

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK OF
THE "HEARTLAND, HABITAT, HARVEST AND HORTICULTURE ACT OF 2007,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON OCTOBER 4, 2007

Fiscal Years 2008 - 2017

[Millions of Dollars]

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
I. Supplemental Agricultural Disaster Assistance from the Agricultural Disaster Relief Trust Fund [1] [2].....	DOE	-830	-1,196	-1,287	-1,362	-1,435	---	---	---	---	---	-6,108	-6,108
II. Conservation Provisions													
1. Provide an option to elect tax credits in lieu of payments under Conservation Reserve Programs [3] [4] [5] [6].....	DOE	-924	-952	-971	-1,001	-1,024	---	---	---	---	---	-4,870	-4,870
2. Exclusion of Conservation Reserve Program Payments from SECA tax for individuals receiving Social Security retirement or disability benefits [6].....	pma 12/31/07	[7]	-21	-22	-22	-22	-23	-24	-24	-24	-24	-87	-206
3. Make permanent the special rule for contributions of qualified conservation contributions.....	cmi tyba 12/31/07	-36	-46	-57	-69	-83	-86	-90	-94	-98	-102	-291	-761
4. Provide a tax credit for recovery and restoration of endangered species.....	tyba 12/31/07	-13	-79	-122	-201	-250	-262	-202	-135	-67	-33	-665	-1,364
5. Allow a deduction for endangered species recovery expenditures.....	epoia DOE	-14	-21	-24	-29	-35	-40	-47	-54	-63	-73	-122	-399
6. Provide an exclusion for certain payments and programs relating to fish and wildlife.....	pra DOE	-3	-5	-6	-6	-6	-6	-6	-6	-6	-6	-26	-55
7. Provide an option to elect tax credits in lieu of payments under conservation programs:													
a. Wetlands Reserve Program.....	[8]	----- Negligible Revenue Effect -----											
b. Working Grasslands Program.....	[8]	-15	-15	-15	-15	-15	---	---	---	---	---	-75	-75
8. Forest conservation bonds	[9]	-3	-10	-19	-27	-32	-33	-33	-33	-33	-33	-92	-257
Total of Conservation Provisions		-1,008	-1,149	-1,236	-1,370	-1,467	-450	-402	-346	-291	-271	-6,228	-7,987
III. Energy Provisions													
1. Credit for residential wind property - provide 30% credit, capped at \$4,000, for residential applications of small wind (sunset 12/31/08).....	ea 12/31/07	-1	-2	---	---	---	---	---	---	---	---	-3	-3
2. Landowner incentive to encourage electric transmission build-out of section 45 facilities (exclusion applies only to payments received related to transmission lines and equipment used to transmit electricity at 230 or more kilovolts).....	pra DOE	-5	-16	-17	-18	-18	-19	-20	-21	-23	-23	-74	-179
3. Small producer credit for up to 60 million gallons of cellulosic alcohol fuel production [10].....	apa 12/31/07	---	-2	-19	-80	-139	-210	-294	-85	---	---	-239	-828
4. Extend for two years the small ethanol producer credit (sunset 12/31/12).....	DOE	---	---	---	-15	-43	-41	-28	-30	-15	---	-57	-172

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
5. Extend for two years the \$1.00 and 50 cent production credits for biodiesel (sunset 12/31/10) and extend for four years the 10 cent credit for small agri-biodiesel producers (sunset 12/31/12), add camelina to the nonexclusive list of sources for agri-biodiesel	DOE	---	-84	-128	-42	-10	-3	---	---	---	---	-264	-267
6. 25 cent small producer credit for fossil-free producers of alcohol (sunset 12/31/12).....	apa 12/31/07	-9	-18	-35	-70	-110	-36	---	---	---	---	-242	-278
7. Expansion of special depreciation allowance for cellulosic biomass ethanol plant property.....	[11]	---	-1	-1	-1	-2	---	1	1	1	1	-4	-1
8. Extension and modification of renewable diesel incentives (sunset 12/31/10).....	DOE & fsoua DOE	25	-59	-132	-44	---	---	---	---	---	---	-211	-211
9. Extension and modification of alternative fuels excise tax credit, excluding CTL (sunset 12/31/10 for non-hydrogen fuels)	DOE & fsoua DOE	---	---	-267	-65	---	---	---	---	---	---	-332	-332
10. Extension of credit for installation of alternative fuel refueling property (sunset 2010 for non-hydrogen refueling property).....	DOE	---	---	-49	-42	-15	-11	-7	[7]	2	2	-107	-119
11. Extension of temporary duty on ethyl alcohol through 12/31/10 [1] [12].....	DOE	---	9	13	3	---	---	---	---	---	---	25	25
12. Elimination of certain refunds of duty imposed on ethanol [1].....	[13]	6	1	[14]	[14]	[14]	[14]	[14]	[14]	[14]	[14]	8	10
13. Modification of the incentives relating to alcohol fuels (VEETC).....	DOE	---	294	438	121	---	---	---	---	---	---	854	854
14. Treatment of qualified fuel mixtures as taxable fuel.....	freosa 12/31/07	4	1	1	1	1	-6	---	---	---	---	8	2
15. Exclude volume of denaturants from the alcohol fuels credit.....	fsoua 12/31/07	59	91	102	32	---	---	---	---	---	---	284	284
Total of Energy Provisions		79	214	-94	-220	-336	-326	-348	-135	-35	-20	-354	-1,215
IV. Agricultural Provisions													
1. Qualified small issue bonds for farming - increase loan limit from \$250,000 to \$450,000 and index; and eliminate the dollar limitation in definition of substantial farmer.....	bia DOE	[7]	[7]	-1	-1	-2	-2	-3	-3	-4	-4	-4	-19
2. Modification of installment sale rules for certain farm property.....	sa DOE	-8	-31	-30	-29	-28	-27	-25	-24	-23	-22	-125	-246
3. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock.....	eca DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	-1	-2
4. Rural renaissance tax credit bonds.....	bia DOE & before 12/31/08	-6	-18	-23	-22	-20	-19	-17	-16	-14	-13	-89	-168
5. Agricultural business security tax credit.....	DOE	-2	-3	-3	-3	-3	-1	[14]	[14]	[14]	[14]	-14	-14
6. Credit for drug safety and effectiveness testing for minor species	eia DOE	-1	-5	-9	-12	-13	-15	-15	-16	-16	-17	-41	-121
Total of Agricultural Provisions		-17	-57	-66	-67	-66	-64	-60	-59	-57	-56	-274	-570
V. Revenue Raising Provisions													
1. Limitation on farming losses of certain taxpayers.....	tyba 12/31/07	40	64	60	59	56	51	44	35	27	19	279	456
2. Increase and index dollar threshold for farm optional method and nonfarm optional method for computing net earnings from self-employment [6].....	tyba 12/31/07	5	10	10	11	11	11	12	13	13	14	46	110

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
3. Information reporting for Commodity Credit Corporation transactions.....	lro/a 1/1/07	----- No Revenue Effect -----											
4. Modification of section 1031 treatment for certain real estate.....	eca DOE	3	3	2	2	2	2	3	3	3	3	12	27
5. Modify the effective date for the application of the AJCA 2004 leasing (SILO) provision - apply loss limitation to leases with foreign entities regardless of when the lease was entered into.....	tyba 12/31/06	2,680	896	407	290	288	260	135	-239	-629	-854	4,561	3,235
Total of Revenue Raising Provisions		2,728	973	479	362	357	324	194	-188	-586	-818	4,898	3,828
NET TOTAL		952	-1,215	-2,204	-2,657	-2,947	-516	-616	-728	-969	-1,165	-8,066	-12,052

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be December 1, 2007.

Legend for "Effective" column:

apa = alcohol produced after
 bia = bonds issued after
 cmi = contributions made in
 DOE = date of enactment
 ea = expenditures after
 eca = exchanges contracted after

eia = expenses incurred after
 epoia = expenditures paid or incurred after
 freosa = fuels removed, entered, or sold after
 fsoua = fuel sold or used after
 lro/a = loans repaid on or after

pma = payments made after
 pra = payments received after
 sa = sales after
 spa = services performed after
 tyba = taxable years beginning after

[1] Estimate provided by the Congressional Budget Office and is preliminary and subject to change.

[2] Reduction in funds available to the general fund of the U.S. Government. The

	<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>2017</u>	<u>2008-12</u>	<u>2008-17</u>
proposal will also result in an increase in outlays of the following amounts.....	227	1,040	1,113	1,156	1,167	893	---	---	---	---	4,703	5,597

[3] Tax credits would be excludable from income for income and SECA tax purposes.

	<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>2017</u>	<u>2008-12</u>	<u>2008-17</u>
[4] The proposal will also result in a decrease in outlays of the following amounts.	742	763	777	791	808	---	---	---	---	---	3,881	3,881

[5] Estimate includes a reduction in SECA taxes of \$548 million over the fiscal years 2008 through 2012.

[6] Revenue estimate does not include any resulting effects on Social Security and Medicare outlays. These will be estimated by the Congressional Budget Office.

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

[8] Effective for easements granted after September 30, 2007, in taxable years ending after such date.

[9] Effective for obligations issued on or after the date which is 180 days after the enactment of this Act.

[10] The small cellulosic alcohol producer credit terminates at the later of December 31, 2012 or December 31 of the calendar year in which the Secretary, in consultation with the Environmental Protection Agency, certifies that one billion gallons of cellulosic alcohol has been produced or imported into the United States.

[11] Effective for property placed in service after the date of enactment in taxable years ending after the date of enactment.

[12] The estimate contains interaction with the provision to eliminate certain refunds of duty imposed on ethanol.

[13] Effective for goods exported on or after the date that is 15 days after the date of enactment.

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