond volume	01a 12/31/07	-2	-10	-23	-41	-37	-75	-00	-102	-115	-120	-135	-208	-770
limitation for certain states and modify the														
definition of a qualified veteran	bia 12/31/07	-1	-6	-14	-21	-27	-33	-40	-46	-52	-58	-64	-102	-362
4. Survivor and disability payments with respect	014 12/01/07	1	0	11	21	27	55	10	10	52	50	01	102	502
to qualified military service	dodoo/a 1/1/07	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-2
5. Treatment of differential military pay as	rpa 12/31/08 &													
wages	yba 12/31/08		1	-2	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
6. Special period of limitation when uniformed	-													
services retired pay is reduced as a result of														
award of disability compensation	cfcorfa DOE	[2]	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
7. Permanently extend treatment of distributions														
to guardsmen called to active duty	12/31/07	[2]	[2]	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7

Page	2
------	---

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
8. Permanent extension of disclosure authority to the Department of Veterans Affairs [3]	10/01/08 -						No R	evenue E	Effect					
 Contributions of military death gratuities to Roth IRAs or educational savings accounts 	[4]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-2	-4
10. Suspension of 5-year period during service														
with the Peace Corps11. Employer wage credit for activated military reservists (20% of differential pay up to	tyba 12/31/07	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
\$20,000; employers with less than 50	apa DOE &													
employees) (sunset 12/31/09)	before 1/1/10	[2]	-1	-2	-2	-2	-1	[2]	[2]	[2]	[2]	[2]	-8	-9
12. Exclusion of certain State payments to military personnel.	pmbo/a DOE					/	Vegligibl	ο Ρουομι	10 Effect					
13. Permanent exclusion of gain on sale of a						1	vegugibi	e neveni	ie Lijeci					
principal residence by certain employees of the	soproo/a DOE & soproo/a 12/31/10	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-3
14. Special distribution rules for unused benefits in health flexible spending arrangements of								D						
 individuals called to active duty 15. Clarification related to exclusion of certain property tax rebates and other benefits provided to volunteer firefighters and 	dma DOE					1	vegligibl	e Keveni	ie Effect					
emergency medical responders [5]	[6] -						No Re	evenue E	ffect					
Total of Benefits for the Military		-3	-52	-62	-78	-92	-113	-134	-154	-173	-190	-206	-402	-1,265
II. Improvements in Supplemental Security Income														
1. Treatment of uniformed service cash remuneration as earned income [7]	bpfmb 60da DOE		-1	-2	-3	-2	-3	-3	-3	-3	-3	-3	-11	-26
2. State annuities for blind veterans to be disregarded in determining supplemental	-													
 security income benefits [7] 3. Exclusion of Americorps benefits for purposes of determining supplemental security income eligibility and benefit amounts volunteers under 	bpfmb 60da DOE		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
SSI [7]	DOE		[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9
Total of Improvements in Supplemental Security In	ncome		-1	-3	-4	-3	-4	-1	-1	-1	-1	4	-15	-36

Page	3
------	---

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
III. Provisions that Raise Revenue														
1. Impose mark-to-market regime (but not 10-year														
income inclusion rules) on individuals who														
expatriate	[8]	10	56	52	48	44	39	34	29	31	33	35	249	411
2. Impose employment tax for wages paid for														
services performed by employees of foreign														
subsidiaries of U.S. parent companies under	spicmbmt													
U.S. government contract [9]	30da DOE	11	76	80	81	82	83	84	84	86	86	86	412	838
3. Increase in penalty for failure to file														
from \$100 to \$135	rrtbfa 12/31/08		2	9	9	9	9	9	9	9	9	9	37	83
Total of Provisions that Raise Revenue	•••••	21	134	141	138	135	131	127	122	126	128	130	698	1,332
IV. Parity in the Application of Certain Limits to														
Mental Health Benefits (sunset 12/31/08) [3]	bfsfo/a DOE		-15	-10									-25	-25
NET TOTAL		18	66	66	56	40	14	-11	-36	-51	-66	-80	256	6

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment assumed to be June 1, 2008.

Legend for "Effective" column:

egen	d for "Effective" column:		
	bpfmb = benefits payable for months beginning	pmbo/a = payments made before, on or after	tyba = taxable years beginning after
	bfsfo/a = benefits for services furnished on or after	rpa = remuneration paid after	tyea - taxable years ending after
	bia = bonds issued after	rrtbfa = returns required to be filed after	yba = years beginning after
	cfcorfa = claims for credit or refund filed after	soproo/a = sales of personal residences	30da = 30 days after
	dma = distributions made after	occurring on or after	60 da = 60 days after
	dodoo/a = deaths or disabilities occurring on or after	spicmbmt = services performed in	
	DOE = date of enactment	calendar months beginning more than	

Footnotes for JCX-45-08:

- [1] Effective as if included in the Economic Stimulus Act of 2008.
- [2] Loss of less than \$500,000.
- [3] Estimate provided by the Congressional Budget Office.
- [4] Generally effective with respect to deaths from injuries occurring on or after the date of enactment and deaths from injuries occurring on or after October 7, 2001, and before the date of enactment if such contribution is made not later than one year after the date of enactment.
- [5] Preliminary and subject to change.
- [6] Effective as if included in section 5 of the Mortgage Forgiveness Debt Relief Act of 2007.
- [7] Outlay effects provided by the Congressional Budget Office and should be considered preliminary and subject to change. Negative numbers indicate an increase in outlays.
- [8] Generally effective for expatriations on or after the date of enactment. The tax on covered gifts and bequests is effective for gifts and bequests received on or after the date of enactment from expatriates whose expatriation date is on or after the date of enactment.

[9] Estimate includes an increase in outlays provided by the	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> 2	2008-13	<u>2008-18</u>
Congressional Budget Office	[2]	[2]	[2]	[2]	1	1	1	2	2	3	4	2	14