- COMMITTEE ON WAYS AND MEANS - ESTIMATED BUDGET EFFECTS OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO THE CHAIRMAN'S MARK RELATING TO REVENUE RECONCILIATION PROVISIONS

Fiscal Years 1997 - 2007

[Millions of Dollars]

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
						2001		2000	2004	2003	2000	2001	1997-02	1997-07
I. CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN							÷				· .			
 Tax credit for children under age 17 (\$400 in 1998 and \$500 thereafter); \$75,000/\$110,000 										-				
AGI phaseout for credit [1]	1/1/98	***	-2,282	-15,340	-18,187	-17,863	-17,584	-16,263	-15,997	-15,426	-15,055	-14,347	-71,257	-148,346
\$75,000/\$110,000 AGI phaseout	1/1/98		8	47	19	-38	-69	-124	-164	-214	-285	-370	-33	-1,189
of high-risk individuals	tyba 12/31/97	3 .	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
SUBTOTAL OF CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN			-2,274	-15,294	-18,169	-17,902	-17,654	-16,388	-16,162	-15,641	-15,341	-14,718	-71,293	-149,542
II. EDUCATION TAX INCENTIVES		-								-				
A. Tax Benefits Relating to Education Expenses														
1. Administration's HOPE scholarship tax credit	•													
as modified - drop B average requirement; credit is 50% of up to \$3,000 out-of-pocket tuition expenses and books required for														
attendance (phaseout \$40,000 - \$50,000												•		
singles/ \$80,000 - \$100,000 joint)	tyba 12/31/97	•••	-1,745	-5,012	-5,091	-5,173	-5,258	-5,338	-5,404	-5,471	-5,540	-5,610	-22,278	-49,640
board expenses paid through State-sponsored prepaid tuition programs; limit deduction to														
\$10,000 per student per year, with aggregate maximum deduction of \$40,000 per student	tyba 12/31/97		-60	-179	-196	-216	-238	-261	-288	-316	-348	-383	-889	-2,485
Penalty-free withdrawals from all IRAs for undergraduate, post-secondary vocational,														
and graduate education expenses	1/1/98		-72	-213	-200	-149	-125	-114	-98	-93	-92	-91	-758	-1 246

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	5 200	2007	1007.00	400= -
B. Expanded Education Investment Savings			-								2001	2007	1997-02	1997-0
Opportunities														
 Permit contributions to an education investment 														
account for a child under age 18; create			:											
private prepaid tuition programs; provide														
deduction for undergraduate and														
post-secondary vocational tuition, room, and														
board expenses paid through education														
investment accounts or private prepaid tuition												-		•
programs; limit deductions to \$10,000 per														
student per year with aggregate maximum														
deduction of \$40,000 per student for														
deduction of \$40,000 per student [3]	tyba 12/31/97		-355	-1,138	-1,642	-1,967	-1,877	-1,939	-2,560	2 4 4 0	0.054			
					.,	.,00.	1,017	-1,505	-2,500	-3,118	-3,651	-4,186	-6,979	-22,4
Extend employer-provided education assistance														
for undergraduates through 12/31/97 [1]	tyba 12/31/96		-171	***										
2. Raise \$150 million volume cap on 501(c)(3)							•••	•••	711			***	-171	-1
bonds (other than hospital bonds) by \$10 million						¥								
per year until it reaches \$200 million	1/1/98		-2	-14	-27								÷	
Enhanced deduction for corporate			-2	-14	-21	-37	-46	-50	-51	-54	-59	-70	-126	-41
contributions of computer technology and														
equipment for grades K - 12	tyba 12/31/97		10										·	
Phase out qualified tuition reduction provided to	1904 123 1131		-46	-48	-53	· -58	-63	-69	-76	-83	-91	-100	-268	-6
employees of educational institutions (section													200	-0
117(d)); phaseout benefits - 80% in 1998, 60%	•											•		
in 1999, 40% in 2000, 20% in 2001, and	4													
repealed in 2002 (HOPE scholarship applies to														
balance)	444.00													
	1/1/98		12	46	83	. 124	169	203	213	224	235	247	433	1,550
UBTOTAL OF EDUCATION TAX INCENTIVES	***************************************	. 	-2,439	-6,558	-7,126	-7,476	-7,438	-7,568	-8,264	-8,911	-9,546	-10,193	-31,036	-75,51
AVINGS AND INVESTMENT TAX INCENTIVES										•	-,	,	01,000	-70,01
A. Retirement Savings														
Create American Dream IRAs; allow														
penalty-free rollovers from IRAs; allow special														
purpose withdrawals from AD IRAs for first-time														
home purchase (4)						` .								
home purchase [4]	1/1/98		-184	534	435	-534	-286	-519	-1,683	-2,524	2 570	4.000		
1. Capital gains: (a) 00(400)								0.0	-1,000	*2,024	-3,576	-4,633	-33	-12,96
Capital gains: (a) 20/10% rate structure;														
(b) collectibles and good ()														
(b) collectibles get 28%; (c) section 1250														
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT														
(b) collectibles get 28%; (c) section 1250recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year			٠	٠										
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with			-											
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(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests			·	·			·						,	
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and													r	
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and (g) 32% rate in 1998, 31% in 1999, and 30%													:	
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and (g) 32% rate in 1998, 31% in 1999, and 30% thereafter for corporate gains with 5-year						-							1	
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and (g) 32% rate in 1998, 31% in 1999, and 30% thereafter for corporate gains with 5-year	generally 5/7/97	1 650	6 204	400	0.004				•				,	
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and (g) 32% rate in 1998, 31% in 1999, and 30% thereafter for corporate gains with 5-year holding period (effective 1/1/98)	generally 5/7/97	1,659	6,304	-466	-3,684	-3,647	2,492		-5,888	-7,133	-8,887	-10,757	2,658	-34.959
(b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and (g) 32% rate in 1998, 31% in 1999, and 30% thereafter for corporate gains with 5-year holding period (effective 1/1/98)	•	1,659	6,304	-466	-3,684	-3,647					-8,887	-10,757	2,658	-34,959
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Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-0
							,				111	-178.4		
ALTERNATIVE MINIMUM TAX PROVISIONS				4					•					
AMT - Increase individual exemption amount by					•								•	
\$1,000 every other year 1999 through 2007,		•												
index thereafter	tyba 12/31/98		***	-53	-219	-352	-672	-1,023	-1,705	-2,440	-3,755	-5,138	-1,296	-15,35
2. Exemption from alternative minimum tax for	•	•		**		•		1,020	1,700	2,440	-0,755	-5,156	-1,230	15.3
small corporations	tyba 12/31/97		-97	-171	-131	-100	-77	-59	-45	-34	-26	-20	-577	, ,
3. Prospective repeal of AMT depreciation	,						• • • • • • • • • • • • • • • • • • • •	: 00		-0-4	-20	-20	-5//	•7
adjustment	ppisa 1/1/99			-1,265	-3,312	-3,901	-3,296	-2,693	-2,251	-1,912	+ 700	4 770	44.7744	00.4
· ·	pp.00	Ų.		1,200	-0,012	-0,001	-0,290	-2,093	-2,201	-1,912	-1,790	-1,770	-11,774	-22,1
SUBTOTAL OF ALTERNATIVE MINIMUM TAX	*						•				:			
PROVISIONS	***************************************		-97	-1,489	-3,662	-4,353	-4,045	-3,775	-4,001	-4,386	-5,571	-6,928	-13,647	-38.3
STATE CIET AND GENERATION				÷										
STATE, GIFT AND GENERATION-								٠.			•			
SKIPPING TAX PROVISIONS		•												
A. Estate and Gift Tax Provisions													:	
Increase unified estate and gift tax credit to														
\$650,000 in 1998; \$750,000 in 1999; \$765,000														
in 2000; \$775,000 in 2001 through 2004,		-												
\$800,000 in 2005, \$825,000 in 2006; and												•		
\$1 million in 2007; and index other provisions														
beginning in 1999	dda 12/31/97			-650	-2,004	-2,303	-2,588	-2,788	-3,463	-3,688	-4,200	-5.317	-7,545	-27
20-year installment payment where estate											•	•••	.,	
consists largely of interest in closely held		١.												
business	dda 12/31/97							-14	-10	-7	-5	-2		
3. Reduced rate on all, and no interest on certain							•				. •			
portion of, estate tax extended under section														
6166	dda 12/31/97	·		-10	-20	-32	-45	-59	-73	-88	-103	-119	-107	إد
4. Clarification of judicial review of eligibility for				, -		02	-10	•••	-,0	-00	-103	-113		-
extension of time for payment of estate tax	dda DOE			-15	-15	-15	-15	-15	-15	-14	-12	-11	00	
5. Extension of treatment of certain rents under					-10	-15	-13	-10	-10	-14	-12	-11	-60	
section 2032A to lineal descendants	roa 12/31/76		-25	-2	-2	-2	-2	-2	-2	-2	-2	^		
6. Gifts may not be revalued for estate tax	,64 1251110		20		-2.	-2	-2	-2	-2	-2	-2	-2	-33	
purposes after expiration of statute of limitations	gma DOE			-16	-18	-21	-26	-32	00	45	50		•	
7. Repeal certain throwback rules applicable to	gilla DOL			-10	-10	-21	-20	-32	-38	-45	-53	-61	-81	-
domestic trusts	tyba 12/31/97			20	20	20	00	00	20	-				
Unified credit of decedent increased by unified	tyba 1231/8/			-20	-20	-20	-20	-20	-20	-20	-20	-20	-80	•
credit of spouse used on split gift included in														
decedent's gross estate	DOF													
Reformation of defective bequests, etc. to	gma DOE		-9	-10	-10	-11	-11	-12	-12	-13	-13	-14	-51	-
· · ·	44- DOE									•				
spouse of decedent	dda DOE		-11	-12	-13	-13	-14	-15	-15	-16	-17	-18	-63	-
B. Generation-Skipping Tax Provisions						:							i	
Severing of trusts holding property having an including setting of greater than page.	B0=													
inclusion ratio of greater than zero	sa DOE			-6	-6	-6	- 7	-7	-7	-7	-7	-7	-25	
2. Expansion of exception from	•	•											4	
generation-skipping transfer tax for transfers to								•					:	
individuals with deceased parents	gsta DOE			-4	-4	-4	-4	-4	-5	-5	-5	-6	-16	
UBTOTAL OF ESTATE, GIFT AND GENERATION-									÷					
SKIPPING TAX PROVISIONS														

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
				· · · · · ·	, , <u></u>				·					1007 07
VI. EXPIRING TAX PROVISIONS			•											
Research tax credit (through 12/31/98) Contributions of appreciated stock to private	6/1/97	-161	-1,062	-1,091	-470	-314	-211	-66					-3,309	-3,375
foundations (through 12/31/98) 3. Extend the work opportunity tax credit	6/1/97	***	-80	-61	-9	-2			***				-151	-151
for one year (through 9/30/98) [5]4. Orphan drug tax credit (permanent)	wpoifhma 9/30/97 6/1/97		-127 -29	-133	- 75	-30	-11	-2					-376	-377
SUBTOTAL OF EXPIRING TAX PROVISIONS		-161	-29 -1,298	-28 -1,313	-30 50 4	-32	-34	-35	-37	-39	-40	-42	-152	-346
	***************************************	-101	-1,250	-1,313	-584	-378	-256	-103	-37	-39	-40	-42	-3,988	-4,249
VII. DISTRICT OF COLUMBIA TAX INCENTIVES [6]										÷				
Designate existing D.C. enterprise community and consult tools with product the OSS community.												•		
census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law	ı													
empowerment zone incentives (20% wage credit;	•													
increased 179 expensing), and expanded tax-exempt	4 (4 (0.0													
financing; sunset 12/31/022. Provide 0% capital gains rate on enterprise	1/1/98		-12	-20	-21	-23	-25	-12	-3	-3	-3	-3	-101	-124
zone business property in the D.C. Enterprise														
Zone held for at least 5 years; sunset 12/31/02	1/1/98		[2]	-1	-2 ·	-3	-4	-5	-5	-6	-6	-8	-9	-40
\$75 million in tax credits to taxpayers that provide equity and loans to certain D.C.													_	
businesses	1/1/98		-5	-10	-20	-25	-10	-2	-2	-1	(0)	ron	70	
Reduce 15% income tax bracket to 10% for						20	,,	-2.	-2 :	-1	[2]	[2]	-70	-75
residents of new D.C. Enterprise Zone	1/1/98		18	-28	-30	-31	-33	-35	-36	-38	-40	-42	-141	-332
SUBTOTAL OF DISTRICT OF COLUMBIA TAX INCENTIVES			05						·					
	***********************	***	-35	-59	-73	-82	-72	-54	-46	-48	-49	-53	-321	-571
III. WELFARE-TO-WORK TAX CREDIT										•				
Administration's welfare-to-work credit, as										•				
modified: (a) wage credit is 35% on first \$10,000 of wages in the first year of														
employment, and 50% on \$10,000 of wages in						2			÷				-	
the second year of employment; (b) effective for						Ÿ.								
hires made before 10/1/00			-13	-41	-60	-54	-30	-12	-4	-1			-199	-216
SUBTOTAL OF WELFARE-TO-WORK TAX CREDIT	***************************************		-13	-41	-60	-54	-30	-12	-4	-1			-199	-216
													100	-210
IX. MISCELLANEOUS PROVISIONS			•											
A. Provisions Relating to Excise Taxes 1. Repeal excise tax on recreational											•			
motorboat diesel fuel	1/1/98		-1	-5	c			4		_				
Modify excise tax on imported halons	DOE	[7]	[7]	-3 [7]	-5 [7]	-1 [7]	- 1 [7]	-1 [7]	-1 [7]	-1 171	-] (5)	-1	-16	-22
B. Provisions Relating to Disasters		• •		1.1	1,1	17.1	1/1	1,1	[/]	[7]	[7]	[7]	1	1
Disaster losses: postponement of IRS deadlines and loss valuation.			-						: 3					
and loss valuation	aoty -					^	legligible Fi	levenue Ef	fect					
account of certain weather-related conditions	sea 12/31/96		-12	-2	-2	0								
		777	-12	٠	~~	-2	-1	-1	-1	-1	-1	-1	-18	-23

Provision	Effective	1007	1000	4000										
	Ellective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
3. Loosen mortgage revenue bond requirements														
in disaster areas for 1997 through 1999	bia 12/31/96		4	_	_	_								
C. Provisions Relating to Employment Taxes	UIA 12/31/90		-1	- 5	-8	-8	-8	-7	-6	-6	-5	-4	-31	-59
Independent contractor for bakery drivers	ana 10/01/07		40											
Independent contractor for securities brokers	spa 12/31/97		-13	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	-15	-18
SECA for insurance agents	spi tyba 12/31/97		• • • • • • •				Negligible	Revenue E	=ffect			• • • • • • •		
4. Safa harbor for independent and transfer fol	pa 12/31/97				• • • • • • • •		Negligible	Revenue E	Effect	. 	- 	- 		
4. Safe harbor for independent contractors [9]	pa 12/31/97		-191	-203	-202	-206	-210	-214	-224	-233	-239	-283	-1,012	-2.205
D. Provisions Relating to Small Businesses														_,•
Delay imposition of penalties for failure to make		•												
payments electronically through EFTPS until		Ş.												
after 12/31/98	7/1/97		- 9 04	904										
Definition of principal place of business for			*									•		
home office deduction	tyba 12/31/97		-114	-234	-244	-253	-263	-274	-285	295	-306	-318	-1,109	-2,587
E. Provisions Relating to Pensions													,	2,007
1. Water districts made eligible for 401(k) plans					•									
even if State or local entity	1/1/98		[8]	-1	-1	-1	-2	-2	-2	-2	-2	-3	· -6	-15
Modify section 415 limits for certain State and									_	-	•	·		-15
local plans	tyba 12/31/97		9	-25	-25	-26	-26	-26	-27	-27	-27	-28	-111	-246
Extend moratorium on nondiscrimination rules	•							-+	_,		۲,	-20	-111	-240
for public pension plans (permanent)	DOE ·					/	Negligible l	Revenue F	ffect					
4. Treatment of certain disability benefits received		1 .				•	99	.570.,40 2	.,,,,,					
by former police officers or firefighters	DOE		-11										44	44
F. Trade Provision: 2-year GSP										•••		•	-11	-11
Extension [10]	6/1/97		-464	-216			_						ငင်ဂ	
G. Extend CBI Parity Through 12/31/98 [10]	1/1/98		-160	-57									-680	-680
H. Other Provisions		•		•						***	***		-217	-217
Shrinkage allowance for inventory accounting	•••		-7	-21	-23	-25	-27	-29	04	00	0.5	A-	400	
Include liability to pay compensation under			•		20	-23	-21	-29	-31	-33	-35	-37	-103	-268
workmen's compensation acts within rules														
relating to certain personal liability assignments	cfa DOE		-1	-2	-5	-8	-12	444						
Grandfather publicly traded partnerships with	OIG DOL		*1	-2.	-0	-0	-12	-17	-23	-29	-32	-36	-27	-164
tax on gross receipts to make revenue neutral	tyba 12/31/97 -							4144			ţ.			
4. Exclusion from UBTI for certain corporate	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						neven	ue Neutral					• • • • • • • • • •	
sponsorship payments	pra 12/31/97						da aliaible (¬			5			
5. Allow timeshare associations to elect to be	pia 1201/0/					//	vegiigible r	1evenue E	mect					
taxed as homeowner associations at 32%	tyba 12/31/96													
Allow refunding of certain tax-exempt Virgin	iyua 12/3/190					/	vegiigible r	revenue E	ttect	• • • • • • •				
Islands bonds [11]	bia DOE					_	_			**				
7. Restore the business meals deduction to	DIA DOE		2	-4	-5	-5	-5	-3	-1	-3	-4	-4	-21	-37
80% in 5% increments every other year for											4			
persons subject to Federal hours of service														
limitation	t.b 40/04/03							•						
Clarify tax-exempt status of certain State	tyba 12/31/97		-8	-17	-27	-37	-49	-62	-76	-91	-108	-125	-138	-600
workmen's compensation funds	t.L. 40/04/07										1. 2. 2			
	tyba 12/31/97		[2]	[2]	-1	-1	-1	-1	-1	-1	-1	1	-2	-6
Deferral of gain on sales of stock in farm product refining firms to farm coops which														
supply the firm with raw farm products for	40/04/5-													
refining	sea 12/31/97	***	-2	-5	-5	-5	-4	-4	-4	-4	-4	-4	-21	-41
10. Treatment of consolidation of certain mutual														
savings bank life insurance departments	12/31/91		-25	-9	-9	-9	-9	-9	-8	-6	-6	-6	-61	-96
											25			

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
11 Modification to the OFCD Chief district To 1											1			1337-01
11. Modification to the OECD Shipbuilding Trade											2.5			
Agreement - extend 1 year from DOE [10]			-8				***				23		-8	-8
12. 109% prior year safe harbor		-481	481								1.1		***	
SUBTOTAL OF MISCELLANEOUS PROVISIONS	*******************************		-1,455	98	-562	-587	-618	-650	-690	-732	-771	-851	-3,606	-7,302
X. REVENUE PROVISIONS											£			
A. Financial Products														
1. Constructive sales treatment for appreciated														
financial positions	cseia 6/8/97		367	121	68	70	70							
Disallowance of interest on indebtedness	00010 010707		307	141	68	73	79	85	91	. 98	105	112	708	1,199
allocable to tax-exempt obligations (\$1 million								-						
de minimis)	tyha DOE oaa dotca		8	18	24		0.5	4.4			,·			
3. Gains or losses from certain terminations with	tyou bot out doles		0	10	24	29	35	41	47	52	57	62	113	372
respect to property	30da DOE		15	27	O.E.	0.5	0.5				~			
Determination of original issue discount where	OUGU DOL		13	21	25	25	25	25	25	25	25	25	117	242
pooled debt obligations subject to acceleration	tyba DOE		76	275	358	210	000	400	400					
5. Denial of interest deduction on certain debt	1,500 002		. 70	215	330	319	283	100	105	109	114	118	1,311	1,857
instruments	iia 6/8/97		5	16	29	43	FF	00						
B. Corporate Organizations and Reorganizations	114 27 07 07		J	10	29	43	55	62	63	64	65	67	148	469
Tax treatment of certain extraordinary	da 5/3/95 or					*					3.5			
dividends			440	-90	-51	·1 -7	42	74	77					
2. Recognition of gain in certain section 355	4		440	-30	-51	-,	42	71	77	82	89	95	334	748
transactions	da 4/16/97		567	330	289	248	206	105	404			_		
3. Tax treatment of redemptions involving related	au // 10/0/		307	330	209	240	206	165	124	83	41	3	1,640	2,056
corporations	da/a 6/8/97		10	10	5	5	5	_	-	_		_		
Modify holding period for dividends-received				10	3	3	Э	5	5	5	5	5	35	60
deduction	droaa 30da DOE	***	12	15	15	16	16	. 10	47	4-				
C. Other Corporate Provisions			12	1.0	13	10	10	16	17	17	17	18	74	159
 Registration and other provisions relating to 														
confidential corporate tax shelters	tsoaiTg	•••	15	37	38	39	41	40	40		40			
2. Certain preferred stock treated as "boot"	ta 6/8/97		35	37	39	41.	41	42 10	43	44	46	47	170	392
D. Administrative Provisions	14 5/5/07		00	37	39	41.	43	10	10	11	11	12	194	248
 Reporting of certain payments made to 														
attorneys	pma 12/31/97			3	3	·; 3	3	3	4	4			4.0	
Decrease of threshold for reporting payments to	r==			•		÷ J	J .	3	4	4	- 4	4	12	31
corporations performing services for Federal											•			
agencies	rd 90da DOE			7	8	9	10	11	44	10		40		
Disclosure of return information for				•		3	10	11	11	12	12	13	34	93
administration of certain Veterans' programs [10]	dma 9/30/98			22	27	31	36	36	37	38		00	440	
Modify levy exemption and provide continuous					۲,	J1	30	30	. 3/	38	38	39	116	304
levy on certain payments	lia DOE		332	327	256	213	157	117	102	00		70	4 00-	
Consistency requirement for returns of					_50	210	131	117	102	86	82	78	1,285	1,750
beneficiaries of estates and trusts	rfa DOE		3	- 3	3	. 3	3	3	4	4			4-	
6. No information reporting on sales of principal			ŭ	•	3	J	3	J	4	4	4	4	15	34
residences less than \$250,000 or \$500,000														
(married filing joint return)	DOE			. 			Jealiaihle E	Revenue E	ffort.					
							- Sangibili i	.SVORUE E.					• • • • • • • • • • • • • • • • • • • •	

	Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1007.00	4007.07
**** <u>-</u>										2004		2000	2007	1997-02	1997-07
E.	Excise Tax Provisions		11								1				1
1 - 1 - 1 - 1	. Extend and modify Airport Trust Fund excise		100	•											
	taxes:	in the second se	·. }												
	 a. Extend domestic air passenger ticket tax; 										1				
E LEE	reduce tax rate from 10% to 7.5% of ticket					•					*				1
	price; impose an additional tax of \$2.00 per	Anna Carlos Garage						•						:	
	flight segment for 10/1/97 through 12/31/98,	eki.		•											
	\$2.25/segment in 1999, \$2.50/segment in		1												* *
.v	2000, \$2.75/segment in 2001, and	4.24	÷												
	\$3.00/segment in 2002, and in years there-										- 1		٠.		
d - 11	after index the \$3.00/segment tax to changes														:
grand NAVIII. Visioninina	in the CPI (first indexing adjustment on														
	1/1/03); and impose 7.5% tax on		1.5											٠,	
	payments to airlines for air travel under	4 1 1	i.								1				
	credit card and similar programs	10/1/97	· · · · · · · · · · · · · · · · · · ·	4.434	4.704	5,097	5,514	5.957	6,367	6,781	7,221	7,691	0.176	05 700	61.040
	 b. Modify airline ticket tax deposit rule to 	$A_{i,j} = \frac{1}{2} \left(\frac{1}{2} - \frac{1}{2} \right)^{-1} = \frac{1}{2} \left(\frac{1}{2} - \frac{1}{2} - \frac{1}{2} \right)^{-1} = \frac{1}{2} \left(\frac{1}{2} - \frac{1}{2} - \frac{1}{2} \right)^{-1} = \frac{1}{2} \left(\frac{1}{2} - \frac{1}{2} - \frac{1}{2} - \frac{1}{2} \right)^{-1} = \frac{1}{2} \left(\frac{1}{2} - \frac{1}{2$	•		.,		0,011	0,007		0,701	1,221	7,051	8,176	25,708	61,943
	suspend deposits due 8/15/97 to 9/30/97		•	•								·			
	until 10/10/97	DOE	-1,017	1,017						•				1	+ 4
	c. Require breakout of airfare and tax in airline			.,•							:	***			
J. A.	advertising	10/1/97						No Do	venue Effe	a d					
# M (H)	d. Extend current air cargo excise tax	10/1/97		304	347	377	409	443			507				
9.34	e. Extend international departure fee, raise fee				3-7	. 377	403	443	481	522	567	615	667	1,880	4,732
	to \$10/passenger, charge arrivals at the														
	same fee rate, and index the \$10.00 fee to	4.7	4.3												. •
	changes in the CPI (first indexing adjustment		. 1,				-	•			7	-	1		
	on 1/1/99)	10/1/97		680	755	816	882	OFF	1.044	4 405	4 040			1.11	
**************************************	f. Extend current taxes on noncommercial	10,110,		000	133	010	002	956	1,041	1,125	1,218	1,319	1,426	4,089	10,218
100	aviation gasoline and jet fuel	10/1/97		84	87	. 89	01		٥٢	-				f	
1.5	g. Dedicate 4.3 cents/gallon of tax on aviation	10/1/07	: -	Q4	Or .	. 09	91	93	95	97	99	102	104	446	943
 	fuel to the Airport and Airway Trust Fund	10/1/97									<u>-</u>			<u> </u>	
2	Tax kerosene in the same manner as diesel fuel	7/1/98		44	40	40			enue Effe				-,,,-		
	Reduce ethanol tax credit and excise tax	111130		44	43	49	46	44	43	44	47	49	52	226	461
•	exemption from 54 to 51 cents/gallon; increase		4												
	small producer credit from 10 to 13					•									
	cents/gallon; limit subsidy-eligible production to														
	the producer's average production for														
	1993-1997; impose 51 cents/gallon penalty on											-			
	excess production during periods when 51														
	cents/gallon subsidy is in effect, repeal all	•													
	subsidies for ETBE (effective DOE), and repeal														
	all subsidies after 12/31/00 [12]	4.44.100													
F	Provisions Relating to Tax-Exempt	1/1/98		62	91	98	423	547	556	565	574	584	594	1,221	4,094
٠.	Organizations														
- 4															
١.	Impose Federal income tax on income earned														
	by an Indian tribe or related entity from all	44455													
	commercial activities (including gaming)	1/1/98		233	398	414	432	450	469	489	510	532	555	1,927	4,483
2.	Modify control test and include attribution rules														
	to determine UBIT consequences of certain									4.					
	payments from subsidiaries of tax-exempt	tyba DOE &	•	* *.											
	organizations	tyba 12/31/98		8	14	8	6	5	5	4	4	4	4	42	63

	·				•									·
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
3. Carryover basis on sale of property by tax-														·
exempt related party	sea 6/8/97	***	[7]	[7]	[7]	[7]	(7)	. [7]	r=1	7-1			* *	
4. Extend reporting and proxy tax requirements for				[1]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	· [7]	1	2
political and lobbying expenditures to all section														
501(c) organizations except charitable														
organizations	tyba 12/31/97		4	4	5	5	5	5	5	5	6	^		
Repeal 1986 Act grandfather rules for pension	·			·	J	·	·	3	3	J	0	6	23	50
business of certain insurers	tyba 12/31/97		[7]	82	116	124	128	133	140	149	160	174	450	4 000
G. Other Revenue-Increase Provisions			• •		•		,	,00	1 10	170	100	174	450	1,208
Termination of suspense accounts for family														
farm corporations required to use accrual														
method of accounting	[13]	• •••	30	34	36	37	38	40	41	42	44	45	175	387
2. 2-year carryback and 20-year carryforward for											• •	-10	170	307
net operating losses	NOLgi tyba DOE		44	319	380	269	188	143	118	105	98	95	1,200	1,758
Modification of treatment of company-owned	•											• • •	,,200	1,700
life insurance - pro rata disallowance of interest														
on debt to fund life insurance	cia dofca		20	53	93	140	193	247	299	349	399	447	500	2,240
Modify the basis allocation rules for distributee														,
partners	pda DOE		26	52	55	57	59	61	64	66	69	72	249	581
5. Eliminate the substantial appreciation						•					•			
requirement for inventory of a partnership	sepda DOE	***	32	66	69	73	77	80	84	89	93	98	317	761
pre-contribution gain to 10 years										•				
7. Restrict income forecast method and allow	pcpa dofca						7	21	22	23	24	25	7	122
3-year MACRS for rent-to-own property	tyba 12/31/97		00											
Repeal 14-day rule on rental of vacation	typa 12/31/91		29	41	62	78	38	27	25	17	17	18	249	351
properties (section 280A)	tyba 12/31/97		23	23	04	00	07							
Expansion of requirement that involuntarily	1904 1201/91		23	23	24	26	27	28	29	30	31	33	123	274
converted property be replaced with property														
acquired from an unrelated person	icoa dofca		1	4	6	8	11	10	4-					
10. Repeat installment sales grandfather rules of			•	4	O	0	11	13	15	17	19	21	30	115
1986 Act	tyba DOE		42	92	101	102	61	20	21	00			000	
11. State and local tax refund offset	rda 12/31/97		2	2	2	3	3	3	3	22 3	23 3	24	398	508
SUBTOTAL OF REVENUE PROVISIONS						Ŭ,	J	3	3	3	3	3	12	27
SOBIOTAL OF REVENUE PROVISIONS	4114100000000000000		9,004	8,369	9,033	9,815	10,369	10,670	11,258	11,891	12,597	13,341	45,579	105,335
XI. FOREIGN SIMPLIFICATION AND OTHER						•							:	
FOREIGN-RELATED PROVISIONS														
A. General Provisions														
Phase in eligibility of licenses of computer														•
software for foreign sales corporation benefits	gra 12/31/97		-18	-30	-112	-171	-178	-189	-200	-225	-250	<i>-</i> 275	500	4.040
Increase dollar limitation on section 911	-					.,,		100	-200	-220	-200	-215	-509	-1,648
exclusion and index after 2007	1/1/98		-15	-30	-50	-67	-82	-97	-103	-111	-119	-127	-244	901
Simplify foreign tax credit limitation for											710	-121	-244	-801
individuals	tyba 12/31/97	• •••	[8]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-9
Simplify translation of foreign taxes			[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]
5. Election to use simplified foreign tax credit									• •			1-1	f1	[~]
limitation for alternative minimum tax purposes	tyba 12/31/97	***	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	-1	-2
6. Simplify treatment of personal transactions												• •		
in foreign currency	tyba 12/31/97		[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	-1	-2

	Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
7. D	elay change to foreign tax credit limitation for														
di	vidends from 10/50 companies	tyba 12/31/01						00				٠.			
B. G	eneral Provisions Affecting Treatment	1904 125001						-32	-89	-91	-93	-9 5	-97	-32	-497
of	Controlled Foreign Corporations	various		-2	-5	-7	-9	-10	-10	44	40	40			
C. Me	odification of Passive Foreign			_	. •	-•	-9	-10	-10	-11	-12	-13	-14	-33	-93
ln ⁻	vestment Company Provisions to														•
· El	iminate Overlap With Subpart F and														
	Allow Mark-to-Market Election	tyba 12/31/97		-23	-21	-22	-24	-25	-26	-27	-29	-31	-33	-115	-261
	mplify Formation and Operation of												-00	-113	-201
int	ternational Joint Ventures	various		[2]	[2]	-1	-1	-1	-1	-1	-1	-1	-2	-3	-9
	odification of Reporting Threshold for		* .									•	·		-9
	ock Ownership of a Foreign	•			-				•						
- Co	orporation	1/1/98	***	[8]	-1	-2	-2	-2	-2	-2	-3	-3	-3	-7	-20
	ther Foreign Simplification Provisions							-						. :	_
1. 116 2 Ci	ansition rule for certain trusts	aiii SBJPA		-1	-3	-5	-5	-5	-5	-5	-5	-5	-5	-19	-44
	mplify application of the stock and securities ding safe harbor	h.h., 40/04/07													
G ()	her Foreign Provisions	tyba 12/31/97		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
1. Inc	clusion of income from notional principal														
	ntracts and stock lending transactions under		•												
su	bpart F	tyba DOE		9	20	04	04	04							
2. Fu	rther restrict like-kind exchanges involving	tyba DOL		. 9	20	21	21	21	21	22	22	22	23	92	202
for	eign personal property	Ta dofca		4	8	11	13	15	17	40			^-		
3. lm	pose holding period requirement for claiming		. 1	7		''	13	15	17	19	21	23	25	51	156
for	eign tax credits with respect to dividends	dpoaa 30da DOE		23	48	50	53	56	58	61	64	68	74	000	550
	nalties for failure to file disclosure of		,				00	30	30	O1	04	00	71	230	552
	emption for income from the international														
opo	eration of ships or aircraft by foreign persons	tyba 12/31/97	· ·	2	6	12	15	15	14	13	12	11.	10	50	110
5. Lin	nitation on treaty benefits for payments to							-				, , ,		30	110
hyl	brid entities	DOE		1	1	1	1	1 .	1	1	1	1	1	. 5	10
6. Cla	arification of determination of foreign taxes		•		:					•		·	•	•	10
dec	emed paid	DOE		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
	arification of foreign tax credit limitation for	_ t_								• •	• •			1-7	f1
IIDS	ancial services income	DOE .		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
	erest on underpayment reduced by foreign	f												· · · · · · ·	
Q Do	credit carrybacktermination of period of limitations relating to	ftpoa tyba DOE	***	8	10	2	1	.1	1	1	1	1	. 1	22	27
o. De	eign tax credits	from tube DOE			_						. , .				
		ftpoa tyba DOE	***	1	2	1	1	1	1	1	1	1	1	6	11
	AL OF FOREIGN SIMPLIFICATION AND														
OTHE	R FOREIGN-RELATED PROVISIONS			-11	4	-102	-175	-226	-307	-323	-358	-391	-425	-512	-2,318
÷			÷												,
XII. SIMPLIF	ICATION PROVISIONS RELATING														1
	/IDUALS AND BUSINESSES	•													
A. Pro	ovisions Relating to Individuals										٠.				
	duction attributable to unearned income of	•													
	pendent filers: greater of (a) present law; or	•												**	
(b)	earned income plus \$250; delink dependent												-		
447	T from parent's AMT position	1/1/98		-2	-38	-35	-35	-35	-35	-35	-38	-37			

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-
2. Increase de minimis threshold for estimated								-						
tax to \$1,000	tub = 40/04/07													
Optional methods for computing SECA	tyba 12/31/97	***	-134	-17	-18	-19	-20	-21	-22	-24	-25	-26	-208	-3
combined; increase dollar amount to provide														
four question of account afficient to provide														
four quarters of coverage [14]	tyba 12/31/97		1	1	1	2	2	. 2	2	2	2	2	8	
4. Treatment of certain reimbursed expenses of									_	_	_	_	0	
rural mail carriers	tyba 12/31/97		[2]	-1	-1	-1°	-1	-1	-1	-1	-1		_	
Treatment of travel expenses of certain Federal	•						•	•	* *1	-1	-1	-1	-5	
employees engaged in criminal investigations	eii tyea DOE		[2]	[2]	[2]	[2]	[2]	ret .	tot	ro1	[0]	703		
6. Permit payment of taxes by any commercially	·		(-)	[1	[]	[-]	[2]	[2]	[2]	[2]	[2]	[2]	-1	
acceptable means	DOE						Modinible	· ·						
B. Provisions Relating to Businesses Generally					,	•••••	ivegiigible	Hevenue E	:11ect				·	
Modify look-back method for long-term														
contracts	cci tyea DOE		4	•	_									
Minimum tax treatment of certain property and	cor iyoa DOL		-1	-2	-3	-4	-4	-4	-4	-5	-5	-5	-14	
casualty insurance companies	haba 10/01/07				-									
Provide for exclusion for construction	tyba 12/31/97		-1	-2	-3	-3	-3	-3	-3	-3	-3	-3	-12	:
allowers are vided to become														
allowances provided to lessees	leia DOE				· • • • • • •	· •	Negligible	Revenue E	ffect		- 			
C. Provisions Relating to Partnerships														
Simplified reporting to partners	tyba 12/31/97	•••	6	8	8	. 8	8	9	9	9	9	9	20	
2. Simplified audit procedure for large partnerships	tyba 12/31/97		[7]	[7]	[7]		1	1	1	1	1	1	38	
3. Due date for furnishing information to partners					1-1	•	•	•	ı		ı	,	2	
of large partnerships	tyba 12/31/97						- No Ro	ranua Effac						
Returns required on magnetic media for							140 1164	renue Enec						
partnerships with 100 partners or more	tyba 12/31/97			. 			Montinible	Davis and C	· · · · ·					
Treatment for partnership items of individual	•					,	vegiigible .	nevenue E	Hect					
retirement accounts	tyba 12/31/97						N. 0							
Other partnership audit rules	tyba 12/31/97		toı	[0]				renue Effec	-		- -	• • • • • •		<i></i> -
7. Closing partnership taxable year with respect to	tyba 1231131		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	
deceased partner	hiba 10/21/07													
D. Provisions Relating to Real Estate	tyba 12/31/97	***	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	
Investment Trusts														
* * * * * * * * * * * * * * * * * * * *					•									
Clarification of limitation on maximum number of														
shareholders	tyba DOE			·		/	Vegligible I	Revenue E	ffect				· 	
2. De minimis rule for tenant services income	tyba DOE			·		· /	Vealiaible I	Revenue F	ffect				• • • • • • • •	
3. Attribution rules applicable to tenant ownership	tyba DOE					· /	Jealiaible I	Revenue Ei	ffect				• • • • • • • • • • • • • • • • • • •	
4. Credit for tax paid by REIT on retain capital						,	109119101	IOVONIO EI	1001			• • • • • • •		
gains	tyba DOE						Jaaliaihla I	Revenue Ei	lla at					
Repeal 30% gross income requirement	tyba DOE	***	-4	-5	-5	-6	vegiigible r -7	-7 -7						
Modification of earnings and profits rules for	7 +-		7	-3	-3	-0	-7	-/	-8	-9	-10	-11	-26	•
determining whether REIT has earnings and														
profits from non-REIT year	tyba DOE							_						
7. Treatment of foreclosure property	tyba DOE				- -	<u>N</u>	legligible F	Revenue Et	fect			· ·		
Payments under hedging instruments	•		• • • • • • • •		· · · · · · ·	N	legligible F	Revenue Ef	fect			· • • • • • • •		4
Excess noncash income	tyba DOE				<i></i>	N	lealiaible f	Revenue Ef	fect			. 		
10. Prohibited transportion and heart	tyba DOE						legligible F	Revenue Et	fect					
10. Prohibited transaction safe harbor	tyba DOE					N	legligible F	Revenue Ef	fect				. 	
Shared appreciation mortgages Wholly owned subsidiaries	tyba DOE		• • • • • • • • • • • • • • • • • • •		- <i></i>		lealiaible F	Revenue Ef	fect					
1.2 MICONY OWOOD publishing	tyba DOE						J J							

											·				
	Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
F	Provisions Relating to Regulated													1977	
	Investment Companies													5.4	
. 1	Repeal 30% gross income limitation for														
•••	regulated investment companies	tuba 10/21/07		40	00		,								
F.	Taxpayer Protections	tyba 12/31/97		-12	-23	-27	-33	-38	-45	-53	-61	-71	-82	-134	-447
	Provide "reasonable cause" exception for	•													
	penalties	tyba DOE	-	· • • • • • • • • • • • • • • • • • • •				• 4 • • • • •	_						
2.	Clarification of period for filing claims for refunds	tyea DOE		• • • • • • • •											
	Repeal authority to disclose whether a	iyea DOL		• • • • • • • •				ivegiigible	Hevenue i	Effect	· · · · · · · · · · · · · · · · · · ·	·			
	prospective juror has been audited	pca DOE						Ma Day		_4					
4.	Clarify statute of limitations for pass-through	P00 D02	-					No Hel	venue Ene	CI					
	entities	tyba			. 			Ma Da	ranua Effa	of.					
5.	Clarify procedure for administrative cost	,,						No net	renue Ene	C1				• • • • • • • •	
	awards	aca DOE					<i></i> .	· - · No Rev	renue Effe	ct				••••••	
	Civil damages for unauthorized inspection of tax							710 7 161	rende Life	C1			• •	••••••	
	returns or tax return information; notification of														
	unlawful inspection or disclosure	voo/a DOE	[15]	[15]	[15]	[15]	[15]	[15]	[15]	[15]	[15]	[15]	[15]	[15]	[15]
SUBT	TOTAL OF SIMPLIFICATION PROVISIONS			• •	- •			• • • •	(1.5)	1,44	1.01	[10]	[10]	[10]	[13]
	ELATING TO INDIVIDUALS AND BUSINESSES			-147	-79	00	•								
				-147	-/9	-83	-90	-97	-104	-114	-129	-140	-152	-500	-1,146
VIII OMB	I IPIA PIA I PROMININA PROMININA	٠													
	LIFICATION PROVISIONS RELATING											•			
	STATE AND GIFT TAXES														
	Gifts to charities of over \$10,000 exempt from		,					•			,		:		
	gift tax filing requirements	gma DOE					• • • • • • _• •	Negligible i	Revenue E	Effect					
	recovery of estate tax from QTIP trust	dde DOE							_				*		
3	Transitional rules under section 2056A	dda DOE aiii OBRA'90												• • • • • • • •	
	Clarifications relating to certain disclaimers	Dma DOE		4	-4	4		Negligible l	Revenue E					·	
	Increase of amount of lapse of general power	Ollia DOE		-4	-4	-4	-4	-4	-4	-5	-5	-5	-5	-20	-44
	of appointment not treated as release for														
	purposes of estate and gift tax (5 or 5 power)	tyba DOE			-3	-3	-3	-3	-3	^	^				
	Estate and gift tax treatment of short-term	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			-0	-5	-5	-0	-3	-3	-3	-3	-3	-12	-27
	OID instruments	dda DOE					1	Negligible I	Ravanua E			*			
7.	Certain revocable trusts treated as part of						•	109.19.2101	TOTOTION E						
	estate	dda DOE		-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
8.	Distributions during first 65 days of taxable year			•	•	-	•	v	Ū	-5	-5	~	••3	-10	-30
	of estate	dda DOE					1	Nealiaible I	Revenue E	ffect					
9.	Separate share rules available to estates	dda DOE													
	Executor of estate and beneficiaries treated as							.							
	related persons for disallowance of losses	tyba DOE					1	Negligible f	Revenue E	ffect		· · · · · · · ·			
11.	Limitation on taxable year of estates	dda DOE	• • • • • • • • • •			 -		Negligible f	-						
	Treatment of funeral trusts	tyba DOE		2	2	2	2	2	2	2	2	2	2	10	20
	Adjustments for certain gifts within 3 years of														
	decedent's death	dda DOE						No Revi	enue Effec	:t		· • • • • • • • • • • • • • • • • • • •		• • • • • • •	
	Clarification of treatment of survivor annuities														
	under qualified terminable interest rules	dda DOE					/	Vegligible F	Revenue E	ffect		- 		· · · · · · · · ·	
	Treatment under qualified domestic trust rules of forms of ownership which are not trusts	44- DOE							_						
ā.,	or forme or ownership which are not hosts	dda DOE					· /	vegligible F	revenue E	ttect				• • • • • • • •	

				rago iz										•
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
Opportunity to correct certain failures under section 2032A						• • • • • • • • • • • • • • • • • • • •								
SUBTOTAL OF SIMPLIFICATION PROVISIONS RELATING TO ESTATE AND GIFT TAXES		,	-5	-8	-8	-8	-8	-8	-9	-9	-9	-9	-37	-81
XIV. SIMPLIFICATION PROVISIONS RELATING TO EXCISE TAXES, TAX EXEMPT BONDS, AND OTHER MATTERS				•			:				·			-
A. Excise Tax Simplification I. Increase de minimis limit for after-market alterations for heavy truck and luxury car						•	•							
excises 2. Credit or refund for imported bottled distilled													• • • • • • •	
spirits returned to distilled spirits plant														
without submission of records4. Repeal of required maintenance of records on	·													
premises of distilled spirits plant	,													
received at a distilled spirits plant	•													
liquors to post sign														
limited to unmerchantable wine 8. Use of additional ameliorating material in certain														
wines 9. Domestically produced beer may be withdrawn free of tax for use of foreign embassies,										•				
legations, etc														
destruction														
without submission of records														
brewery or winery without payment of tax	DOE DOE													
Repeal of excise tax "deadwood" provisions (including ozone depleting)			• • • • • • •					∕enue Effei ∕enue Effei		•	• • • • • • •	· · · · · · ·	· · · · · · · · · · ·	•••••
 Replace truck excise tax deduction for tire value with tax credit for excise tax paid on tires 			66	94	96	97	99	101	102	105	100	440	450	
Tax-Exempt Bond Provisions Repeal \$100,000 limitation on unspent proceeds from tax-exempt bond issues under		•		7.		Ŭ,	33		102	เบอ	108	110	452	979
year exception from rebate	bia DOE		[2]	-2	3	-5	-6	-8	-9	-10	-11	-12	-17	-65

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-
2. Exclusion from arbitrage rebate for earnings on													********	
bona fide debt service fund under construction														
bond rules	bia DOE		[2]	-1	-2		_		_	_	_			
3. Repeal of debt service based limitation on	5,a 5 0 L		[2]	1	-2	-3	-3	-4	-5	6	-6	-7	-9	
investment in certain nonpurpose investments	bia DOE						Montinib	la Davissi				-		
4. Repeal of expired student loan bond arbitrage							- rvegiigibi	le Revenue	Ellect		• • • • • • • •	• • • • • • •		
rebate provisions	DOE -			. 			No E	Paranua Et	faat				· · · · · · · · · · · · · · · · · · ·	
C. Administrative Provisions							IVO M	ievenue Er	ieci			• • • • • • • •	• • • •	
1. Clarify jurisdiction of Tax Court with respect to														
overpayment determinations	DOE	3	-3	-3	_2	` a	-3	2	^	_		_		
Clarify Tax Court jurisdiction over interest			·	-5	-0	. •3	-3	-3	-3	-3	-3	-3	-15	
determinations	DOE						Na D	ما ما سامان	c				,	-
3. Clarify net worth requirements for awards of	#02		,				NO H	evenue Ef	rect					
administrative or litigation costs	DOE						No D		·					
4. Clarify Tax Court jurisdiction for independent	202					•••••	NO H	evenue En	ect				· • • • • • • • • • • • • • • • • • • •	• • • • •
contractors	DOE	. 				*	Alm milimilai		- " .					
D. Other Provisions	DOL						- ivegiigibi	e Hevenue	Effect			•		
1. Extend due date for first quarter estimated tax			1											
by private foundations	tyba DOE	-	-2	[2]	(0)	(01	701	(01						
2. Clarification of authority to withhold Puerto Rico	1,500.500		-2	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-2	
income taxes from salaries of Federal														
employees	1/1/98	411	-2	-3	-1	4								
Certain notices disregarded under provision	171730		-2	-3	-1	-1	-1	-1	-1	-1	-1	-1	-8	
increasing interest rate on large corporate				•										
underpayments	1/1/98		-1	-1	-1									
Oklahoma technical on Indian wage credits	171700		-,	-,	-1	-1	-1	-1	-1	-1	-1	-1	-5	
and development incentives for property with														
10-year lives or less	dwcorfpt 3/18/97		-145	-30	8	07	00							
	•		-145	-30	0	27	23	20	20	19	18	16	-117	
SUBTOTAL OF SIMPLIFICATION PROVISIONS RELATIN	IG													
TO EXCISE TAXES, TAX EXEMPT BONDS, AND														
OTHER MATTERS	**************************	***	-87	54	94	111	108	104	103	103	104	102	279	7
TECHNICAL CORRECTIONS	***													
								***	***			***	***	
NCREASE IN PUBLIC DEBT LIMIT												•		
INCREASE IN PUBLIC DEBT LIMIT			•••							-				
		****									 -	····		
OTAL			7.218	-16,993	-26,663	-27.787	-20.493	-26,634	-29,520					

Source: Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Assumed enactment date of 10/1/97.

Legend and Footnotes for JCX-28-97

Legend for "Effective" column:

aca = actions commenced after acra = apple cider removed after

aiii OBRA = as if included in the Omnibus Budget

Reconciliation Act of 1990

aiii SBJPA = as if included in the Small Business Job

Protection Act of 1996

acty = all open taxable years

bia = bonds issued after

cci = contracts completed in

cfa = claims filed after

cia = contracts issued after

cseia = constructive sales entered into after

da = distributions after

da/a = distributions and acquisitions after

dda = decedents dying after

Dma = disclaimers made after

dma = disclosures made after

DOE = date of enactment

dofca = date of first committee action

dpoaa = dividends paid or accrued after

droaa = dividends received or accrued after

dwcorfpt = depreciation and wages claimed on returns filed prior to

eii = expenses incurred in

fcq DOE + 90 days = first day of the calendar quarter that begins at least 90 days after date of enactment

ftpoa = foreign taxes paid or accrued in

gma = gifts made after

gra = gross receipts after

gsta = generation skipping transfers after

icoa = involuntary conversions occurring after

iia = instruments issued after

leia = leases entered into after

lia = levies issued after

Iga = licenses granted after

NOLgi = net operating losses generated in

oaa = obligations acquired after

pa = payments after

pca = proceedings commenced after

pcpa = property contributed to partnership after

pda = partnership distributions after

pma = payments made after

ppisa = property placed in service after

pra = payments received after

rd = returns due

rda = returns due after

rfa = returns filed after

roa = rentals occurring after (for returns open

on date of first committee action)

sa = severances after

sea = sales or exchanges after

sepda = sales and exchanges, and certain

partnership distributions after

spi = services performed in

ta = transactions after

Ta = transfers after

tyba = taxable years beginning after

tyea = tax years ending after

tybo/a = taxable years beginning on or after tsoaiTg = tax shelters offered after issuance of

Treasury guidance

voo/a = violations occurring on or after

wpoifhma = wages paid or incurred for hires made after

30da = 30 days after

90da = 90 days after

[1] Considers interaction with HOPE tax credit proposal.

[2] Loss of less than \$500,000.

[3] Considers interaction with AD IRA proposal.

[4] Revenue estimate includes interactions with other educational savings provisions.

[5] Estimate includes interaction with welfare-to-work tax credit.

[6] All D.C. tax initiatives are contingent on the creation of an Economic Development Corporation in 1997; estimate assumes creation of such an economic development corporation and enactment of reforms to D.C. borrowing authority similar to that in the Administration's package.

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

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

[9] Considers interaction with proposal to allow bakery drivers to be treated as independent contractor for employment tax purposes.

[10] Estimate provided by the Congressional Budget Office.

[11] Assumes prior or concurrent passage of legislation to allow Virgin Island financing on parity basis.

[12] This proposal may also have outlay effects through interaction with Federal farm programs.

[13] Provision would be effective for taxable years ending after the date of first committee action, for new suspense accounts, and taxable years beginning after that date for existing accounts. Balances in new accounts would be included in income over a 10-year period, and balances in existing accounts over a 20-year period. For existing accounts, the amounts included in income in any year would not exceed 50% of the taxable income of the taxpayer before the inclusion.

[14] Proposal may have outlay effects.

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