

**ESTIMATED REVENUE EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN H.R. 6408,
THE "TAX RELIEF AND HEALTH CARE ACT OF 2006,"
AS INTRODUCED IN THE HOUSE OF REPRESENTATIVES ON DECEMBER 7, 2006**

Fiscal Years 2007 - 2016

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
I. Extension and Modification of Certain Provisions													
1. Deduction for qualified tuition and related expenses (sunset 12/31/07).....	tyba 12/31/05	-1,621	-1,671	---	---	---	---	---	---	---	---	-3,292	-3,292
2. Extend and modify the new markets tax credit (sunset 12/31/08).....	DOE	---	-106	-168	-170	-192	-205	-202	-202	-77	---	-637	-1,322
3. Deduction of State and local general sales taxes (sunset 12/31/07).....	tyba 12/31/05	-2,985	-2,145	-401	---	---	---	---	---	---	---	-5,531	-5,531
4. Extend and modify the research credit (sunset 12/31/07) [1].....	apoia 12/31/05 & tyea 12/31/06	-7,520	-4,168	-2,204	-1,583	-858	-188	---	---	---	---	-16,333	-16,522
5. Extend current work opportunity tax credit and welfare-to-work tax credit for 2006; and combine the two credits and modify the food-stamp recipient and ex-felon categories for 2007 (sunset 12/31/07).....	wpoifibwa 12/31/05	-392	-317	-155	-73	-42	-19	-4	[2]	---	---	-979	-1,002
6. Extend election to include combat pay in earned income for purposes of the earned income credit (sunset 12/31/07).....	tyba 12/31/06	---	-12	---	---	---	---	---	---	---	---	-12	-12
7. Extend and modify qualified zone academy bonds (arbitrage restrictions and spending requirements) (sunset 12/31/07).....	oia 12/31/05 & [3]	-7	-17	-30	-38	-40	-40	-40	-40	-40	-40	-132	-330
8. Above-the-line deduction of up to \$250 for teacher classroom expenses (sunset 12/31/07).....	epoii tyba 12/31/05	-226	-153	---	---	---	---	---	---	---	---	-379	-379
9. Extend and expand to petroleum products the expensing of "Brownfields" environmental remediation costs (sunset 12/31/07).....	epoia 12/31/05	-557	-123	44	52	53	47	42	36	30	27	-531	-349
10. Tax incentives for investment in the District of Columbia (sunset 12/31/07).....	tyba 12/31/05	-96	-24	-5	-9	-16	-48	-70	-46	-41	-36	-150	-392
11. Indian employment tax credit (sunset 12/31/07).....	tyba 12/31/05	-67	-38	-10	-1	---	---	---	---	---	---	-117	-117
12. Accelerated depreciation for business property on Indian reservations (sunset 12/31/07).....	ppisa 12/31/05	-465	-301	-65	76	152	169	117	46	-3	-13	-602	-288
13. 15-year straight-line cost recovery for qualified leasehold and restaurant improvements (sunset 12/31/07).....	ppisa 12/31/05	-394	-536	-600	-588	-560	-527	-524	-529	-514	-453	-2,678	-5,225
14. 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 12/31/07) [4].....	abiUSa 12/31/05	-165	-19	---	---	---	---	---	---	---	---	-184	-184
15. Parity in the application of certain limits to mental health benefits (sunset 12/31/07) [5].....	DOE	-5	-25	-5	---	---	---	---	---	---	---	-35	-35

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
16. Charitable contributions of scientific and computer property:													
a. Expand charitable contribution allowed for scientific property used for research and for computer technology and equipment to include property assembled by the taxpayer [6].....	tyba 12/31/05	-33	-20	-5	-1	-1	-1	-1	-1	-1	-1	-60	-65
b. Extend enhanced deduction for qualified computer contributions (sunset for taxable years beginning after 12/31/07)	cmd tyba 12/31/05	-136	-68	-11	---	---	---	---	---	---	---	-215	-215
17. Availability of medical savings accounts (sunset 12/31/07).....	DOE	----- <i>Negligible Revenue Effect</i> -----											
18. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells (sunset 12/31/07)	tyba 12/31/05	-146	-30	---	---	---	---	---	---	---	---	-176	-176
19. Economic development credit for American Samoa (sunset taxable years beginning after 12/31/07).....	tyba 12/31/05	-17	-8	---	---	---	---	---	---	---	---	-25	-25
20. Extend placed-in-service date requirement to 12/31/10 for nonresidential real and residential rental property that qualifies for GO Zone bonus depreciation for counties or parishes in which greater than 60 percent of the housing units were damaged by hurricanes in 2005, limited to progress expenditures made prior to 1/1/10; include certain other bonus depreciation property placed in service in qualified GO Zone extension property.....	[7]	---	-28	-194	-238	-80	5	13	17	19	20	-539	-465
21. Authority for undercover operations (sunset 12/31/07)	DOE	[8]	---	---	---	---	---	---	---	---	---	[8]	[8]
22. Disclosures of certain tax return information:													
a. Extend disclosure of tax return information to facilitate combined employment tax reporting (sunset 12/31/07).....	da 12/31/06	----- <i>No Revenue Effect</i> -----											
b. Extend authority to make disclosures regarding terrorist activities (sunset 12/31/07)	da 12/31/06	----- <i>No Revenue Effect</i> -----											
c. Extend disclosure of tax return information to carry out administration of income contingent repayment of student loans (sunset 12/31/07) [5]	rma 12/31/06	----- <i>No Revenue Effect</i> -----											
Total of Extension and Modification of Certain Provisions		-14,832	-9,809	-3,809	-2,573	-1,584	-807	-669	-719	-627	-496	-32,607	-35,926
II. Energy Tax Provisions													
1. Credit for electricity produced from certain renewable resources - extend placed-in-service date for tax credit for electricity produced at wind, closed-loop biomass, open-loop biomass, geothermal energy, small irrigation power, landfill gas, trash combustion, or qualified hydropower facilities (sunset 12/31/08).....	1/1/08	---	-95	-263	-345	-365	-373	-367	-358	-361	-363	-1,069	-2,893
2. Clean renewable energy bonds (\$400 million additional issuance authority through 12/31/08).....	bia 12/31/06	---	-7	-18	-24	-24	-23	-22	-20	-19	-17	-73	-174
3. Modification of advanced coal credit with respect to subbituminous coal.....	casa 10/2/06	----- <i>No Revenue Effect</i> -----											
4. Allowance of deduction for certain energy efficient commercial building property (sunset 12/31/08).....	ppisa 12/31/07	---	-117	-61	4	4	3	3	2	2	2	-171	-159
5. Credit for construction of new energy efficient homes (sunset 12/31/08).....	hpa 12/31/07	---	-20	-15	-5	-5	-4	-4	-3	-1	---	-45	-56

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5. Whistleblower Reforms (above-the-line deduction for costs) [19].....	ipo/a DOE	2	3	7	11	15	20	25	30	33	36	38	182
6. Frivolous tax submissions.....	[20]	3	3	3	3	3	3	3	3	3	3	15	30
7. Addition of certain vaccines to the list of taxable vaccines:													
a. Permanently add the meningococcal vaccine to the list of taxable vaccines [21].....	1ma DOE	1	[22]	[22]	[22]	[22]	[22]	-1	-1	-1	-1	-1	-5
b. Permanently add the vaccine against human papillomavirus ("HPV") to list of taxable vaccines [21]....	1ma DOE	2	2	2	1	1	1	1	1	1	1	8	12
8. Clarification of taxation of certain settlement funds made permanent.....	[23]	---	---	---	---	-2	-5	-8	-9	-10	-11	-2	-45
9. Modification of active business definition under section 355 made permanent.....	[23]	---	---	---	---	-2	-7	-11	-15	-17	-19	-2	-71
10. Revision of the qualified veterans' mortgage bond program made permanent.....	[23]	---	---	---	---	[2]	-1	-2	-4	-5	-6	[2]	-19
11. Capital gains treatment for certain self-created musical works made permanent.....	[23]	---	---	---	[2]	-2	-2	-6	-6	-6	-7	-3	-29
12. Reduction in minimum vessel tonnage limit to 6,000 deadweight tons made permanent.....	[23]	---	---	---	---	-3	-15	-18	-21	-24	-27	-3	-108
13. Modification of special arbitrage rules for certain funds (20% State limitation) made permanent.....	[23]	---	---	[2]	-1	-2	-2	-3	-3	-4	-5	-3	-20
14. Great Lakes domestic shipping to not disqualify vessel from tonnage tax.....	tyba DOE	-2	-4	-4	-5	-5	-6	-6	-6	-7	-7	-20	-52
15. Expand the qualified mortgage bond program (waive first-time homebuyer requirement for veterans; restrict to one exemption per person).....	bia DOE & before 1/1/08	-16	-30	-37	-37	-37	-37	-37	-37	-37	-37	-156	-339
16. Exclusion of gain from sale of a principal residence by certain employees of the intelligence community (sunset 12/31/10).....	soea DOE	[2]	[2]	[2]	[2]	[2]	---	---	---	---	---	-1	-1
17. Nonrecognition of capital gains for Federal judges who sell property to avoid conflicts of interest.....	sa DOE	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-3
18. Establish deduction for private mortgage insurance (sunset 12/31/07).....	apoa 12/31/06	-14	-77	---	---	---	---	---	---	---	---	-91	-91
Modification of refunds for kerosene used in aviation.....	[24]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
20. Regional income tax agencies treated as States for purposes of confidentiality and disclosure requirements.....	dma 12/31/06	----- No Revenue Effect -----											
21. Limit the use of names on certain wines sold in the United States.....	wiobiUSo/a DOE	----- No Revenue Effect -----											
22. Treat reimbursed amounts as eligible for railroad track maintenance credit.....	tyba 12/31/04 & before 1/1/08	-22	-27	[2]	---	---	---	---	---	---	---	-49	-49
23. Modify excise tax on unrelated business taxable income of charitable remainder trusts	tyba 12/31/06	---	-3	-6	-7	-7	-7	-8	-8	-8	-8	-23	-62
24. Special rule regarding treatment of loans to qualified continuing care facilities made permanent.....	[23]	---	---	---	---	-1	-2	-2	-2	-3	-3	-1	-14
25. Tax technical corrections:													
a. Technical correction relating to TIPRA CFC look-through.....	[25]	----- No Revenue Effect -----											
b. Modification of exception from interest suspension rules for certain listed and reportable transactions.....	[26]	----- No Revenue Effect -----											
Total of Other Provisions		-585	-726	-408	-273	-171	-86	204	380	380	383	-2,166	-907

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
V. Miscellaneous Provisions													
1. Surface Mining Control and Reclamation Act Amendments of 2006 [5] [27].....	generally DOE	-10	-290	-330	-450	-490	-530	-570	-540	-330	-340	-1,570	-3,880
2. Clarify that the personal use exemption for tobacco products does not apply to delivery sales [28].....	15da DOE	1	1	1	1	1	1	1	1	1	1	4	9
3. Ethanol tariff extension (sunset 12/31/08) [4].....	10/1/07	---	13	3	---	---	---	---	---	---	---	16	16
4. Provide a 25% exclusion from income for certain conservation sales of mineral or geothermal interests on eligible Federal land.....	soo/a DOE	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1
Total of Miscellaneous Provisions		-9	-276	-326	-449	-489	-529	-569	-539	-329	-339	-1551	-3856
NET TOTAL		-15,449	-11,146	-5,011	-3,746	-2,727	-1,923	-1,525	-1,397	-1,147	-1,036	-38,087	-45,117

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be December 15, 2006.

Legend for "Effective" column:

abiUSA = articles brought into the United States after
afya = adjustments for years after
apoa = amounts paid or accrued after
apoia = amounts paid or incurred after
bia = bonds issued after
casa = certification applications submitted after
cmd = contributions made during
cpoia = costs paid or incurred after
cyba = calendar years beginning after
da = disclosures after
dma = disclosures made after

do/a = distributions on or after
DOE = date of enactment
epoia = expenditures paid or incurred after
epoii = expenses paid or incurred in
hpa = homes purchased after
ipo/a = information provided on or after
oia = obligations issued after
ppisa = property placed in service after
rma = requests made after
sa = sales after
soea = sales or exchanges after

soo/a = sales occurring on or after
tyba = taxable years beginning after
tyea = taxable years ending after
wiobiUSo/a = wine imported or bottled in the United States on or after
wpoifibwa = wages paid or incurred for individuals beginning work after
1ma = one month after
15da = 15 days after
30da = 30 days after

- [1] In the case of fiscal year 2006-2007 taxpayers, any increase in the credit attributable to the modifications is prorated. Also, the time for making certain elections for taxable years ending in 2006 and before the date of enactment is extended.
- [2] Loss of less than \$500,000.
- [3] Arbitrage restrictions and spending requirements effective for bonds issued after the date of enactment with respect to allocations of authority arising after 2005.
- [4] Estimate provided by the Congressional Budget Office and should be considered preliminary and subject to change.
- [5] Estimate provided by the Congressional Budget Office.
- [6] The provision relating to charitable contributions for scientific property used for research is permanent. The provision relating to the enhanced deduction for charitable contributions of computer technology and equipment sunsets for taxable years beginning after December 31, 2007.
- [7] Effective as if included in the Gulf Opportunity Zone Act of 2005.
- [8] Gain of less than \$500,000.
- [9] Effective for periods after December 31, 2007 (and before January 1, 2009 in the case of the 30-percent credit and fiber optic distributed sunlight), for property placed in service in taxable years ending after December 31, 2007.
- [10] Effective for periods after December 31, 2007, and before January 1, 2009, for property placed in service in taxable years ending after December 31, 2007.
- [11] Effective for property placed in service after the date of enactment, in taxable years ending after such date.
- [12] The Congressional Budget Office estimates the provision has no outlay effects. The estimate provided by the Congressional Budget Office is preliminary and subject to change.
- [13] Effective as if included in the amendments made by section 1321 of the Energy Policy Act of 2005.
- [14] Rollover may not exceed the balance in the HRA or health FSA on September 21, 2006.

[Footnotes for JCX-51-06 are continued on the following page]

Footnotes for JCX-51-06 continued:

- [15] Effective on the date of enactment with respect to coverage for taxable years beginning after December 31, 2006.
- [16] Under the provision, HSA contributions would be permitted up to the statutory limits in present-law sections 223(b)(2)(A)(ii) and (B)(ii) of the Internal Revenue Code. These limits are indexed for inflation. In 2007 the limits will be \$2,850 for single coverage and \$5,650 for family coverage.
- [17] A limit would apply to the sum of: (1) the amount allowed as a deductible contribution to the HSA; and (2) the amount rolled over from the IRA to the HSA. The sum of these two amounts would not be permitted to exceed the otherwise maximum annual deductible contribution.
- [18] Estimate assumes compliance provisions are permanent.
- [19] Estimate includes revenue effects only.
- [20] The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under Section 6702(c) of the Internal Revenue Code of 1986, as amended.
- [21] Estimate includes outlay effects provided by the Congressional Budget Office.
- [22] Gain or loss of less than \$500,000.
- [23] Effective as if included in the Tax Increase Prevention and Reconciliation Act of 2005.
- [24] Generally effective for kerosene sold after September 30, 2005. The special rule applicable to kerosene purchased prior to October 1, 2005, and used in aviation on a farm for farming purposes is effective on the date of enactment.
- [25] Effective as if included in section 103(b) of the Tax Increase Prevention and Reconciliation Act of 2005.
- [26] Effective as if included in section 903 of the American Jobs Creation Act of 2004.
- [27] The net budget effects provided by the Congressional Budget Office include the following increases in outlays
- | | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2007-11</u> | <u>2007-16</u> |
|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| | 40 | 450 | 480 | 570 | 590 | 640 | 660 | 630 | 420 | 430 | 2,130 | 4,910 |
- [28] Estimate includes the effect of the proposal on customs duties which the Congressional Budget Office estimates to be negligible.