

ESTIMATED BUDGET EFFECTS OF S. 1133,
 THE "PARENT AND STUDENT SAVINGS ACCOUNT PLUS ACT,"
 AS PASSED BY THE SENATE ON APRIL 23, 1998

Fiscal Years 1998 - 2007

[Millions of Dollars]

Provision	Effective	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	2003-07
A. Tax Incentives for Education													
1. Education IRAs - increase the annual contribution limit to \$2,000; expand the definition of qualified education expenses to include qualified elementary and secondary education expenses (including after-school programs); allow education IRA contributions for special needs beneficiaries above the age of 18; allow corporations and other entities to contribute to education IRAs; and various technical corrections (sunsets 12/31/02).....	tyba 12/31/98	---	-33	-110	-164	-216	-238	-215	-204	-186	-158	-523	-1,001
2. Qualified State tuition programs.....	dmi tyba 12/31/98	---	-12	-47	-68	-92	-120	-154	-193	-239	-291	-219	-997
3. Expand the section 127 exclusion for employer-provided educational assistance to include graduate-level courses; extend the exclusion for undergraduate-level courses (both provisions sunset 12/31/02).....	[1]	-107	-291	-378	-603	-760	-488	---	---	---	---	-2,139	-488
4. Raise the small issuer arbitrage rebate exception to \$15 million (for school construction only).....	1/1/99	---	[2]	-3	-7	-11	-14	-27	-29	-32	-34	-21	-136
5. Create new category of exempt facility bonds for privately owned (publicly operated) elementary and secondary school construction in high growth areas; allow separate \$10 per capita volume cap; with \$5 million minimum per State.....	1/1/99	---	-1	-10	-19	-27	-35	-43	-51	-59	-66	-58	-256
6. National Health Corps Scholarship exclusion.....	tyba 12/31/93	----- Negligible Revenue Effect -----											
Subtotal, Tax Incentive for Education		-107	-337	-548	-861	-1,106	-895	-439	-477	-516	-549	-2,960	-2,878

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B. Revenue Offsets													
1. Repeal Schmidt Baking with respect to vacation pay.....	tyea DOE	513	970	986	120	126	132	139	146	153	161	2,715	731
2. Allow taxpayers to use foreign tax credits to reduce income for 1 year back and carryforward 7 years.....	ftpoi tyba 12/31/00	---	---	---	90	579	517	482	450	418	287	669	2,154
Subtotal, Revenue Offsets		513	970	986	210	705	649	621	596	571	448	3,384	2,885
NET TOTAL		406	633	438	-651	-401	-246	182	119	55	-101	424	7

Joint Committee on Taxation

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

Legend for "Effective" column:
 dmi = distributions made in
 DOE = date of enactment
 ftpoi = foreign taxes paid or accrued in
 tyba = taxable years beginning after
 tyea = taxable years ending after

[1] Effective for expenses paid with respect to courses beginning during the period 1/1/98 through 12/31/02 for graduate-level education and extends the exclusion for undergraduate education with respect to courses beginning during the period 6/1/00 through 12/31/02.

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