JOINT COMMITTEE ON TAXATION
February 12, 2009
JCX-19-09

ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN THE CONFERENCE AGREEMENT FOR H.R. 1, THE "AMERICAN RECOVERY AND REINVESTMENT TAX ACT OF 2009" [1]

Fiscal Years 2009 - 2019

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
Title I - Tax Provisions																
A. Tax Relief for Individuals and Families																
1. Making Work Pay Credit - credit of 6.2% of earned income up to a maximum of $400 single ($800 joint) for tax years 2009 and 2010; phaseout for taxpayers with modified AGI in excess of $75,000 ($150,000 joint); and treatment of the U.S. Possessions [2] [3]	tyba 12/31/08	-19,900	-66,133	-30,166	---	---	---	---	---	---	---	---	-116,199	-116,199	-116,199	-116,199
2. Temporary increase in earned income tax credit for taxable years 2009 and 2010 [3]	tyba 12/31/08	-23	-2,349	-2,291	---	---	---	---	---	---	---	---	-4,663	-4,663	-4,663	-4,663
3. Temporarily reduce the earnings threshold for the refundable portion of the child tax credit for taxable years 2009 and 2010 to $3,000 [3]	tyba 12/31/08	[4]	-7,489	-7,342	---	---	---	---	---	---	---	---	-14,830	-14,830	-14,830	-14,830
4. American Opportunity Tax Credit - amend the HOPE scholarship credit for taxable years 2009 and 2010 so that it is available for four years at a rate of 100% of first $2,000 of expenses and 25% of next $2,000; phaseout for taxpayers with modified AGI between $80,000 - $90,000 ($160,000- $180,000 joint); make textbooks a qualifying expense; allow against the AMT [5]	tyba 12/31/08	-791	-4,425	-5,040	---	---	---	---	---	---	---	---	-10,256	-10,256	-10,256	-10,256
5. Make 40% of the allowable American Opportunity Tax Credit refundable; and treatment of the U.S. Possessions [3] [5]	tyba 12/31/08	-331	-1,725	-1,595	---	---	---	---	---	---	---	---	-3,651	-3,651	-3,651	-3,651
6. Temporarily allow computer technology and equipment as a qualified higher education expense for qualified tuition programs for 2009 and 2010	epoia 12/31/08	[4]	[4]	[4]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-6

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
7. Extension of first-time homebuyer credit; increase maximum credit to $8,000; waiver of requirement to repay first-time homebuyer credit unless home is sold within 36 months of purchase (sunset 11/30/09) [3]	qhpa 12/31/08	-1,115	-3,261	235	38	-102	-680	-597	-514	-384	-164	-94	-4,205	-4,885	-6,544	-6,638
8. Exclude up to $2,400 of unemployment insurance benefits from gross income for taxable year 2009	tyba 12/31/08	-948	-3,792	---	---	---	---	---	---	---	---	---	-4,740	-4,740	-4,740	-4,740
9. Sales tax deduction for purchase (up to $49,500) of new cars, light trucks, motorcycles, and motor homes; phaseout for taxpayers with modified AGI in excess of $125,000 ($250,000 joint) (sunset 12/31/09)	po/a DOE	-424	-1,269	9	---	---	---	---	---	---	---	---	-1,684	-1,684	-1,684	-1,684
10. Increase individual AMT exemption amount to $46,700 ($70,950 joint) and allow personal credits against the AMT (sunset 12/31/09)	tyba 12/31/08	-2,054	-82,720	15,015	---	---	---	---	---	---	---	---	-69,759	-69,759	-69,759	-69,759
Total of Tax Relief for Individuals and Families		**-25,586**	**-173,163**	**-31,175**	**37**	**-103**	**-681**	**-598**	**-515**	**-385**	**-165**	**-95**	**-229,988**	**-230,668**	**-232,329**	**-232,426**
B. Energy Incentives																
1. Extend by three years the placed-in-service date for each section 45 qualified facility, (two years for marine renewables), excluding coal and solar facilities	ppisa 12/31/09 & 12/31/10	---	-127	-440	-921	-1,365	-1,603	-1,649	-1,700	-1,743	-1,788	-1,806	-2,853	-4,456	-11,337	-13,143
2. Election of investment credit for section 45 facilities in lieu of production credits	ppisa 12/31/08	-96	-131	-71	-16	9	12	6	2	1	1	---	-305	-294	-285	-285
3. Modify section 48 energy credit – remove cap for small wind systems, and remove cutback to credit for subsidized energy financing	pa 12/31/08	-31	-33	-42	-50	-59	-71	-87	-104	-66	-32	-26	-216	-287	-577	-604
4. Coordination with renewable energy grants	DOE	*Estimate Included in G.2.*														
5. Increased limitation on issuance of new clean renewable energy bonds ($1.6 billion additional allocation)	DOE	-1	-4	-15	-36	-59	-73	-78	-78	-78	-78	-78	-115	-188	-500	-578
6. Increased limitation on issuance of qualified energy conservation bonds ($2.4 billion additional allocation); and clarify green community programs for purposes of loans, grants and other repayment mechanisms	DOE	-1	-5	-17	-41	-69	-95	-111	-116	-116	-116	-116	-133	-228	-687	-803

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
7. Extension and temporary increase to 30% ($1,500 per residence cap) credit for all section 25C nonbusiness energy property, repeal reduction in section 25C credits by reason of receipt of subsidized energy financing, and modify definition of qualified energy property and wood stoves (sunset 12/31/10)	tyba 12/31/08 [6]	-186	-1,006	-842	---	---	---	---	---	---	---	---	-2,034	-2,034	-2,034	-2,034
8. Credit for residential energy efficient property - remove credit cap for residential wind, geothermal property, and residential solar thermal property under section 25D, repeal reduction in all section 25D credits (residential solar, geothermal, wind, fuel cells) by reason of receipt of subsidized energy	tyba 12/31/08	-7	-29	-30	-32	-33	-34	-36	-37	-28	---	---	-131	-165	-268	-268
9. Temporarily increase credit rate for nonhydrogen refueling property to 50%; increase max credit to $50,000 for business property ($200,000 in the case of hydrogen) and $2,000 for nonbusiness property (sunset 12/31/10)	tyba 12/31/08	-11	-21	-14	-6	-4	-2	1	1	1	1	1	-57	-59	-55	-54
10. Modify carbon dioxide sequestration credit to require permanent geologic storage for CO2 used as a tertiary injectant	DOE	*Negligible Revenue Effect*														
11. Modification of the alternative motor vehicle credit and the credit for qualified plug-in electric drive motor vehicles	generally DOE [7]	-3	-20	-39	-74	-39	4	-85	-232	-383	-540	-589	-176	-172	-1,412	-2,002
12. Credit for plug-in electric vehicle conversion (sunset 12/31/11)	ppisa DOE	*Estimate Included in B.11.*														
13. Treatment of alternative motor vehicle credit as a personal credit allowed against AMT	tyba 12/31/08	*Estimate Included in B.11.*														
14. Equalize tax-free transit and parking benefits, set both at $230 for 2009 and then index equally in 2010	mbo/a DOE	-57	-106	-29	---	---	---	---	---	---	---	---	-192	-192	-192	-192
Total of Energy Incentives		**-393**	**-1,482**	**-1,539**	**-1,176**	**-1,619**	**-1,862**	**-2,039**	**-2,264**	**-2,412**	**-2,552**	**-2,614**	**-6,212**	**-8,075**	**-17,347**	**-19,963**
C. Tax Incentive for Business																
1. Special allowance for certain property acquired during 2009:																
a. One-year extension of special allowance	ppisa 12/31/08	-23,503	-14,301	8,047	6,501	5,574	4,553	3,046	1,941	1,217	929	922	-17,682	-13,129	-5,996	-5,074
b. One-year extension of election to accelerate AMT and R&E credits in lieu of bonus depreciation [3]	tyea 12/31/08	-20	-984	49	47	33	21	15	10	8	8	8	-875	-854	-813	-805

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
2. One-year extension of temporary increase in limitation on expensing of certain depreciable business assets	tyba 12/31/08	-642	-425	352	222	162	125	79	45	22	10	10	-331	-206	-50	-41
3. 5-year carryback of 2008 NOLs for businesses with gross receipts of $15 million or less	[8]	-4,741	708	753	648	486	365	274	205	154	115	87	-2,146	-1,781	-1,033	-947
4. Reduce required estimated tax payments in 2009 for certain small businesses	tybi 2009	-275	275	---	---	---	---	---	---	---	---	---	---	---	---	---
5. Modification of the work opportunity tax credit - incentives to hire unemployed veterans and disconnected youth	iwbwa 12/31/08 & [9]	-32	-81	-70	-28	-11	-6	-2	[4]	---	---	---	-222	-228	-231	-231
6. Deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument, and temporary AHYDO exception for debt exchange or modification	ra 12/31/08 & before 1/1/11; [10]	-12,113	-22,803	-7,479	-483	-269	4,948	8,349	8,328	8,306	8,285	3,310	-43,147	-38,199	-4,931	-1,622
7. Special rules applicable to qualified small business stock for 2009 and 2010	saa DOE	2	6	2	---	---	-207	-360	-163	-50	-36	-22	9	-198	-807	-829
8. Temporarily reduce the S corporation built-in gains holding period from 10 to 7 years	tyba 12/31/08 and before 1/1/11	-31	-154	-73	-32	-28	-19	-20	-16	-14	-13	-15	-318	-337	-400	-415
9. Clarification of regulations related to limitations on certain built-in losses following an ownership change	DOE	1,437	1,775	646	261	225	304	419	457	470	484	499	4,344	4,647	6,478	6,977
10. Treatment of certain ownership changes of manufacturing firms for purposes of limitation on net operating loss carryforwards and certain built-in losses	oca DOE	---	---	-19	-19	-181	-289	-289	-491	-625	-625	-625	-219	-508	-2,538	-3,163
Total of Tax Incentives for Business		**-39,918**	**-35,984**	**2,208**	**7,117**	**5,991**	**9,795**	**11,511**	**10,316**	**9,488**	**9,157**	**4,174**	**-60,587**	**-50,793**	**-10,321**	**-6,150**
D. Manufacturing Recovery Provisions																
1. For bonds issued in 2009 and 2010, expand industrial development bonds to include creation of intangible property and eliminate 25% of proceeds restriction for facilities functionally related and subordinate to a manufacturing facility	oia DOE & before 1/1/11	-1	-6	-16	-23	-24	-23	-23	-23	-22	-22	-21	-70	-93	-183	-203
2. Credit for investment in advanced energy property ($2.3 billion of credits to allocate)	ppisa DOE	---	-168	-281	-319	-193	-152	-159	-152	-126	-72	-26	-961	-1,112	-1,621	-1,647
Total of Manufacturing Recovery Provisions		**-1**	**-174**	**-297**	**-342**	**-217**	**-175**	**-182**	**-175**	**-148**	**-94**	**-47**	**-1,031**	**-1,205**	**-1,804**	**-1,850**

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
E. Economic Recovery Tools																
1. Recovery zone bonds ($15 billion private activity bond allocation; $10 billion allocation for refundable issuer credit bonds, credit rate 45%) [3]	oia DOE & before 1/1/11	-175	-313	-503	-565	-568	-561	-554	-545	-537	-529	-521	-2,124	-2,685	-4,850	-5,371
2. Tribal economic development bonds - create a national pool of tax-exempt bonds for use by Indian tribes for economic development ($2 billion allocation)	oia DOE	-1	-4	-15	-31	-39	-39	-39	-38	-37	-36	-36	-90	-129	-279	-315
3. Extend and modify the new markets tax credit - increase new markets tax credit equity limitation to a total of $5 billion for calendar years 2008 and 2009	DOE	-51	-31	-48	-103	-115	-138	-131	-117	-86	---	4	-347	-486	-819	-815
Total of Economic Recovery Tools		**-227**	**-348**	**-566**	**-699**	**-722**	**-738**	**-724**	**-700**	**-660**	**-565**	**-553**	**-2,561**	**-3,300**	**-5,948**	**-6,501**
F. Infrastructure Financing Tools																
1. Modification of rules applicable to financial institutions for interest expense relating to tax-exempt income	oia 12/31/08 & before 1/1/11	-79	-239	-326	-340	-336	-331	-326	-321	-317	-312	-307	-1,320	-1,651	-2,927	-3,234
2. For bonds issued during 2009 and 2010, suspend alternative minimum tax limitations on private-activity tax-exempt bonds and modify ACE to exclude interest from all tax-exempt bonds; and provide AMT relief for current refundings of certain private activity bonds during 2009 and 2010 (refundings of private activity bonds issued since 1/1/04)	oia 12/31/08	-27	-69	-76	-49	-49	-49	-49	-48	-47	-46	-46	-270	-319	-509	-555
3. Modify speed requirement for high-speed rail exempt facility bonds	oia DOE	[4]	-1	-3	-7	-13	-20	-29	-38	-48	-58	-71	-24	-44	-217	-288
4. Delay 3% withholding on government contracts by one year	DOE	---	---	-5,819	5,528	---	---	---	---	---	---	---	-291	-291	-291	-291
5. Qualified school construction bonds ($11 billion in 2009 and 2010)	oia DOE	-19	-110	-315	-611	-918	-1,179	-1,345	-1,390	-1,362	-1,325	-1,303	-1,973	-3,152	-8,574	-9,877
6. Extend and expand qualified zone academy bonds ($1.4 billion in 2009 and 2010)	oia 12/31/08	-1	-10	-40	-90	-130	-140	-137	-131	-125	-121	-120	-271	-411	-925	-1,045
7. Build America Bonds - general rule: 35% credit to bondholders for bonds issued in 2009 and 2010 35% refundable credit to issuers for bonds issued 2009 and 2010 [3]	oia DOE	-53	-323	-506	-495	-475	-455	-436	-417	-406	-396	-386	-1,852	-2,307	-3,962	-4,348
8. Specify treatment of tax-credit bonds held by regulated investment companies	tyea DOE	*No Revenue Effect*														
Total of Infrastructure Financing Tools		**-179**	**-752**	**-7,085**	**3,936**	**-1,921**	**-2,174**	**-2,322**	**-2,345**	**-2,305**	**-2,258**	**-2,233**	**-6,001**	**-8,175**	**-17,405**	**-19,638**

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
G. Other Provisions																
1. Grants to States for low-income housing projects in lieu of low-income housing credit allocations for 2009 [3] [11]	DOE	-3,006	28	150	309	350	350	350	350	350	350	350	-2,169	-1,819	-419	-69
2. Grants for specified energy property in lieu of tax credits [3] [11]	ppisa 12/31/08 & before 1/1/11	-27	-77	-18	41	41	27	8	---	---	---	---	-40	-13	-5	-5
3. Increase in statutory limit on the public debt	DOE	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total of Other Provisions		**-3,033**	**-49**	**132**	**350**	**391**	**377**	**358**	**350**	**350**	**350**	**350**	**-2,209**	**-1,832**	**-424**	**-74**
H. Prohibition on Collection of Certain Payments Made Under the Continued Dumping and Subsidy Offset Act of 2000 [12]	**DOE**	**-10**	**-30**	**-30**	**-10**	**-10**	**---**	**---**	**---**	**---**	**---**	**---**	**-90**	**-90**	**-90**	**-90**
I. Economic Recovery Payments to Certain Individuals - economic recovery payments to recipients of Social Security, supplemental security income, railroad retirement benefits, and veterans disability compensation or pension benefits [3] [12]	**DOE**	**-14,041**	**-169**	**-15**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**-14,225**	**-14,225**	**-14,225**	**-14,225**
J. $250 Refundable Credit for Federal and State Pensioners not Eligible for Social Security Benefits for Tax Year 2009 [3] [5]	**tyba 12/31/08**	**-44**	**-174**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**-218**	**-218**	**-218**	**-218**
Total of A - J		**-83,432**	**-212,325**	**-38,367**	**9,213**	**1,790**	**4,542**	**6,004**	**4,667**	**3,928**	**3,873**	**-1,018**	**-323,122**	**-318,581**	**-300,111**	**-301,135**
K. Tax Provisions Contained in Other Titles																
1. Modifications to Health Coverage Tax Credit, including increase to 80 percent (sunset 12/31/10) [3] [13]	generally DOE	-108	-267	-80	-1	---	---	---	---	---	---	---	-457	-457	-457	-457
2. Provide that certain Federal grant monies do not reduce basis for purposes of determining the applicable low-income housing tax credit for such building	DOE	-1	-3	-8	-12	-14	-16	-17	-18	-18	-18	-18	-38	-54	-125	-143
3. Premium Assistance for COBRA Continuation Coverage for Unemployed Workers and Their Families - 65% subsidy for up to 9 months; phased out for taxpayers with AGI above $125,000 single ($250,000 joint) [3] [14] [15]	[16]	-14,302	-9,154	-1,407	26	75	46	29	10	1	---	---	-24,762	-24,716	-24,677	-24,677

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
4. Executive compensation oversight.....	DOE	*Negligible Revenue Effect*														
Total of Tax Provisions Contained in Other Titles ……		**-14,411**	**-9,424**	**-1,495**	**13**	**61**	**30**	**12**	**-8**	**-17**	**-18**	**-18**	**-25,257**	**-25,227**	**-25,259**	**-25,277**
NET TOTAL [3] ……		**-97,843**	**-221,749**	**-39,862**	**9,226**	**1,851**	**4,572**	**6,016**	**4,659**	**3,911**	**3,855**	**-1,036**	**-348,379**	**-343,808**	**-325,370**	**-326,412**

Joint Committee on Taxation

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

Legend for "Effective" column:

DOE = date of enactment	mbo/a = months beginning on or after	ra = repurchases after
epoia = expenses paid or incurred after	pa = periods after	saa = stocks acquired after
iwbwa = individuals who begin work after	po/a = purchases on or after	tyba = taxable years beginning after
oca = ownership changes after	ppisa = property placed in service after	tybi = taxable years beginning in
oia = obligations issued after	qhpa = qualified homes purchased after	tyea = taxable years ending after

[1] Revenue estimates are prepared using our 2009 estimating models, which rely on the Congressional Budget Office's January 2009 macroeconomic forecasts. The Congressional Budget Office plans to prepare a March revision to its baseline macroeconomic assumptions. If large-scale stimulus legislation is enacted early in 2009, the Congressional Budget Office's March 2009 revised macroeconomic forecasts could be expected to differ, perhaps significantly, from their January 2009 counterparts. In that case, we anticipate that we would revise our 2009 estimating models to reflect the Congressional Budget Office's March 2009 macroeconomic forecasts: revenue estimates prepared using these revised March 2009 macroeconomic inputs again could differ, perhaps materially, from revenue estimates of the same request using our 2009 models with January 2009 macroeconomic forecasts.

[2] Estimated outlay effects as a result of U.S. possessions provision provided by the Joint Committee on Taxation in consultation with the Congressional Budget Office.

[3] Estimate includes an increase in outlays:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-13	2009-14	2009-18	2009-19
Making work pay credit and treatment of U.S. Possessions……	513	18,357	18,312	---	---	---	---	---	---	---	---	37,182	37,182	37,182	37,182
Earned income credit……	---	2,151	2,120	---	---	---	---	---	---	---	---	4,271	4,271	4,271	4,271
Child tax credit……	---	7,489	7,342	---	---	---	---	---	---	---	---	14,830	14,830	14,830	14,830
American Opportunity Credit……	331	1,725	1,595	---	---	---	---	---	---	---	---	3,651	3,651	3,651	3,651
First time homebuyer credit ……	471	1,413	---	---	---	---	---	---	---	---	---	1,884	1,884	1,884	1,884
Election to accelerate AMT and R&E credits in lieu of bonus depreciation ……	8	394	---	---	---	---	---	---	---	---	---	402	402	402	402
Low-income housing credit grants……	3,009	---	---	---	---	---	---	---	---	---	---	3,009	3,009	3,009	3,009
Section 48 grants……	30	88	40	---	---	---	---	---	---	---	---	158	158	158	158
Recovery zone bonds ……	154	206	275	275	273	272	270	268	265	262	260	1,183	1,455	2,520	2,780
Build America bonds……	51	292	461	451	433	414	396	378	369	360	350	1,688	2,102	3,605	3,955
Economic recovery payments……	14,041	169	15	---	---	---	---	---	---	---	---	14,225	14,225	14,225	14,225
Federal and State Pensioners……	---	87	---	---	---	---	---	---	---	---	---	87	87	87	87
Changes to HCTC……	86	211	63	1	---	---	---	---	---	---	---	361	361	361	361
COBRA……	14,302	9,206	1,493	67	---	---	---	---	---	---	---	25,069	25,069	25,069	25,069
Total increase in outlays……	32,996	41,788	31,716	794	706	686	666	646	634	622	610	108,000	108,686	111,254	111,864

[4] Loss of less than $500,000.

[5] Estimate includes interaction with Making Work Pay Credit and Additional Tax Relief for Families With Children.

[Footnotes for JCX-19-09 are continued on the following page]

Footnotes for JCX-19-09 continued;

[6] Modifications to the definitions of qualified energy property are effective for property placed in service after the date of enactment.
[7] The neighborhood electric vehicle and motorcycle rule is effective for vehicles acquired after date of enactment. The elimination of neighborhood vehicles and heavy plug-ins from section 30D and the 200,000 vehicle/manufacturer cap is effective for vehicles acquired after December 31, 2009.
[8] Effective for net operating losses generated in either a taxable year beginning in 2008 or a taxable year ending in 2008.
[9] Effective for any unemployed veteran hired in 2009 and 2010 within five years (but not less than two months) of the date of discharge.
[10] The temporary suspension of section 163(e)(5) applies to obligations issued after August 31, 2008, in taxable years ending after such date. The additional authority granted to the Secretary to use a rate higher than the applicable Federal rate for purposes of applying section 163(e)(5) applies to obligations issued after December 31, 2009, in taxable years ending after such date.
[11] Estimate includes outlay effects provided by the Congressional Budget Office.
[12] Estimate provided by the Congressional Budget Office.
[13] Estimate includes indirect revenue effects of Trade Adjustment Assistance Reauthorization; estimate does not include outlay effects of TAA.
[14] Estimate includes indirect effects of COBRA subsidy on Unemployment Insurance program.
[15] We estimate that approximately 7 million people, including COBRA policyholders and their dependents, would benefit from this credit for some portion of 2009.
[16] Effective for premiums for months of coverage beginning after the date of enactment.