

Provision	Effective	House Bill													Senate Amendment																			
		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06					
14. Treatment of certain real estate held by an S corporation.....	tyba 12/31/96	---	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-6	-10	-18	---	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-6	-10	-18					
15. Transition rule for elections after termination.....	tyba 12/31/96	---	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[6]	[7]	[8]	---	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[6]	[7]	[8]							
16. Interaction of subchapter S changes except for ESOP and financial institution proposals.....	---	---	-3	-26	-32	-37	-38	-39	-40	-40	-40	-40	-98	-175	-335	---	-3	-26	-32	-37	-38	-39	-40	-40	-40	-40	-98	-175	-335					
Pension Simplification Provisions																																		
A. Simplified Distribution Rules																																		
1. Repeal of \$5,000 exclusion of employees' death benefits.....	dda DOE	---	28	49	52	54	55	55	56	57	57	58	183	293	521	---	28	49	52	54	55	55	56	57	57	58	183	293	521					
2. Simplified method for taxing annuity distributions under certain employer plans.....	asda 90 da DOE	---	22	28	28	29	29	29	30	30	31	31	107	165	287	---	22	28	28	29	29	29	30	30	31	31	107	165	287					
3. Minimum required distributions....	yba 12/31/96	---	-1	-4	-4	-4	-4	-4	-4	-4	-4	-4	-13	-21	-37	---	-1	-4	-4	-4	-4	-4	-4	-4	-4	-4	-13	-21	-37					
B. Increased Access to Retirement Savings Plans -																																		
1. Tax-exempt organizations eligible under section 401(k).....																																		
yba 12/31/96	---	-8	-22	-24	-25	-26	-28	-29	-30	-31	-31	-79	-133	-254	---	-8	-22	-24	-25	-26	-28	-29	-30	-31	-31	-79	-133	-254						
C. Nondiscrimination Provisions																																		
1. Repeal of family aggregation rules [10].....																																		
yba 12/31/96	---	[11]	[11]	----- Considered in Other Provisions -----											[11]	[11]	[11]	---	[11]	[11]	----- Considered in Other Provisions -----											[11]	[11]	[11]
2. Modification of additional participation requirements.....																																		
yba 12/31/96	----- Negligible Revenue Effect -----																	----- Negligible Revenue Effect -----																
3. Definition of compensation for section 415 purposes.....																																		
yba 12/31/97	---	---	-1	-1	-2	-2	-2	-2	-2	-3	-3	-4	-8	-18	---	---	-1	-1	-2	-2	-2	-2	-2	-3	-3	-4	-8	-18						
4. Safe-harbor nondiscrimination rules for qualified cash or deferred arrangements and matching contributions [12].....																																		
yba 12/31/98	---	---	---	-42	-162	-167	-171	-176	-182	-187	-192	-204	-542	-1,279	---	---	---	-39	-155	-160	-164	-169	-174	-179	-184	-194	-518	-1,224						
D. Miscellaneous Provisions																																		
1. Plans covering self-employed individuals.....																																		
yba 12/31/96	----- Negligible Revenue Effect -----																	----- Negligible Revenue Effect -----																
2. Elimination of special vesting rule for multiemployer plans.....																																		
yba 12/31/96	---	[4]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-5	-9	---	[4]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-5	-9						
3. Distributions under rural cooperative plans.....																																		
DOE	----- Negligible Revenue Effect -----																	----- Negligible Revenue Effect -----																
4. Treatment of governmental plans under section 415.....																																		
yba 12/31/94	----- Negligible Revenue Effect -----																	----- Negligible Revenue Effect -----																
5. Uniform retirement age [10].....																																		
yba 12/31/96	---	[11]	[11]	----- Considered in Other Provisions -----											[11]	[11]	[11]	---	[11]	[11]	----- Considered in Other Provisions -----											[11]	[11]	[11]
6. Contributions on behalf of disabled employees.....																																		
yba 12/31/96	----- Negligible Revenue Effect -----																	----- Negligible Revenue Effect -----																
7. Treatment of deferred compensation plans of State and local governments and tax-exempt organizations.....																																		
tyba 12/31/96	---	[4]	-1	-1	-1	-2	-2	-2	-2	-2	-2	-3	-7	-15	---	[4]	-1	-1	-1	-2	-2	-2	-2	-2	-2	-3	-7	-15						
8. Correction of GATT interest and mortality rate provisions in the Retirement Protection Act.....																																		
[13]	---	-4	-4	-4	---	---	---	---	---	---	---	-12	-12	-12	---	-4	-4	-4	---	---	---	---	---	---	---	-12	-12	-12						
9. Application of elective deferral limit to section 403(b) plans.....																																		
tyba 12/31/95	----- Negligible Revenue Effect -----																	----- Negligible Revenue Effect -----																

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		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06		
10. Increase section 4975 excise tax on prohibited transactions from 5% to 10%.....	ptoa DOE	---	2	4	4	4	4	4	4	4	4	4	14	22	38	---	2	4	4	4	4	4	4	4	4	4	14	22	38		
11. Treatment of leased employees.....	yba 12/31/96	Negligible Revenue Effect														Negligible Revenue Effect															
12. Uniform penalty provision to apply to certain pension reporting requirements.....	1/1/97	No Revenue Effect														No Revenue Effect															
13. Clarify that SECA does not apply to certain parsonage allowance income.....	ybbo/a 12/31/94	Negligible Revenue Effect														Negligible Revenue Effect															
14. Date of adoption of plan amendments.....	DOE	No Revenue Effect														No Revenue Effect															
15. Require section 457 plan assets to be held in trust; (S) transition rule for existing plans.....	DOE	---	-7	-21	-24	-25	-25	-26	-27	-28	-29	-30	-77	-128	-242	---	-7	-21	-24	-25	-25	-26	-27	-28	-29	-30	-77	-128	-242		
16. Multiple salary reduction agreements permitted under section 403(b).....	tyba 12/31/95	Negligible Revenue Effect														Negligible Revenue Effect															
SUBTOTAL: Identical Provisions.....		---	-15	-54	-110	-238	-250	-264	-276	-291	-306	-319	-418	-933	-2,131	---	-15	-54	-107	-231	-243	-257	-269	-283	-298	-311	-408	-909	-2,076		
II. SIMILAR PROVISIONS																															
Small Business and Other Tax Provisions																															
A. Small Business Provisions																															
1. Increase in expensing limitation for small businesses to (H) \$18,500 for 1996, \$19,000 for 1997, \$20,000 for 1998, \$21,000 for 1999, \$22,000 for 2000, \$23,000 for 2001, \$23,500 for 2002, \$25,000 for 2003 and thereafter; (S) \$18,000 for 1997, \$18,500 for 1998, \$19,000 for 1999, \$20,000 for 2000, \$24,000 for 2001, \$24,000 for 2002, \$25,000 for 2003 and thereafter.....																															
	tyba 12/31/95 = H																														
	tyba 12/31/96 = S	-63	-377	-337	-479	-581	-590	-547	-625	-607	-393	-252	-1,837	-2,974	-4,851	---	-67	-180	-261	-331	-763	-938	-786	-646	-439	-265	-839	-2,540	-4,676		
2. Treatment of certain dues paid to agricultural or horticultural organizations.....	tyba 12/31/94 = H	Negligible Revenue Effect														Negligible Revenue Effect															
	tyba 12/31/86 = S	Negligible Revenue Effect														Negligible Revenue Effect															
Pension Simplification Provisions																															
A. Simplified Distribution Rules																															
1. Repeal of 5-year income averaging for lump-sum distributions.....																															
	tyba 12/31/98 = H																														
	tyba 12/31/99 = S	---	67	63	94	65	56	32	17	---	---	---	289	377	394	---	74	77	108	78	70	44	17	15	---	---	337	451	483		
B. Increased Access to Retirement Savings Plans -																															
1. Establish SIMPLE pension plan.....																															
	yba 12/31/96	---	-53	-81	-84	-87	-90	-93	-97	-100	-104	-108	-305	-488	-897	---	-50	-76	-79	-81	-84	-87	-91	-94	-97	-101	-286	-457	-840		

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		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06				
C. Nondiscrimination Provisions																																	
1. Simplified definition of highly compensated employees (S) delete top 20% rules [10].....	yba 12/31/96	---	[14]	[14]	----- Considered in Other Provisions -----										[4]	[4]	[4]	---	[14]	[14]	----- Considered in Other Provisions -----										[4]	[4]	[4]
D. Miscellaneous Provisions																																	
1. Treatment of Indian tribal governments under section 403(b); (S) allow 403(b) plans for Indian tribes prospectively.....	pybb 1/1/95 = H cpbo/a 12/31/96 = S	----- Negligible Revenue Effect -----													----- Negligible Revenue Effect -----																		
2. Repeal of combined plan limit.....	lyba 12/31/98 = H lyba 12/31/99 = S	---	---	---	-70	-189	-195	-201	-207	-213	-219	-226	-259	-655	-1,520	---	---	---	---	-72	-195	-201	-207	-213	-219	-226	-72	-468	-1,333				
3. 3-year waiver of excess distribution tax.....	1/1/96 = H 1/1/97 = S	---	49	43	3	---	---	---	---	---	---	---	---	95	95	95	---	42	44	47	32	---	---	---	---	---	165	165	165				
Extension of Certain Expiring Provisions																																	
1. Extend the work opportunity tax credit, with modifications (H) through 6/30/97; (S) through 9/30/97 [15].....	7/1/96 = H 10/1/96 = S	-33	-90	-91	-48	-19	-6	-1	---	---	---	---	---	-281	-288	-288	---	-117	-143	-83	-33	-12	-2	---	---	---	---	-376	-390	-390			
2. Employer-provided educational assistance; (H) applies to undergraduate education only after 1995; sunset after (H) 12/31/96; (S) 12/31/97.....	1/1/95	-136	-608	---	---	---	---	---	---	---	---	---	---	-744	-744	-744	-136	-1,001	-307	---	---	---	---	---	---	---	-1,444	-1,444	-1,444				
Revenue Offsets																																	
1. Possessions tax credit: Wage credit companies - 6 years of present law, (H) followed by 4-year phaseout with modified base period; (S) thereafter subject to income cap and, after 10 years, wage credit percentage lowered to 40%; Income companies - 2 years of present law followed by (H) 8-year phaseout with modified base period; (S) 8 years subject to income cap; QPSII - (H) repealed 1/1/96; (S) repealed later of taxable years beginning after 12/31/95 or earnings after 6/30/96.....	tyba 12/31/95	255	605	552	596	498	516	746	1,116	1,390	1,681	2,700	2,506	3,768	10,655	190	595	540	530	475	500	685	1,075	1,295	1,555	2,175	2,330	3,515	9,615				
2. Repeal 50% interest income exclusion for financial institution loans to ESOPs (S) [16].....	lma 10/13/95 = H lma DOE = S	12	68	108	148	186	223	260	295	330	364	329	521	1,004	2,322	10	64	105	144	182	220	256	292	327	360	327	505	981	2,287				
3. (H) Modify exclusion of damages received on account of personal injury or sickness; (S) provide that punitive damages are not excludable from income.....	ara 6/30/96	5	50	55	59	61	64	68	71	74	77	80	230	362	664	---	5	7	7	7	8	8	8	8	8	8	8	26	42	74			

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		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06		
IV. ADDITIONAL PROVISIONS IN SENATE AMENDMENT																															
Small Business and Other Tax Provisions																															
A. Small Business Provisions																															
1. Provide 15-year depreciation for gas station/convenience stores.....	ppiso/a/b DOE	----- No Provision -----																													
2. Change related-party and maximum size requirements for first-time farmer industrial development bonds.....	bia DOE	----- No Provision -----														-7	-24	-37	-45	-50	-53	-53	-55	-61	-42	-25	-163	-269	-452		
3. Clarify that newspaper carriers and distributors are independent contractors.....	spa 12/31/95	----- No Provision -----														---	-1	-6	-12	-17	-21	-26	-30	-34	-37	-40	-36	-83	-224		
4. Provide involuntary conversion treatment for Presidentially declared disaster areas.....	DDA 12/31/94	----- No Provision -----														----- Negligible Revenue Effect -----															
5. Leasehold improvements provision.....	lida 6/12/96	----- No Provision -----														-6	-14	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-50	-70	-110	
6. 100% meals deduction for Alaska seafood processors.....	tyba 12/31/96	----- No Provision -----														-12	-22	-19	-16	-13	-11	-7	-4	-2	1	4	-82	-100	-101		
7. Modification of excise tax on hard cider.....	1/1/97	----- No Provision -----														---	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-7	-11	-19	
8. Worker classification:		----- No Provision -----														---	[4]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-4	-6	
a. Clarification of Section 530 safe harbor.....	spa 12/31/96	----- No Provision -----														---	[4]	[4]	[4]	[4]	[4]	[4]	-1	-1	-1	-1	-1	-1	-1	-2	-6
b. Provide that if the taxpayer reclassifies independent contractors as employees, this change does not alter the application of the safe harbor for prior periods.....	pa 12/31/96	----- No Provision -----														---	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[3]	[3]	[3]
c. Clarify "substantially similar position".....	pa 12/31/96	----- No Provision -----														----- Negligible Revenue Effect -----															
B. Provisions Relating to S Corporations																															
1. Treat financial institutions that do not use the reserve method as eligible corporations.....	tyba 12/31/96	----- No Provision -----														---	-1	-3	-5	-6	-8	-10	-12	-14	-15	-16	-15	-33	-90		
2. Permit tax-exempts to be subchapter S shareholders with UBTI inclusion and ESOP benefit restriction.....	tyba 12/31/97	----- No Provision -----														---	---	-3	-9	-11	-13	-15	-17	-19	-21	-23	-23	-51	-131		
Pension Simplification Provisions																															
B. Increased Access to Retirement Savings Plans -																															
1. Increase availability of spousal IRAs.....	yba 12/31/96	----- No Provision -----														---	-57	-168	-184	-195	-206	-219	-233	-248	-264	-281	-604	-1,029	-2,055		

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		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1996-00	1996-02	1996-06	
D. Miscellaneous Provisions																														
1. Direct IRS to develop model forms for qualified domestic relations orders ("QDRO") and spousal consent provisions.....	DOE	----- No Provision -----														----- Negligible Revenue Effect -----														
2. Permit volunteer firefighters to make deferrals under section 457 (limited to \$3,000 per year).....	do/a 1/1/97	----- No Provision -----														---	-2	-5	-7	-9	-11	-13	-16	-18	-20	-23	-23	-47	-124	
3. PBGC missing participant program [19].....	afri	----- No Provision -----														----- Negligible Revenue Effect -----														
4. Alternative nondiscrimination rules for certain plans that provide for early participation.....	1/1/99	----- No Provision -----														---	---	---	-6	-17	-18	-19	-19	-20	-20	-20	-23	-60	-139	
5. Allow election of 66.67% joint and survivor annuity benefits.....	pama 12/31/96	----- No Provision -----														----- Negligible Revenue Effect -----														
6. Increase in multiemployer plan benefits guaranteed [19].....	[20]	----- No Provision -----														---	-2	-3	-3	-3	-3	-3	-3	-13	-13	-14	-11	-17	-60	
7. Grant IRS the discretion to waive pension liquidity shortfall excise tax.....	[13]	----- No Provision -----														---	-4	-3	-2	-1	[4]	[4]	[4]	[4]	[4]	[4]	-11	-11	-11	
8. Clarify definition of plan assets.....	1/1/75	----- No Provision -----														----- Negligible Revenue Effect -----														
9. Church pension plan simplification:																														
a. Allow pension plan coverage for self-employed clergy.....	yba 12/31/96	----- No Provision -----														----- Negligible Revenue Effect -----														
b. Allow church pension plans to use the new definition of highly compensated employee in the bill - Treasury safe harbor.....	yba 12/31/96	----- No Provision -----														----- Negligible Revenue Effect -----														
c. Allow payroll deduction of pension contributions for clergy on foreign missions.....	tyba 12/31/96	----- No Provision -----														----- Negligible Revenue Effect -----														
10. Survivor protection for surviving and former spouses of former Federal employees [19].....	1/1/97	----- No Provision -----														---	---	1	1	1	[21]	[21]	[21]	[21]	[21]	[21]	3	3	3	
11. Treatment of multiemployer plans under section 415.....	yba 12/31/96	----- No Provision -----														---	-1	-3	-3	-3	-4	-4	-4	-4	-5	-5	-10	-18	-36	
Extension of Certain Expiring Provisions																														
1. R&E credit, with modifications through 12/31/97.....	7/1/96	----- No Provision -----														---	-1,278	-811	-373	-265	-159	-40	---	---	---	---	---	-2,727	-2,926	-2,926
2. Orphan drug tax credit through 12/31/97 with section 39 benefits.....	7/1/96	----- No Provision -----														-3	-21	-14	-2	-1	-1	-1	-1	[4]	[4]	[4]	-41	-43	-44	
3. Contribution of appreciated stock to private foundations through 12/31/97.....	7/1/96	----- No Provision -----														-7	-134	-21	-7	---	---	---	---	---	---	---	---	-169	-169	-169
4. Extend section 29 binding contract date to 6 months after date of enactment and placed-in-service date to 12/31/98 for biomass and coal.....	DOE	----- No Provision -----														---	-8	-27	-63	-86	-84	-77	-75	-77	-79	-81	-184	-345	-658	

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4. Authorize tax-exempt bonds for purchase of Alaska Power Authority.....	bia DOE	No Provision																											
5. Allow for tax-free conversion of common trust funds to mutual funds.....	ta 12/31/95	No Provision																											
6. Clarify that State prepaid tuition plans are tax-exempt entities; clarify OID rules.....	tyba 12/31/95	No Provision																											
7. Suspend excise tax on ozone depleting chemicals used in metered dose inhalers.....	DOE + 7 days	No Provision														Negligible Revenue Effect													
8. Allow certain teaching hospitals to provide tax-free housing to medical faculty.....	tyba 12/31/95	No Provision																											
B. Additional Revenue Offsets																													
1. Modify basis adjustment rules under section 1033.....	ica DOE	No Provision																											
2. Repeal exemption for withholding on gambling winnings from bingo and keno where proceeds exceed \$5,000.....	DOE + 30 days	No Provision																											
3. Treatment of certain insurance on retired lives.....	tyba 12/31/95	No Provision																											
4. Permit scholarship funding corporation to convert to taxable corporation.....	1/1/97	No Provision																											
5. Apply math error rules for dependency exemptions and filing status when correct taxpayer identification numbers are not provided.....	rd 30 da DOE	No Provision																											
SUBTOTAL: Additional Provisions in Senate Amendment																													
TOTAL REVENUE EFFECT		88	-211	308	144	-271	-240	33	327	619	1,136	2,241	56	-154	4,163	117	1,076	-750	-89	25	-264	-138	360	693	1,201	1,959	376	-27	4,180

NOTE: Details may not add to totals due to rounding. Enactment date is assumed to be August 1, 1996.

Legend: (H) = House bill
(S) = Senate amendment

[Legend and Footnotes for JCX-44-96 appear on the following page]

Legend and Footnotes for JCX-44-96:

Legend for "Effective" column: afri = after final regulations issued

ara = amounts received after

asda = annuity starting date after

bia = bonds issued after

cia = chemicals imported after

cpbo/a = contracts purchased before, on, or after

dda = decedents dying after

DDA = disasters declared after

do/a = deferrals on or after

DOE = date of enactment

fcqa = first calendar quarter after

gira = gross income received in taxable years beginning after

ica = involuntary conversions after

lida = leasehold improvements disposed of after

lma = loans made after

lyba = limitation years beginning after

pa = periods after

pama = plan amendments made after

ppisa = property placed in service after

ppiso/a/b = property placed in service on, after, or before

ptoa = prohibited transactions occurring after

pyba = plan years beginning after

rd 30 da = returns due 30 days after

rpa = remuneration paid after

so/a = sales on or after

spa = services performed after

ta = transfers after

tyba = taxable years beginning after

tp7data DOE = tickets purchased 7 days after date of enactment for travel 7 days after date of enactment

yba = years beginning after

ybbo/a = years beginning before, on, or after

vpa = vehicles purchased after

90 da DOE = 90 days after date of enactment

- [1] Effective as if included in the Omnibus Reconciliation Act of 1993.
- [2] The provision applies to remuneration paid after 12/31/96 and also is effective with respect to remuneration paid after 12/31/84, and before 1/1/97, unless the payor treated such remuneration when paid as subject to wage withholding and employment taxes.
- [3] The provision applies to remuneration paid after 12/31/94, and also is effective with respect to remuneration paid after 12/31/84, and before 1/1/95, unless the payor treated such remuneration (when paid) as being subject to FICA taxes.
- [4] Loss of less than \$500,000.
- [5] Loss of less than \$5 million.
- [6] Loss of less than \$15 million.
- [7] Loss of less than \$20 million.
- [8] Loss of less than \$30 million.
- [9] Gain of less than \$1 million.
- [10] Revenue effect after 1/1/99 included in the revenue estimate for the safe harbor provision due to interactions between this provision and Item II. Pension C.1.
- [11] Negligible revenue effect.
- [12] This provision considers interaction effects of SIMPLE retirement plan provisions (Items I. Pension C.1, I. Pension D.5, and II. Pension C.1).
- [13] Effective as if included in the General Agreement on Tariffs and Trade of 1994.
- [14] Loss of less than \$10 million.
- [15] Credit rate at 35% on first \$6,000 of income; eligible workers expanded to include welfare cash recipients, veteran foodstamp recipients, and (S) 18 - 24 year olds living in a household receiving food stamps for a period of at least 3 months on the date of hire (S) without pre-certification; (H) 500 hour work requirement, (S) 375 hour work requirement; (S) 21 day certification requirement.
- [16] The repeal would not apply to loans made pursuant to a binding contract entered into before 6/10/96.
- [17] The technical correction relating to expensing is included in the increase in expensing limitation provision (Item II. Small Business A.1).
- [18] Estimates provided by the Congressional Budget Office.
- [19] Estimate provided by the Congressional Budget Office. Negative numbers indicate that Federal outlays will increase.
- [20] Effective for plans that did not receive assistance payments prior to the date of enactment.
- [21] Negligible outlay cost.
- [22] Gain of less than \$500,000.
- [23] Effective for amounts received after 6/12/96 and property placed in service after 6/12/96 with the exception of certain property subject to a binding contract before 6/10/96.
- [24] Loss of less than \$1 million.