JOINT COMMITTEE ON TAXATION
March 15, 2002
JCX-17-02

ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN THE PRESIDENT'S FISCAL YEAR 2003 BUDGET PROPOSAL [1]

Fiscal Years 2002 - 2012

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
I. Tax Incentive Provisions														
A. Provisions Related to Charitable Giving														
1. Provide charitable contribution deduction for non-itemizers	tyba 12/31/01	-249	-1,255	-1,301	-1,718	-3,329	-3,335	-3,381	-3,428	-3,446	-3,529	-4,558	-11,187	-29,529
2. Permit tax-free withdrawals from IRAs for charitable contributions	da 12/31/01	-116	-257	-297	-305	-300	-310	-309	-308	-322	-429	-536	-1,585	-3,488
3. Raise the cap from 10% to 15% on corporate charitable contributions	cdi tyba 12/31/01	-108	-182	-156	-152	-165	-180	-196	-214	-233	-254	-277	-942	-2,118
4. Expand and increase the enhanced charitable deduction for contributions of food inventory	tyba 12/31/01	-77	-145	-171	-192	-206	-215	-224	-233	-242	-251	-260	-1,006	-2,215
5. Reform excise tax based on investment income of private foundations	tyba 12/31/01	-75	-150	-178	-193	-208	-220	-234	-245	-257	-271	-286	-1,024	-2,317
6. Modify tax on unrelated business taxable income of charitable remainder trusts	tyba 12/31/01	---	-4	-4	-4	-5	-5	-5	-5	-6	-6	-6	-21	-50
7. Modify basis adjustment to stock of S corporations contributing appreciated property	tyba 12/31/01	-10	-24	-29	-33	-36	-39	-43	-47	-52	-57	-64	-171	-435
8. Allow expedited consideration of applications for exempt status	tyba 12/31/01	*Negligible Revenue Effect*												
B. Education Provisions														
1. Provide refundable tax credit for certain costs of attending a different school for pupils assigned to failing public schools (estimate includes outlay effects)	[2]	---	-27	-46	-63	-75	-84	---	---	---	---	---	-295	-295
2. Allow teachers to deduct out-of-pocket classroom expenses	eii tyba 12/3/03	---	---	-251	-337	-341	-345	-349	-353	-358	-362	-366	-1,274	-3,061
C. Health Care Provisions														
1. Refundable tax credit for the purchase of health insurance [3] [4]	[5]	---	-198	-8,749	-10,820	-10,544	-10,390	-10,271	-10,261	-10,177	-10,248	-10,003	-40,701	-91,661
2. Provide an above-the-line deduction for long-term care insurance premiums (phased in as follows: 25% deductible in 2004, 35% deductible in 2005, 65% deductible in 2006, and 100% deductible in 2007 and thereafter) (estimate includes outlay effects) [3]	tybo/a 1/1/04	---	---	-348	-605	-1,222	-2,158	-2,540	-2,844	-3,164	-3,527	-3,936	-4,333	-20,343
3. Allow up to $500 in unused benefits in a health flexible spending arrangement to be carried forward to the next year	pyba 12/31/03	---	---	-165	-371	-546	-700	-796	-841	-873	-940	-988	-1,782	-6,220
4. Provide additional choice with regard to unused benefits in a health flexible spending arrangement	pyba 12/31/03	*Negligible Revenue Effect*												
5. Permanently extend and reform Archer Medical Savings Accounts ("MSAs")	tyba 12/31/02	---	-135	-397	-431	-467	-497	-537	-578	-618	-681	-766	-1,926	-5,107

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
6. Provide an additional personal exemption to home caretakers of family members	tyba 12/31/03	---	---	-301	-381	-360	-357	-356	-355	-360	-504	-563	-1,399	-3,538
D. Exclude from Income of Disabled Individuals the Value of Employer- Provided Computers, Software, and Peripherals	tyba 12/31/03	---	---	-4	-6	-6	-6	-7	-7	-8	-8	-8	-22	-60
E. Establish Farm, Fish, and Ranch Risk Management ("FFARRM") Savings Accounts	tyba 12/31/03	---	---	-4	-81	-158	-229	-238	-207	-146	-93	-52	-473	-1,208
F. Provide Tax Credit for Developers of Affordable Single-Family Housing	[6]	---	-20	-90	-313	-703	-1,215	-1,776	-2,275	-2,610	-2,771	-2,822	-2,341	-14,596
G. Establish Individual Development Accounts ("IDAs")	tyea 12/31/02 & tybb 1/1/10	---	-180	-355	-341	-324	-300	-272	-240	-110	---	---	-1,501	-2,123
H. Environment and Conservation-Related Provisions														
1. Permanently extend expensing of "Brownfields" environmental remediation costs	1/1/04	---	10	-145	-257	-289	-315	-324	-323	-317	-309	-301	-996	-2,570
2. Exclude 50% of gains from the sale of property for conservation purposes	so/a 1/1/04	---	-2	-30	-113	-131	-138	-145	-153	-161	-170	-179	-414	-1,222
I. Energy Provisions														
1. Extend and modify the tax credit for producing electricity from certain sources	DOE	-49	-113	-169	-173	-161	-157	-159	-162	-164	-167	-153	-822	-1,627
2. Provide tax credit for residential solar energy systems	[7]	-2	-9	-11	-14	-18	-18	-18	---	---	---	---	-72	-90
3. Provide tax credit for purchase of certain hybrid and fuel cell vehicles	1/1/02	-12	-60	-77	-113	-158	-183	-146	2	1	1	---	-603	-745
4. Provide tax credit for energy produced from landfill gas	DOE	-17	-62	-118	-177	-238	-302	-376	-457	-510	-183	---	-915	-2,441
5. Provide tax credit for combined heat and power property	[8]	-6	-37	-65	-72	-76	-51	-26	-15	-7	-1	---	-308	-357
6. Three-year extension of income tax credits for ethanol	1/1/08	---	---	---	---	---	---	-7	-13	-15	-8	---	---	-42
7. Modify treatment of nuclear decommissioning funds	tyba 12/31/01	-60	-129	-159	-170	-191	-214	-239	-268	-267	-265	-259	-923	-2,221
Total of Tax Incentive Provisions		**-781**	**-2,979**	**-13,620**	**-17,435**	**-20,257**	**-21,963**	**-22,974**	**-23,830**	**-24,422**	**-25,033**	**-26,383**	**-77,036**	**-199,679**
II. Tax Administration Provisions														
A. Modify the IRS Restructuring and Reform Act of 1998 ("RRA'98")														
1. Modify section 1203 of RRA'98	DOE	*Negligible Revenue Effect*												
2. Modifications with respect to frivolous returns and submissions	dfa DOE	*Negligible Revenue Effect*												
3. Authorize IRS to enter into installment agreements that provide for partial payment	iaeio/a DOE	10	28	13	5	[9]	[9]	[9]	[9]	[9]	[9]	[9]	57	59
4. Allow for the termination of installment agreements	foo/a DOE	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[11]	[11]
5. Consolidate review of collection due process cases in the Tax Court	afa DOE	*Negligible Revenue Effect*												
6. Office of Chief Counsel review of offers-in-compromise	oicsopo/a DOE	*Negligible Revenue Effect*												
B. Other Provisions														
1. Permit IRS to use certificate of mailing instead of certified or registered mail [12]	DOE	*No Revenue Effect*												
2. Repeal the return-receipt requirement for pre-levy notices of hearing rights [12]	DOE	*No Revenue Effect*												
3. Repeal the requirement that IRS provide separate notices to married filers living at the same address [12]	DOE	*No Revenue Effect*												

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
4. Treat certain fraudulent claims and returns as nullities [12]	tpea DOE	*No Revenue Effect*												
5. Extend the due date for electronically filed returns	12/31/02	*No Revenue Effect*												
Total of Tax Administration Provisions		**10**	**28**	**13**	**5**	**[13]**	**[13]**	**[13]**	**[13]**	**[13]**	**[13]**	**[13]**	**57**	**59**
III. Reform Unemployment Compensation [12] [14]	**lpo/a 1/1/03**	**---**	**-1,020**	**-1,435**	**-2,607**	**-2,997**	**-3,339**	**-1,439**	**229**	**1,037**	**1,508**	**1,735**	**-11,398**	**-8,327**
IV. Expiring Provisions														
A. Two -Year Extensions														
1. Work opportunity tax credit (through 12/31/03)	wpoifibwa 12/31/01	-96	-227	-173	-62	-35	-21	-7	---	---	---	---	-614	-621
2. Welfare-to-work tax credit (through 12/31/03)	wpoifibwa 12/31/01	-30	-76	-61	-22	-12	-7	-3	---	---	---	---	-208	-210
3. Treatment of nonrefundable personal credits under the individual alternative minimum tax (through 12/31/03) [15]	tyba 12/31/01	-85	-444	-424	---	---	---	---	---	---	---	---	-953	-953
4. Exceptions under subpart F for active financing income (through 12/31/03)	tyba 12/31/01	-312	-1,475	-1,047	---	---	---	---	---	---	---	---	-2,834	-2,834
5. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells (through 12/31/03)	tyba 12/31/01	-21	-35	-13	---	---	---	---	---	---	---	---	-68	-68
6. Qualified zone academy bonds (through 12/31/03)	tyba 12/31/01	[16]	-2	-7	-14	-19	-21	-21	-21	-21	-21	-21	-63	-166
B. Permanently Extend Expiring Provisions														
1. Permanently extend provisions expiring in 2010 (the "Economic Growth and Tax Relief Reconciliation Act of 2001") (estimate includes outlay effects)	generally 1/1/11	---	-1,150	-1,468	-1,819	-2,270	-2,540	-2,730	-2,776	-3,982	-125,025	-229,030	-9,246	-372,787
2. Tax credit for research and experimentation expenses	epoia 6/30/04	---	---	-569	-3,692	-4,821	-5,845	-6,724	-7,403	-7,905	-8,385	-8,892	-14,928	-54,237
Total of Expiring Provisions		**-544**	**-3,409**	**-3,762**	**-5,609**	**-7,157**	**-8,434**	**-9,485**	**-10,200**	**-11,908**	**-133,431**	**-237,943**	**-28,914**	**-431,876**
V. Other Provisions Modifying the Internal Revenue Code														
A. Electronic Tax Return Filing	DOE	*No Revenue Effect*												
B. Extend Access to Tax Information for the Department of Veterans Affairs [12]	DOE	---	---	7	13	19	23	27	31	33	36	37	62	226
C. Bipartisan Economic Security Plan		*Proposal Requires Specification*												
Total of Other Provisions Modifying the Internal Revenue Code		**---**	**---**	**7**	**13**	**19**	**23**	**27**	**31**	**33**	**36**	**37**	**62**	**226**
NET TOTAL [17]		**-1,315**	**-7,380**	**-18,797**	**-25,633**	**-30,392**	**-33,713**	**-33,871**	**-33,770**	**-35,260**	**-156,920**	**-262,554**	**-117,229**	**-639,597**

Joint Committee on Taxation

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

Legend for "Effective" column:

afa = appeals filed after
cdi = contributions deductible in
da = distributions after
DOE = date of enactment
dfa = documents filed after
eii = expenses incurred in
epoia = expenses paid or incurred after
foo/a = failures occurring on or after
iaeio/a = installment agreements entered into on or after
lpo/a = labor performed on or after
oicsopo/a = offers in compromise submitted or pending on or after
pyba = plan years beginning after
so/a = sales on or after
tpea = taxable periods ending after
tyba = taxable years beginning after
tybb = taxable years beginning before
tyea = taxable years ending after
tybo/a = taxable years beginning on or after
wpoifibwa = wages paid or incurred for individuals beginning work after

[Footnotes for JCX-17-02 appear on the following page]

Footnotes for JCX-17-02:

[1] Estimates for the President's Fiscal Year 2003 Budget proposal do not take into account enactment of the "Job Creation and Worker Assistance Act of 2002."
[2] Effective with respect to expenses incurred beginning with the 2002-2003 school year and through the 2006-2007 school year.
[3] Estimate is preliminary and subject to change.
[4] Estimate does not include the effects of the State option to allow use of the credit to buy into privately-contracted State-sponsored purchasing groups.
[5] Effective for taxable years beginning after December 31, 2002, and would be available in advance beginning July, 2003.
[6] Effective beginning with first-year credit allocations for calendar year 2003.
[7] Effective for solar water heating equipment placed in service after December 31, 2001, and before January 1, 2006; effective for photovoltaic systems placed in service after December 31, 2001, and before January 1, 2008.
[8] Effective for investments in CHP equipment placed in service after December 31, 2001, but before January 1, 2007.
[9] Gain of less than $1 million.
[10] Loss of less than $1 million.
[11] Loss of less than $5 million.
[12] Estimate provided by the Congressional Budget Office.
[13] Negligible revenue effect.
[14] Estimate does not include outlay effects.
[15] 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.
[16] Loss of less than $500,000.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
[17] Includes the following outlay effects:	---	[13]	-7110	-9,063	-8,851	-8,726	-8,607	-8,613	-8561	1,069	2,576	-33,750	-55,886