

ESTIMATED REVENUE EFFECTS OF H.R. 3090,
THE "ECONOMIC RECOVERY AND ASSISTANCE FOR AMERICAN WORKERS ACT OF 2001,"
AS ORDERED REPORTED BY THE COMMITTEE ON FINANCE ON NOVEMBER 8, 2001

Fiscal Years 2002 - 2011

[Millions of Dollars]

| Provision | Effective | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2002-06 | 2002-11 |
|---|-------------------|----------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|---------------|---------------|
| Supplemental Rebate for Individual Taxpayers - provide a rebate (\$300 individual, \$600 married filing jointly, and \$500 head-of-household) for individuals who filed a tax return in 2000 (including insular areas) other than dependents and nonresident aliens; rebate amount reduced by amount of rebate individual received under H.R. 1836 [1] | | | | | | | | | | | | | |
| | DOE | -14,173 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -14,173 | -14,173 |
| Temporary Business Relief Provisions | | | | | | | | | | | | | |
| 1. Special depreciation allowance for certain property - 10% expensing of the value of capital assets with MACRS lives of 20 years or less, software, leasehold improvements, and property eligible for the income forecast method (sunset after 12 months) [2] | | | | | | | | | | | | | |
| | ppisa 9/10/01 | -14,010 | -1,596 | 3,507 | 2,585 | 2,241 | 1,828 | 1,349 | 956 | 583 | 381 | -7,274 | -2,177 |
| 2. Increase in section 179 expensing to \$35,000, and increase beginning point for phaseout to \$325,000 for 12 months | | | | | | | | | | | | | |
| | tyba 12/31/01 | -852 | -592 | 424 | 277 | 202 | 158 | 116 | 77 | 42 | 25 | -541 | -123 |
| 3. 5-year carryback of net operating losses and waive the AMT 90% limitation on the allowance of losses (sunset after 12 months) | | | | | | | | | | | | | |
| | NOLs gi tyei 2001 | -4,587 | 1,147 | 1,147 | 1,147 | 764 | 115 | 38 | 38 | 38 | 38 | -382 | -115 |
| Total of Temporary Business Relief Provisions | | -19,449 | -1,041 | 5,078 | 4,009 | 3,207 | 2,101 | 1,503 | 1,071 | 663 | 444 | -8,197 | -2,415 |
| Tax Incentives for New York City and Distressed Areas [3]: | | | | | | | | | | | | | |
| 1. Expansion of Work Opportunity Tax Credit targeted categories to include certain employees in New York City - add individuals working in or relocated from the Recovery Zone as a targeted group eligible for a modified WOTC (40% on first \$12,000; allow against the AMT) (sunset 12/31/02) | | | | | | | | | | | | | |
| | wpoifwpa 9/10/01 | -1,199 | -558 | -165 | -61 | -18 | --- | --- | --- | --- | --- | -2,000 | -2,000 |
| 2. Authorize issuance of tax-exempt private activity bonds for rebuilding the portion of New York City damaged in the September 11, 2001, terrorist attack - tax-exempt reconstruction bonds capped at \$15 billion for calendar year 2002 with 3-year carryforward of unused amount; exempt from AMT | | | | | | | | | | | | | |
| | bia DOE | -21 | -82 | -145 | -199 | -245 | -259 | -259 | -259 | -259 | -259 | -693 | -1,986 |

| Provision | Effective | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2002-06 | 2002-11 |
|---|---------------------|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
| 3. Bank carrying cost exception for tax-exempt reconstruction bonds | bia DOE | -17 | -51 | -58 | -80 | -82 | -82 | -82 | -82 | -82 | -82 | -288 | -698 |
| 4. Incentive for reinvestment of insurance proceeds received for property damaged in New York City in the September 11, 2001, terrorist attack to the extent reinvested in eligible property in New York City before January 1, 2007 | [4] | -584 | -358 | -122 | -8 | 98 | 118 | 110 | 104 | 104 | 104 | -973 | -432 |
| 5. Re-enact exceptions for qualified mortgage bond financed loans to victims of Presidentially-declared disasters for calendar year 2002 | [5] | -3 | -7 | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -8 | -33 | -73 |
| 6. One-year expansion of authority for Indian tribes to issue tax-exempt private activity bonds - authorize issuance of up to \$10 million tax-exempt private activity bonds for qualified Indian tribal governments for calendar year 2002 with 3-year carryforward; exempt from AMT | DOE | -1 | -4 | -8 | -13 | -16 | -16 | -16 | -16 | -16 | -16 | -41 | -121 |
| Total of Tax Incentives for New York City and Distressed Areas | | -1,825 | -1,060 | -506 | -369 | -271 | -247 | -255 | -261 | -261 | -261 | -4,028 | -5,310 |
| Extension of Certain Expiring Provisions | | | | | | | | | | | | | |
| 1. Treatment of nonrefundable personal credits under the individual alternative minimum tax (sunset 12/31/02) [6] | tyba 12/31/01 | -123 | -490 | --- | --- | --- | --- | --- | --- | --- | --- | -613 | -613 |
| 2. Work opportunity tax credit (sunset 12/31/02) | wpoifbwa 12/31/01 | -92 | -153 | -92 | -36 | -14 | -3 | --- | --- | --- | --- | -387 | -390 |
| 3. Welfare-to-work tax credit (sunset 12/31/02) | wpoifbwa 12/31/01 | -27 | -52 | -38 | -16 | -7 | -2 | [7] | --- | --- | --- | -140 | -141 |
| 4. Tax credit for electricity production from wind, closed-loop biomass, and poultry litter -- facilities placed in service date (sunset 12/31/02) | ppisa 12/31/01 | -9 | -17 | -19 | -20 | -20 | -21 | -21 | -22 | -22 | -23 | -85 | -193 |
| 5. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells (sunset 12/31/02) | tyba 12/31/01 | -27 | -14 | --- | --- | --- | --- | --- | --- | --- | --- | -41 | -41 |
| 6. Qualified zone academy bonds (sunset 12/31/02) | DOE | [7] | -2 | -5 | -9 | -11 | -11 | -11 | -11 | -11 | -11 | -27 | -79 |
| 7. Exceptions under subpart F for active financing income (sunset 12/31/02) | tyba 12/31/01 | -260 | -781 | --- | --- | --- | --- | --- | --- | --- | --- | -1,041 | -1,041 |
| 8. Temporary increase in limit on cover over of rum excise tax revenues (from \$10.50 to \$13.25 per proof gallon) to Puerto Rico and the Virgin Islands (sunset 12/31/02) [8] | DOE | -56 | -14 | --- | --- | --- | --- | --- | --- | --- | --- | -70 | -70 |
| 9. Suspension of requirement that terminals selling diesel fuel and kerosene must sell both dyed and undyed fuel (sunset 12/31/02) | DOE | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| 10. Deductions for clean-fuel vehicles and refueling property (sunset after 12 months) | ppisa 12/31/01 [9] | -9 | -10 | -7 | -5 | 7 | 11 | 7 | 4 | 2 | [10] | -24 | --- |
| 11. Tax credit for electric vehicles (sunset after 12 months) | ppisa 12/31/01 [11] | -25 | -33 | -25 | -17 | -1 | 5 | 3 | 2 | 1 | [10] | -102 | -92 |
| 12. Tax on failure to comply with mental health parity requirements applicable to group health plans (sunset 9/30/02) | pybo/a 1/1/02 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| 13. Combined employment tax reporting demonstration project (sunset 12/31/02) | 8/6/02 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| Total of Extension of Certain Expiring Provisions | | -628 | -1,566 | -186 | -103 | -46 | -21 | -22 | -27 | -30 | -34 | -2,530 | -2,660 |

| Provision | Effective | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2002-06 | 2002-11 |
|--|-----------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
| Extension of Additional Provisions Expiring in 2001 | | | | | | | | | | | | | |
| 1. Generalized System of Preferences (sunset 12/31/02) [8] | 10/1/01 | -332 | -87 | --- | --- | --- | --- | --- | --- | --- | --- | -419 | -419 |
| 2. Andean Trade Preference Initiative (sunset 6/30/02) [8] | 12/5/01 | -12 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -12 | -12 |
| 3. Trade Adjustment Assistance Program (sunset 12/31/02) [8] | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| Total of Extension of Additional Provisions Expiring in 2001 | | -344 | -87 | --- | --- | --- | --- | --- | --- | --- | --- | -431 | -431 |
| Additional Provisions | | | | | | | | | | | | | |
| 1. Tax credit bonds for the National Railroad Passenger Corporation ("Amtrak") - allow \$9 billion of Amtrak tax credit bonds for one year | bia DOE | -39 | -136 | -329 | -516 | -569 | -563 | -560 | -560 | -560 | -560 | -1,589 | -4,393 |
| 2. Provide a broadband internet access tax credit (sunset 12/31/02) | [12] | -413 | -211 | 15 | 13 | 11 | 10 | 10 | 9 | 8 | 8 | -585 | -540 |
| 3. Expansion of period for reinvestment of converted citrus tree property and ratable income inclusion for citrus canker tree payments | tybo/a DOE | -10 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | [10] | -7 | -3 |
| 4. Allow Form 1099 to be provided electronically with respect to taxable years 2001 and 2002 | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| 5. Expand exemption from aviation fuels excise taxes for aerial applicators (one year only) | 1/1/02 | -4 | -1 | --- | --- | --- | --- | --- | --- | --- | --- | -5 | -5 |
| 6. Recovery period for certain wireless telecommunications equipment (sunset after 12 months) | [13] | -19 | -22 | -11 | -2 | -3 | 5 | 15 | 14 | 10 | 8 | -57 | -5 |
| Total of Additional Provisions | | -485 | -369 | -324 | -504 | -560 | -547 | -534 | -536 | -541 | -544 | -2,243 | -4,946 |
| Victims of Terrorism Tax Relief Provisions | | | | | | | | | | | | | |
| 1. Relief Provisions for Victims of April 19, 1995, and September 11, 2001, Terrorist Attacks | | | | | | | | | | | | | |
| a. Income and employment taxes of victims of terrorist attacks | tyebo/a 9/11/01 | -250 | -50 | --- | --- | --- | --- | --- | --- | --- | --- | -300 | -300 |
| b. Estate tax reduction | ddo/a 9/11/01 | -3 | -45 | -8 | [14] | [14] | [14] | [14] | [14] | [14] | --- | -57 | -59 |
| c. Payments by charitable organizations treated as exempt payments | pmo/a 9/11/01 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| d. Exclusion of certain cancellations of indebtedness | [15] | -6 | --- | --- | --- | --- | --- | --- | --- | --- | --- | -6 | -6 |
| 2. General Relief for Victims of Disasters and Terrorist or Military Actions | | | | | | | | | | | | | |
| a. Exclusion for disaster relief payments | tyeo/a 9/11/01 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| b. Authority to postpone certain deadlines and required actions | [16] | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| c. IRS disaster response team | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| d. Application of certain provisions to terrorist or military actions | tyeo/a 9/11/01 | -28 | -28 | -2 | -2 | -1 | -1 | -1 | [14] | [14] | [14] | -61 | -65 |
| e. Clarification of due date for airline excise tax deposits | [17] | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| f. Coordination with Air Transportation Safety and System Stabilization Act [18] | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |

| Provision | Effective | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2002-06 | 2002-11 |
|--|-----------|--------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| 3. Disclosure of Tax Information in Terrorism and National Security Investigations | dmo/a DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| Total of the "Victims of Terrorism Tax Relief Provisions" | | -287 | -123 | -10 | -2 | -1 | -1 | -1 | [14] | [14] | [14] | -424 | -430 |
| Health Insurance Coverage for Displaced Workers and Increase the Medicaid Federal Match [8] | --- | -12,300 | -3,800 | --- | --- | --- | --- | --- | --- | --- | --- | -16,100 | -16,100 |
| Unemployment Insurance Provisions [8] | --- | -14,300 | -4,500 | 1,200 | 1,900 | 2,600 | 2,600 | 3,300 | 3,000 | 2,200 | 1,500 | -13,100 | -600 |
| Emergency Agriculture Assistance Provisions [8] [19] | --- | -2,824 | -751 | -727 | -443 | -307 | -258 | -71 | -45 | -59 | -8 | -5,052 | -5,493 |
| NET TOTAL | | -66,615 | -13,297 | 4,525 | 4,488 | 4,622 | 3,627 | 3,920 | 3,202 | 1,972 | 1,097 | -66,278 | -52,558 |

Joint Committee on Taxation

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

Legend for "Effective" column:

bia = bonds issued after

ddo/a = decedents dying on or after

dmo/a = disclosures made on or after

DOE = date of enactment

gi = generated in

NOLs = net operating losses

pmo/a = payments made on or after

ppisa = property placed in service after

pybo/a = plan years beginning on or after

tyba = taxable years beginning after

tybbo/a = taxable years beginning before on or after

tyei = taxable years ending in

tyeo/a = taxable years ending on or after

tyebo/a = taxable years ending before, on, or after

wpoifbwa = wages paid or incurred for individuals beginning work after

wpoifwpa = wages paid or incurred for work performed after

[1] Includes outlay effect of \$14,173 million in fiscal year 2002.

[2] A binding contract placed-in-service extension would apply in certain cases.

[3] The New York City Recovery Zone is defined as all business addresses located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan, New York, NY.

[4] Effective with respect to involuntary conversions in the New York City Recovery Zone on or after September 11, 2001, as a consequence of the terrorists acts, in the taxable year that includes such date.

[5] Effective for bonds issued during calendar year 2002 and for qualified mortgage bonds issued during calendar year 2002.

[6] The "Economic Growth and Tax Relief Reconciliation Act of 2001" provides that the child tax credit and adoption tax credit are allowed for purposes of the alternative minimum tax for 2002 through 2010.

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

[8] Estimate provided by the Congressional Budget Office.

[9] The deduction phases down for vehicles placed in service after 12/31/02. The credit is reduced by 25 percent in 2003, 50 percent in 2004, and 75 percent in 2005. No expensing is available after 2005.

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

[11] The credit phases down for vehicles placed in service after 12/31/02. The credit is reduced by 25 percent in 2003, 50 percent in 2004, and 75 percent in 2005. No credit is available after 2005.

[12] Effective for qualified expenditures made after December 31, 2001, and before January 1, 2003.

[13] Effective for wireless telecommunications equipment placed in service after September 10, 2001, and before September 11, 2002.

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

[15] Effective for discharges made on or after September 11, 2001, and before January 1, 2002.

[16] Effective for disasters and terrorist or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation occurring on or after the date of enactment.

[17] Effective as if included in section 301 of the Air Transportation Safety and System Stabilization Act.

[18] Revenue estimate does not include possible outlay effects.

[19] The money allocated for the emergency agriculture section includes \$50 million to offset additional USDA Farm Service Agency expenses for administering the programs.