

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MODIFICATION TO  
THE "SMALL BUSINESS AND WORK OPPORTUNITY ACT OF 2007,"  
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON JANUARY 17, 2007

Fiscal Years 2007 - 2016

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
<b>A. Tax Relief Provisions</b>													
<b>I. General Provisions</b>													
1. Extension of increased expensing for small business - increase section 179 expensing from \$25,000 to \$100,000 and increase the phaseout threshold amount from \$200,000 to \$400,000; include software in section 179 property; and extend indexing of both the deduction limit and the phaseout threshold (sunset 12/31/10).....	tyba 12/31/09	---	---	---	-2,964	-1,897	1,732	1,092	792	613	375	-4,861	-257
2. Extension of the 15-year straight-line cost recovery period for qualified leasehold and restaurant improvements (sunset 3/31/08).....	ppisa 12/31/07	---	-30	-88	-114	-112	-109	-100	-95	-100	-98	-345	-847
3. 15-year recovery period for new restaurant buildings (sunset 3/31/08).....	ppisa DOE	-22	-66	-94	-99	-99	-98	-97	-95	-93	-86	-379	-847
4. 15-year recovery period for retail improvements (sunset 3/31/08).....	ppisa DOE	-22	-76	-119	-127	-123	-114	-106	-108	-109	-108	-467	-1,012
5. Increase gross receipts threshold for cash accounting to \$10M regardless of inventories, index for inflation, and reset testing period.....	tyba DOE	-9	-278	-151	-52	-57	-63	-69	-76	-84	-92	-547	-931
6. Extension of Work Opportunity Tax Credit with expansions on post 9/11 disabled veterans, high-risk youth, and vocational rehabilitation referrals (sunset 12/31/12).....	wpoifibwa 12/31/07	---	-150	-411	-569	-657	-726	-591	-302	-143	-75	-1,788	-3,624
7. Treatment of certified professional employer organizations as employers.....	[1]	---	---	-2	-3	-4	-4	-4	-5	-5	-6	-8	-32
<b>II. Subchapter S Provisions</b>													
1. Exclude capital gains from passive investment income.....	tyba DOE	---	-15	-30	-32	-34	-35	-37	-40	-43	-46	-111	-312
2. Treatment of qualifying director shares.....	tyba 12/31/06	-4	-10	-14	-18	-20	-21	-22	-23	-23	-23	-66	-178
3. Recapture of bad debt reserves.....	tyba 12/31/06	11	27	-22	-40	-36	-23	-21	-22	-23	-24	-60	-173
4. Treatment of sale of interest in a qualified subchapter S subsidiary.....	tyba 12/31/06	-1	-3	-3	-4	-4	-4	-5	-5	-5	-6	-15	-40
5. Elimination of all earnings and profits attributable to pre-1983 years.....	tyba DOE	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-11	-21
6. Expansion of qualifying beneficiaries of an electing small business trust.....	DOE	---	-1	-2	-3	-4	-4	-4	-5	-5	-5	-10	-33
<b>Total of Tax Relief Provisions .....</b>		<b>-50</b>	<b>-604</b>	<b>-938</b>	<b>-4,027</b>	<b>-3,049</b>	<b>529</b>	<b>34</b>	<b>14</b>	<b>-22</b>	<b>-196</b>	<b>-8,668</b>	<b>-8,307</b>
<b>B. Revenue Provisions</b>													
1. 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	1,018	1,662	896	407	290	288	260	135	-239	-629	4,273	4,088

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
2. Tax treatment of inversion transactions.....	tyba 2006	42	86	99	107	115	123	123	143	153	162	449	1,153
3. Deny deduction for punitive damages.....	dpoio/a DOE	3	37	29	30	31	32	33	34	35	36	130	299
4. Denial of deduction for certain fines, penalties, and other amounts.....	generally apoio/a DOE	25	87	31	15	15	15	15	15	15	15	172	244
5. Impose mark-to-market on individuals who expatriate .....	[2]	13	57	54	50	46	43	41	39	38	36	220	417
6. Limitation on annual amounts which may be deferred under nonqualified deferred compensation arrangements [3].....	tyba 12/31/06	43	59	60	63	83	94	97	100	103	106	307	806
7. Increase in certain criminal penalties.....	aaftaoa DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	1	5
8. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements .....	oyo/a DOE	1	1	1	1	1	1	1	1	1	1	5	10
9. Increase in penalty for bad checks and money orders.....	comora DOE	2	2	2	2	2	2	2	2	2	2	10	20
10. Change the tax treatment of contingent convertible debt instruments .....	diiio/a DOE	8	37	52	62	63	58	49	45	39	35	222	448
11. Extension of IRS user fees (sunset 9/30/16) [5] .....	ra 9/30/14	---	---	---	---	---	---	---	---	30	30	---	60
12. Modification of collection due process procedures for employment tax liabilities.....	lio/a 120da DOE	---	58	50	28	20	17	20	23	26	29	156	271
13. Modifications to Whistleblower reforms [6].....	ipo/a DOE	1	6	15	23	32	42	51	63	79	90	77	402
14. Modify definition of covered employee for denial of deduction for excessive employee remuneration.....	tyba 12/31/06	1	3	4	5	7	10	14	18	20	23	20	105
<b>Total of Revenue Provisions .....</b>		<b>1,157</b>	<b>2,095</b>	<b>1,293</b>	<b>793</b>	<b>705</b>	<b>725</b>	<b>706</b>	<b>618</b>	<b>302</b>	<b>-64</b>	<b>6,042</b>	<b>8,328</b>
<b>NET TOTAL .....</b>		<b>1,107</b>	<b>1,491</b>	<b>355</b>	<b>-3,234</b>	<b>-2,344</b>	<b>1,254</b>	<b>740</b>	<b>632</b>	<b>280</b>	<b>-260</b>	<b>-2,626</b>	<b>21</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be April 1, 2007.

Legend for "Effective" column:

aaftaoa = actions and failures to act occurring after  
 apoio/a = amounts paid or incurred on or after  
 comora = checks or money orders received after  
 diio/a = debt instrument issued on or after  
 DOE = date of enactment

dpoio/a = damages paid or incurred on or after  
 oyo/a = open years on or after  
 ppisa = property placed in service after  
 ipo/a = information provided on or after  
 lio/a = levies issued on or after

tyba = taxable years beginning after  
 ra = requests after  
 wpoifibwa = wages paid or incurred for individuals  
 beginning work after  
 120da = 120 days after

[1] Effective with respect to wages paid for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of enactment.

[2] Generally effective for U.S. citizens who expatriate or long-term residents who terminate their residency on or after the date of enactment.

[3] Estimate assumes that changes to outstanding elections to reduce amounts deferred would be permissible.

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

[5] Estimate provided by the Congressional Budget Office.

[6] Net of outlays.