

ESTIMATED REVENUE EFFECTS OF S. 3152,  
THE "COMMUNITY RENEWAL AND NEW MARKETS ACT OF 2000"

Fiscal Years 2001 - 2010

[Millions of Dollars]

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
<b>Incentives for Distressed Areas</b>													
A. Tax Incentives for Renewal Zones and Empowerment Zones - Extend present-law empowerment zone designations, through 12/31/09 and the D.C. Zone through 12/31/06; beginning in 2002, 30 new renewal zones to be treated the same as empowerment zones; beginning in 2002, 15% wage credit to all zones (2003 for the D.C. enterprise zone and 2005 for the Los Angeles and Cleveland zones); beginning in 2002, increase the additional section 179 expensing to \$35,000 for all zones; beginning in 2002, extend the more favorable round II tax exempt financing rules to all zones except the D.C. Zone; provide all zones with a 0% capital gains rate on qualifying assets held more than 5 years subject to an aggregate \$25 million per taxpayer limit (beginning in 2002 for new zones) expand the D.C. Zone 0% capital gains treatment citywide; conform the gross income test for D.C. businesses eligible for 0% capital gains to the test for enterprise zone businesses; increase the phaseout for D.C. homebuyer credit for joint filers to \$140,000-\$180,000; extend the D.C. homebuyer credit through 12/31/03 .....	DOE [1] & tyba 12/31/00	-5	-387	-780	-780	-868	-995	-1,055	-1,259	-1,645	-1,320	-2,819	-9,092
B. Funding Entitlement for Round II Empowerment Zones [2] .....	---	-2	-34	-44	-15	-5	-4	-1	---	---	---	-100	-106
C. New Markets Tax Credit - provide new markets tax credit with allocation authority of \$1.0 billion in 2002, and \$1.5 billion in 2003 through 2006 .....	qjma 12/31/01	---	-5	-21	-113	-225	-318	-371	-396	-406	-392	-365	-2,248
D. Extend and Modify Puerto Rico Economic Activity Tax Credit .....	tyea 12/31/00	-4	-16	-34	-58	-87	-97	-87	-69	-45	-16	-199	-513
E. Establish Individual Development Accounts - provide financial institutions with a 90% tax credit for matching a maximum contribution of \$300 per account; sunset 12/31/05 .....	tyba 12/31/01	---	-131	-277	-274	-291	-161	[3]	[3]	[3]	[3]	-973	-1,134

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<b>F. Additional Incentives</b>													
1. Eliminate tax on awards under National Health Service Corps Scholarship Program and F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program .....	eara 12/31/93	-2	-1	-1	[3]	[3]	-1	-1	-1	-1	-1	-4	-9
2. Extend present-law section 170(e)(6) relating to corporate contributions of computer equipment through 12/31/03; expand list of eligible donees to include public libraries .....	cmo/a DOE	-46	-83	-89	-45	-2	---	---	---	---	---	-265	-265
3. Extend the adoption credit through 12/31/03 .....	DOE	---	-69	-237	-188	-24	-22	-19	-8	---	---	-518	-566
4. Tax Treatment of Alaska Native Settlement Trusts .....	DOE	-3	-3	-3	-3	-3	-3	-3	-3	-3	-4	-15	-32
5. Treatment of Indian tribes as non-profit organizations and State or local governments for purposes of the Federal Unemployment Tax [2] .....	[4]	-20	-10	-9	25	2	2	[3]	2	1	[5]	-14	-9
6. Additional funding for Social Services Block Grant [2] .....	---	-623	-70	-7	---	---	---	---	---	---	---	-700	-700
<b>Total of Incentives for Distressed Areas .....</b>		<b>-705</b>	<b>-809</b>	<b>-1,502</b>	<b>-1,451</b>	<b>-1,503</b>	<b>-1,599</b>	<b>-1,537</b>	<b>-1,734</b>	<b>-2,099</b>	<b>-1,733</b>	<b>-5,972</b>	<b>-14,674</b>
<b>Tax Incentives for Affordable Housing</b>													
A. Low-Income Housing Tax Credit - increase per capita credit to \$1.75 in 2001 and indexed for inflation thereafter; \$2 million small State minimum beginning in 2001 and indexed for inflation thereafter; modify stacking rules; certain Native American housing assistance disregarded in determining whether building is Federally subsidized for purposes of the low-income housing credit .....	generally cyba 12/31/00	-17	-85	-206	-355	-519	-698	-893	-1,103	-1,330	-1,572	-1,181	-6,776
B. Tax Credit for Renovating Historic Homes .....	epoiba 12/31/01	---	-82	-85	-85	-85	-86	-87	-88	-88	-91	-337	-777
C. Exclusion From Gross Income for Certain Forgiven Mortgage Obligations - provide an exclusion from discharge of indebtedness income to the extent such income is attributable to the sale of real property securing qualified residential indebtedness .....	doia DOE	-2	-6	-6	-6	-7	-7	-7	-7	-8	-8	-27	-64
D. Mortgage Revenue Bonds													
1. Increase purchase price limit to greater of 90% of average area purchase price or 3.5 times the applicable median family income .....	bia DOE	-4	-10	-18	-26	-36	-46	-58	-69	-81	-91	-93	-439
2. For damaged residences in Presidentially declared disaster areas, waiver of first-time homebuyer requirement, treatment as economically distressed for purposes of applying income and purchase price limits, and increase limitation on home improvement loans to \$100,000 [6] [7] .....	bia 12/31/00	-3	-7	-12	-17	-24	-31	-38	-46	-54	-61	-62	-293
E. Provide Tax Exemption for Organizations Created by a State to Provide Property and Casualty Insurance Coverage for Property for Which Such Coverage is Otherwise Unavailable .....	tyba 12/31/00	-2	-4	-4	-5	-5	-6	-7	-8	-8	-9	-20	-58
<b>Total of Tax Incentives for Affordable Housing .....</b>		<b>-28</b>	<b>-194</b>	<b>-331</b>	<b>-494</b>	<b>-676</b>	<b>-874</b>	<b>-1,090</b>	<b>-1,321</b>	<b>-1,569</b>	<b>-1,832</b>	<b>-1,720</b>	<b>-8,407</b>

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
<b>Tax Incentives for Urban and Rural Infrastructure</b>													
A. Private Activity Bond State Volume Limits - increase annual State volume cap to the greater of \$75 per resident or \$225 million in 2001; index for inflation thereafter .....	cyba 12/31/00	-31	-143	-261	-356	-440	-512	-567	-615	-665	-712	-1,231	-4,303
B. Expensing of Environmental Remediation Expenditures and Expansion of Qualifying Sites - for expenditures incurred before 2004 ("Brownfields") .....	DOE & epoia DOE	-13	-97	-225	-165	-39	-1	5	17	17	12	-538	-489
C. Broadband Internet Access Tax Credit .....	eia 12/31/00 & eia 12/31/01	-59	-343	-500	-433	-131	8	7	5	4	3	-1,467	-1,440
D. Tax Credit Bonds for the National Railroad Passenger Corporation ("Amtrak") - \$1 billion tax credit bonds per year .....	bia 9/30/00	-13	-82	-156	-221	-290	-360	-429	-499	-569	-639	-762	-3,259
E. Contributions in Aid of Construction .....	ara DOE	-12	-19	-18	-17	-17	-16	-16	-15	-15	-15	-83	-160
F. Reduce the Depreciation Period for Leasehold Improvements to 15 Years .....	ppisa 12/31/06	---	---	---	---	---	---	-70	-249	-458	-647	---	-1,425
<b>Total of Tax Incentives for Urban and Rural Infrastructure .....</b>		<b>-128</b>	<b>-684</b>	<b>-1,160</b>	<b>-1,192</b>	<b>-917</b>	<b>-881</b>	<b>-1,070</b>	<b>-1,356</b>	<b>-1,686</b>	<b>-1,998</b>	<b>-4,081</b>	<b>-11,076</b>
<b>Tax Relief for Farmers</b>													
A. Farm, Fishing, and Ranch Risk Management ("FFARRM") Accounts .....	tyba 12/31/00	-3	-73	-136	-179	-146	-113	-66	-30	-6	-6	-539	-760
B. Written Agreement Relating to Exclusion of Certain Farm Rental Income From Net Earnings from Self-Employment .....	tyba 12/31/00	[3]	-3	-3	-3	-3	-3	-3	-3	-3	-3	-11	-27
C. Treatment of Conservation Reserve Program Payments as Rental From Real Estate .....	pma 12/31/00	---	-73	-72	-73	-74	-75	-75	-76	-93	-100	-292	-711
D. Exemption of Small Issue Agricultural Bonds From State Volume Cap [6] .....	bia 12/31/00	[3]	[3]	[3]	-1	-1	-1	-2	-2	-2	-2	-2	-11
E. Modifications to Section 512(b)(13) - modify section 512(b)(13) to exempt income received by a tax-exempt organization from certain subsidiaries when fair market value pricing is used, excess of fair market value subject to UBIT and 20% penalty tax, and extension of transition relief for certain binding contracts .....	DOE & proaa 12/31/00	-8	-11	-11	-11	-11	-12	-12	-12	-13	-13	-52	-114
F. Charitable Deduction for Contributions of Food Inventory - increased deduction for farmers' contributions of food inventory to fair market value; determination of fair market value would be made without regard to lack of market; sunset for taxable years beginning after 12/31/03 .....	tyba 12/31/00	-17	-24	-29	-15	-1	---	---	---	---	---	-86	-86
G. Coordinate Farm Income Averaging and the AMT and Provide the Same Income Averaging Relief to Commercial Fishermen .....	tyba 12/31/00	-1	-2	-2	-2	-3	-3	-4	-5	-6	-7	-9	-33
H. Cooperative Marketing Included Value-Added Processing Through Animals .....	tyba DOE	-1	-1	-2	-3	-4	-5	-6	-8	-10	-13	-11	-53
I. Declaratory Judgment Relief for Section 521 Cooperatives .....	DOE	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
J. Modify Small Ethanol Producer Credit .....	tyba DOE	-21	-32	-32	-32	-32	-32	-32	-32	-32	-32	-148	-308

----- Revenue Effects Included in Line Above -----



Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
E. Impose Excise Tax on Purchase of Structured Settlements .....	ao 30da DOE	[5]	[5]	[5]	[5]	[5]	[3]	-1	-1	-1	-1	[5]	-4
<b>Total of Additional Tax Provisions .....</b>		<b>69</b>	<b>33</b>	<b>-4</b>	<b>-16</b>	<b>-37</b>	<b>-37</b>	<b>-38</b>	<b>-38</b>	<b>-38</b>	<b>-38</b>	<b>43</b>	<b>-147</b>
<b>NET TOTAL .....</b>		<b>-1,006</b>	<b>-2,231</b>	<b>-3,721</b>	<b>-3,964</b>	<b>-3,773</b>	<b>-3,931</b>	<b>-4,234</b>	<b>-4,923</b>	<b>-5,875</b>	<b>-6,108</b>	<b>-14,694</b>	<b>-39,773</b>

Joint Committee on Taxation

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

Legend for "Effective" column:

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|---|--|
| ara = amounts received after                | epoiba = expenditures paid or incurred beginning after |
| ao = acquisitions occurring                 | pa = periods after                                     |
| bia = bonds issued after                    | pma = payments made after                              |
| cmo/a = contributions made on or after      | ppiso/a = property placed in service on or after       |
| cyba = calendar years beginning after       | ppisa = property placed in service after               |
| dda = decedents dying after                 | proaa = payments received or accrued after             |
| di = distributions in                       | pra = payments received after                          |
| DOE = date of enactment                     | qima = qualified investments made after                |
| doia = discharges of indebtedness after     | sa = sales after                                       |
| eara = education awards received after      | tyba = taxable years beginning after                   |
| eia = expenditures incurred after           | tyea = taxable years ending after                      |
| epoia = expenditures paid or incurred after | 30da = 30 days after                                   |

- [1] Area may be designated as a renewal zone any time after the date of enactment and before 1/1/02. The tax benefits generally become effective after 12/31/01 and terminate on 12/31/09. For existing empowerment zones, the zero-percent capital gains rate becomes effective after the date of enactment.
- [2] Estimate provided by the Congressional Budget Office.
- [3] Loss of less than \$500,000.
- [4] The proposal generally would be effective with respect to service performed beginning on or after the date of enactment. Under a transition rule, service performed in the employ of an Indian tribe would not be treated as employment for FUTA purposes if: (1) it is service which is performed before the date of enactment and with respect to which FUTA tax has not been paid; and (2) such Indian tribe reimburses a State unemployment fund for unemployment benefits paid for service attributable to such tribe for such period.
- [5] Gain of less than \$500,000.
- [6] Estimate includes interaction with private activity bond provisions.
- [7] With respect to areas for which the Director of FEMA authorized the minimum Federal share of the cost of the repair, restoration, and replacement of damaged facilities to exceed 75%.
- [8] Estimate includes electricity produced from biomass, landfill gas, and biomass co-fired with coal. Credit applies to electricity produced after 12/31/00, from facilities placed in service before 1/1/02. In the case of landfill gas, the credit applies to facilities placed in service after 12/31/99, and before 1/1/02. For electricity produced from landfill gas and biomass, with the exception of biomass co-fired with coal, qualified facilities would receive a credit for electricity produced for the 3-yr period beginning on the date the facility was placed in service.
- [9] Provision is effective after 12/31/03 and before 1/1/05.
- [10] Estimate includes revenue loss to Social Security Trust Fund.