[JOINT COMMITTEE PRINT]

SUMMARY OF H.R. 4287: TAX FAIRNESS AND ECONOMIC GROWTH ACT OF 1992

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INTRODUCTION

This pamphlet provides a brief summary of the provisions of H.R. 4287 (the "Tax Fairness and Economic Growth Act of 1992"), as introduced by Chairman Dan Rostenkowski and Majority Leader Richard Gephardt on February 20, 1992. The provisions of H.R. 4287 are to be offered as a substitute to H.R. 4210 as reported without recommendation by the Committee on Ways and Means on February 14, 1992. (See House Report 102–432.)

The pamphlet also includes the estimated revenue effects of H.R. 4287 for fiscal years 1992–1997.

SUMMARY OF H.R. 4287: TAX FAIRNESS AND ECONOMIC GROWTH ACT OF 1992

A. MIDDLE-CLASS TAX RELIEF

1. Refundable payroll tax credit

The bill would provide a refundable income tax credit in calendar years 1992 and 1993 equal to 20 percent of an employee's share of Social Security taxes paid (10 percent of total SECA taxes paid), up to a maximum of $200 for single taxpayers and $400 for married taxpayers filing joint returns. The maximum credit would be available for single taxpayers with about $13,000 of wages or more, and for a couple with $26,000 of wages or more.

2. Tax credit for student loan interest

The bill would allow a nonrefundable tax credit equal to 15 percent of student loan interest paid in a taxable year on certain loans incurred for college or other postsecondary education, generally up to a maximum of $300. Individuals whose student loan interest costs are 10 percent or more of their income would be eligible for a credit of up to $500. Excess interest amounts may be carried forward to the next taxable year. Any unused portion of the credit may be carried forward for the next 5 taxable years.

Parents would be eligible for the credit when their dependent child is enrolled as, at least, a half-time student if the parents are personally liable for, and make, the loan repayments.

The credit would not be available to students with incomes in excess of $55,000, if a single taxpayer, and $75,000, if married filing jointly. The credit would not be available to parents with incomes in excess of $70,000, if single, and $100,000, if married filing jointly.

(An alternative provision is contained in the President's Fiscal Year 1993 Budget.)

3. Waive penalty for withdrawals from IRAs for first-time homebuyers, medical and educational expenses

The bill would permit individuals to withdraw up to $10,000 from an IRA for the purchase of a first home without imposition of the 10-percent penalty tax for early withdrawals with respect to this amount. Individuals would be eligible for this provision if the individual (and the individual's spouse, if married), or the individual's child who is purchasing the home, did not own a home in the last 3 years.

The bill also would provide an exception to the 10-percent penalty tax for withdrawals for qualifying educational expenses and deductible medical expenses for the taxpayer, his or her spouse, dependent or parent. A taxpayer also would be able to make penaltyfree withdrawals for the medical expenses of his or her grandparents.

(Similar provisions are contained in the President's Fiscal Year 1993 Budget proposals.)

4. Index for inflation the present $125,000 exclusion for capital gains on sale of a principal residence for taxpayers over age 55 and extend exclusion for permanently and totally disabled taxpayers (and on certain farmland)

The bill would make three changes to the $125,000 exclusion of gain from the sale of a principal residence by individuals who have attained age 55. First, the $125,000 amount would be indexed for inflation occurring since 1990. Second, the age limit would be repealed for taxpayers who are permanently and totally disabled at the time of the sale. Finally, the exclusion would be extended to certain contiguous farmland sold with a principal residence. Generally the provision would be effective for sales or exchanges after December 31, 1991.

5. Expand exclusion for employer-provided transit passes

The bill would increase the amount of the exclusion from income for employer-provided mass transit passes from $21 to $60 per month and would expand the exclusion to include van pools. The bill would also expand the exclusion for employer-provided parking to include park-and-ride benefits, but would cap the parking exclusion at $160 per month.

(A similar provision is contained in the President's Fiscal Year 1993 Budget.)

6. Extend for 6 months the 25-percent deduction for health insurance costs of self-employed taxpayers

The bill would extend for 6 months, through December 31, 1992, the present 25-percent deduction for the health insurance costs of self-employed taxpayers. *(An 18-month extension is contained in the President's Fiscal Year 1993 Budget.)*

7. Taxpayer Bill of Rights

The bill would provide a number of measures designed to protect the rights of taxpayers, including the establishment of a Taxpayers' Advocate, expansion of the IRS' authority to abate interest, and making IRS employees personally liable for a taxpayer's attorney fees when their actions are arbitrary, capricious, or malicious.

B. JOB CREATION, GROWTH, AND INVESTMENT INCENTIVES

1. Expensing for small businesses

The bill would provide that for taxable years beginning after December 31, 1991, and before January 1, 1994, the cost of property placed in service that is allowed to be expensed by certain small businesses is increased from $10,000 to $25,000.

2. Additional first-year depreciation allowance

The bill allows a taxpayer to claim additional first-year depreciation equal to 15 percent of the adjusted basis of certain qualified property acquired on or after February 1, 1992, and before January 1, 1993, if the property is placed in service before July 1, 1993. The adjusted basis of the qualified property is reduced by the additional first-year depreciation allowance for purposes of computing depreciation deductions for the year the property is placed in service and subsequent years. Qualified property generally is tangible personal property to which the Accelerated Cost Recovery System applies (other than property required to be depreciated under the alternative depreciation system). The additional first-year depreciation allowance also applies for purposes of the alternative minimum tax. *(This provision is also contained in the President's Fiscal Year 1993 Budget.)*

3. Corporate alternative minimum tax depreciation

For property placed in service after January 31, 1992, the bill would eliminate the adjusted current earnings (ACE) straight-line depreciation rule. Thus, for alternative minimum tax depreciation purposes, corporations would use the 150-percent declining balance method over the class life of the property for most tangible personal property. *(This provision is also included in the President's Fiscal Year 1993 Budget.)*

4. Capital gains

The bill would index the basis of certain newly purchased assets held by individuals, for purposes of determining gain. The bill would also allow a 50-percent exclusion for gain realized by individuals on the sale or exchange of certain small business stock held for more than 5 years.

Indexing would apply generally to corporate stock and tangible property (other than collectibles) which are capital assets or property used in a trade or business. To qualify for indexing, an asset generally would have to be acquired by the taxpayer on or after February 1, 1992. A taxpayer would be allowed to mark-to-market currently held, readily tradable securities in order for them to qualify as "new" assets and receive indexation.

In order to qualify for the 50-percent exclusion for small business stock, the stock must be that of a domestic C or S corporation (other than a corporation engaged in certain disqualified activities), the corporation must satisfy an active business requirement, the corporation's gross assets must not exceed $100 million, the stock must be originally issued to an individual on or after February 1, 1992, and must be held by the individual for more than 5 years. *(The President's Fiscal Year 1993 Budget contained an alternative capital gains proposal.)*

5. Real estate passive losses

The bill would allow taxpayers who spend at least 500 hours per year and 50 percent of their work time in the real estate business to deduct up to 80 percent of their rental real-property losses against any income, but only for property placed in service before the date of enactment. *(The President's Fiscal Year 1993 Budget contained an alternative passive loss proposal.)*

6. Pension plan investment in real estate

The bill would modify certain tax rules that discourage pension plans and other exempt organizations from investing in real estate. Included are modifications to the unrelated business income tax (UBIT) rules applicable to debt-financed real estate investments, investments through partnerships (including large and publicly traded partnerships), and investments in real estate by title-holding companies. The bill also contains a special exception to the UBIT "dealer" rules for property acquired from distressed financial institutions or the Resolution Trust Corporation. In addition, the bill provides a look-through rule for pension plans for purposes of real estate investment trust (REIT) qualification. *(The President's Fiscal Year 1993 Budget contained a more restrictive proposal.)*

7. Permanent extensions of certain expiring provisions

The bill would extend permanently the following expiring provisions:

R&D tax credit
Low-income housing tax credit
Targeted jobs tax credit
Mortgage revenue bonds
Exclusion for employer-provided educational assistance
Small-issue manufacturing bonds (including first-time farmer bonds)

In addition, the bill urges the Treasury Department to revise its section 861 allocation regulations in a manner consistent with the Administration's stated objectives and proposals.

(The President's Fiscal Year 1993 Budget contains a permanent extension of the R&D credit and temporary extensions of the R&D allocation rules, low-income housing credit, targeted jobs credit, mortgage revenue bonds, and first-time farmer bonds.)

8. Gifts of appreciated property

The bill would repeal for gifts of all appreciated property the present alternative minimum tax (AMT) preference. *(This provision is also contained in the President's Fiscal Year 1993 Budget.)*

9. Temporary extension of the vaccine excise tax

The bill would extend the vaccine excise tax for 2 years, through December 31, 1994.

10. Repeal the luxury tax for boats, airplanes, furs and jewelry

The bill would repeal the luxury tax on boats, airplanes, jewelry and furs. In addition, the bill would index the $30,000 threshold for automobiles, for inflation occurring after 1990. *(The President's Fiscal Year 1993 Budget would repeal the tax on boats and airplanes only.)*

11. Urban enterprise zones and rural development investment zones

The bill would provide for the designation of 35 enterprise zones over a 3-year period—10 urban enterprise zones and 25 rural development investment zones. The total amount of tax benefits available each year would be around $13 million for each urban zone and around $5 million for each rural zone (plus a 10-percent increase if certain requirements are met). The three types of tax benefits available would be: (i) a wage credit for small employers in the zones that employ local residents; (ii) an acceleration of certain depreciation benefits; and (iii) a deduction for the purchase of certain enterprise zone capital stock. Zone designations generally would remain in effect for 15 years. *(The President's Fiscal Year 1993 Budget contains an alternative enterprise zone proposal.)*

C. REQUIRE WEALTHY TO PAY THEIR FAIR SHARE

1. Add a fourth individual rate bracket of 35 percent

The bill would add a new 35-percent top tax bracket beginning at taxable income of $85,000 (single), $145,000 (joint), and $125,000 (head of household) and would increase the individual alternative minimum tax rate from 24 percent to 25 percent.

(Approximate adjusted gross income levels associated with these statutory taxable income levels, on average for taxpayers with itemized deductions, would be $105,000 for single taxpayers, $185,000 for married couples filing joint returns, and $160,000 for heads of households.)

2. Impose a 10-percent surtax on millionaires

The bill would impose a 10-percent surtax on taxable income in excess of $1 million. (This translates into a 3.5 percentage point increase in tax on income otherwise subject to the 35-percent top rate for a total marginal tax rate of 38.5 percent on millionaires. A 2.5 percentage point surtax would also apply to alternative minimum taxable income above $1 million.)

3. Two-year extension of limitation on itemized deductions and phase-out of personal exemption for high-income taxpayers

The bill would extend for two years (through 1997) the limitation on itemized deductions and phase-out of personal exemptions for high-income taxpayers.

4. Cap deduction for executive compensation

The bill would cap at $1 million per year the corporate tax deduction (for regular and minimum tax purposes) for compensation paid to each officer of the corporation, effective for taxable years beginning on or after January 1, 1992.

5. Prohibit double dipping by thrifts receiving Federal financial assistance

The bill would clarify that Federal financial assistance with respect to (i) any loss must be taken into account as compensation for purposes of section 165 of the Code, and (ii) any debt must be taken into account for determining the worthlessness of that debt. Thus, deductions generally would not be allowed for losses that are reimbursed with exempt FSLIC assistance.

This provision would apply to financial assistance credited on or after March 4, 1991, with respect to (i) assets disposed of and charge-offs made in taxable years ending on or after March 4, 1991, and (ii) assets disposed of and charge-offs made in taxable years ending before March 4, 1991, but only for purposes of determining the amount of any net operating loss carryover to a taxable year ending on or after March 4, 1991.

(The President's Fiscal Year 1993 Budget contains a similar proposal.)

6. Extend 45-day processing rule to all returns

The bill would extend to all tax returns the current provision that permits the IRS not to pay interest on refunds claimed on original income tax returns if payment is made within 45 days.

The bill would provide that, if interest is not refunded within 45 days after the date the taxpayer files an amended return or claim for refund with respect to any type of tax, interest is to be paid only for periods after the date on which the amended return or claim for refund is filed by the taxpayer. *(The President's Fiscal Year 1993 Budget contains a similar proposal.)*

7. Conform book and tax accounting for securities dealers

The bill would conform book and tax accounting for securities dealers by requiring marketable securities to be included in inventory at their market value (mark-to-market). *(The President's Fiscal Year 1993 Budget contains a similar proposal.)*

8. Estimated tax modifications

The bill would make permanent the rule that requires a large corporation to make estimated tax payments based on 95 percent of its current year taxable income.

With respect to individual estimated tax payments, the bill would repeal the provision enacted last year denying to certain taxpayers the use of the 100-percent-of-previous-year's-liability safe harbor. Instead, the bill would modify the safe harbor from 100 to 115 percent. The provision would be effective for estimated tax payments applicable to taxable years beginning after December 31, 1991. Taxpayers would be able to continue to use the 100-percent-of-last-year's-liability safe harbor for the estimated tax payment for the first quarter of 1992.

9. Real estate depreciation

The bill would extend prospectively the depreciation period for nonresidential real estate from 31.5 to 40 years, and residential real estate (other low-income housing) from 27.5 to 31 years. The provision would generally apply to property placed in service after February 12, 1992. The provision would not apply to property that is placed in service by a taxpayer before January 1, 1995, if (i) the taxpayer entered into a binding contract to purchase or construct the property before February 13, 1992, or (ii) construction of the property was commenced by or for the taxpayer before February 13, 1992.

10. Moving expense deduction

The bill would increase from 35 miles to 75 miles the number of miles that individuals would be required to move in order to obtain the deduction for moving expenses in connection with employment at a new principal place at work. The bill is effective for moving expenses paid on or after the date of enactment.

11. Tax on diesel fuel for motorboats

The bill would expand the existing diesel fuel excise tax (20.1 cents per gallon) to diesel fuel used by pleasure motorboats. *(The President's Fiscal Year 1993 Budget contains a similar proposal.)*

D. TAX SIMPLIFICATION

1. Amortization of intangibles

The bill would provide for the 14-year amortization of intangible assets (including goodwill), with certain exceptions. Taxpayers could elect 17-year amortization retroactively, subject to certain restrictions.

2. Pension simplification

The bill would include Chairman Rostenkowski's pension simplification bill, H.R. 2730, with certain modifications. The modifications include the following:

The bill would provide a safe harbor for employers trying to comply with the nondiscrimination requirements of section 401(k). Employers would be able to meet the nondiscrimination requirements for section 401(k) plans through design-based safe harbors which do not require the employer to calculate the actual deferral percentages: for employees who make elective contributions to the plan, the employer must match 100 percent of the employee's elective contribution to the extent that such contributions do not exceed 3 percent of the employee's compensation, and 50 percent of the elective contributions to the extent that such contributions exceed 3 percent but do not exceed 5 percent of the employee's compensation. Alternatively, the employer could choose to make nonelective contributions of 3 percent of payroll for all eligible employees.

The bill would modify the limits on contributions and benefits under section 415 as applied to public plans. The modifications include the following: the 100-percent-of-compensation limitation would not apply, the definition of compensation would be modified to include elective contributions, the section 415 limits would not apply to survivor and disability benefits, and public plans would be permitted to maintain excess benefit plans.

As under H.R. 2730, the bill would repeal 5-year income averaging for lump-sum distributions, with a modification to the grandfather rules, and the special treatment of net unrealized appreciation in employer securities. *(The President's Fiscal Year 1993 Budget contains similar pension simplification proposals, including the* *repeal of averaging and special treatment of unrealized appreciation.)*

3. Earned income tax credit (EITC) simplification

The bill would repeal the supplemental young child and health insurance credit components of the EITC. The basic credit rate would be increased for families with two or more children.

4. Mutual fund simplification

The bill would repeal the short-short rule, which requires a mutual fund to derive less than 30 percent of its gross income from the sale or disposition of stock, securities, options, futures and forward contracts held less than 3 months. It would also permit bank common trust funds to convert to regulated investment companies on a tax-free basis. In addition, mutual funds would be required to report basis information to shareholders.

5. Partnership simplification

The bill would simplify the reporting and audit rules for large partnerships.

6. Tax-year conformity

Under the bill, partnerships, S corporations, and personal service corporations would be permitted to elect taxable years without regard to the deferral period, provided taxes for the deferral period are paid.

7. Other simplification

The bill provides for simplification in a number of other areas, including, but not limited to, the following:

Foreign

Under the bill, the various antideferral regimes of current law would be consolidated, and various other rules would be simplified, including rules relating to the translation of foreign taxes.

Tax-exempt bonds

The bill would simplify a number of the complex rules regarding tax-exempt bonds. For example, the bill would repeal the "unrelated and disproportionate use limit" for determining whether bonds are private activity bonds and would increase the annual-issuance limit for the small-issuer exception from the arbitrage rebate requirement.

Payroll tax deposits

The bill would replace the current payroll tax deposit system with a simpler system, especially for small businesses.

ESTIMATED REVENUE EFFECTS OF H.R. 4287: TAX FAIRNESS AND ECONOMIC GROWTH ACT OF 1992

Fiscal Years 1992–1997

[Billions of dollars]

Provision	1992	1993	1994	1995	1996	1997	1992–97
A. Middle Class Tax Relief							
1. Provide temporary refundable tax credit for 20% of employee's share of FICA (10% of SECA); $400 (joint)/$200 (individual) maximum	−11.3	−27.6	−7.0				−45.9
2. Permit tax credit of loan interest for college or other post-secondary education	(1)	−0.1	−0.1	−0.1	−0.1	−0.1	−0.5
3. Waive penalty for withdrawals from IRAs for first-time homebuyers, medical and educational expenses	−0.2	−0.3	−0.3	−0.2	−0.2	−0.2	−1.3
4. Index $125,000 exclusion for capital gains upon sale of principal residence; make sales of certain farmland eligible for exclusion; and extend exclusion to permanently and totally disabled taxpayers	−0.1	−0.2	−0.2	−0.2	−0.2	−0.2	−0.9
5. Expand exclusion for transit passes to $60 per month; extend exclusion to vanpooling and park-and-ride benefits; limit exclusion for employer-provided parking to $160 per month	(2)	(2)	(2)	(1)	(1)	(1)	(2)
6. Temporary extension of 25% self-employed health deduction (6 months)	−0.1	−0.1					−0.2
B. Job Creation, Growth, and Investment Incentives							
1. Modify corporate alternative minimum tax (AMT) depreciation	−0.2	−0.3	−0.3	−0.3	−0.2	−0.1	−1.4
2. Two-year increase in expensing for small business to $25,000	−1.5	−2.9	−0.2	1.3	0.8	0.4	−2.0

ESTIMATED REVENUE EFFECTS OF H.R. 4287: TAX FAIRNESS AND ECONOMIC GROWTH ACT OF 1992—Continued

[Billions of dollars]

Provision	1992	1993	1994	1995	1996	1997	1992–97
3. Additional first-year depreciation deduction for certain property	−6.1	−1.6	3.6	1.0	0.8	0.6	−1.7
4. Extend R&D tax credit permanently [3]	−0.2	−0.8	−1.4	−1.6	−1.8	−2.1	−7.8
5. Index capital gains and provide incentive for venture capital	0.2	1.2	−0.4	−0.9	−1.2	−2.4	−3.5
6. Modify passive loss rule for active real estate businesses	−0.2	−0.7	−0.7	−0.7	−0.7	−0.7	−3.7
7. Encourage pension plan investment in real estate [4]	(1)	(1)	(1)	(1)	(1)	(1)	−0.2
8. Extend low-income housing tax credit permanently	(1)	−0.1	−0.2	−0.4	−0.7	−1.0	−2.4
9. Extend mortgage revenue bonds permanently	(1)	(1)	−0.1	−0.2	−0.2	−0.3	−0.8
10. Extend employer-provided educational assistance permanently	−0.1	−0.2	−0.4	−0.4	−0.4	−0.4	−1.9
11. Extend qualified small-issue manufacturing bonds permanently	(1)	(1)	−0.1	−0.1	−0.2	−0.2	−0.6
12. Extend targeted jobs tax credit permanently	(1)	−0.2	−0.3	−0.4	−0.4	−0.5	−1.8
13. Repeal luxury tax (boats, airplanes, jewelry, and furs); index threshold for automobiles; and impose diesel tax on boats [5]	(1)	(1)	−0.1	−0.1	−0.1	−0.1	−0.4
14. Repeal AMT preference treatment of charitable appreciated property	(1)	(1)	−0.1	−0.1	−0.1	−0.1	−0.3
15. Urban enterprise zones and rural investment zones		(1)	−0.1	−0.2	−0.3	−0.3	−1.0
16. Taxable years of partnerships, S corporations, and personal service corps	0.4	(1)	−0.3	(2)	(2)	(1)	0.2
17. Extend vaccine excise tax (two years)							

C. Require Wealthy To Pay Their Fair Share							
1. Wealthy taxpayers:							
a. Add fourth individual rate bracket of 35% beginning at taxable income of $85,000 (single), $145,000 (joint), and $125,000 (head of household); and increase individual AMT to 25% [6]	3.4	10.1	9.3	10.0	10.2	10.4	53.6
b. Impose 10% surtax on tax attributable to taxable income in excess of $1 million	0.6	1.9	1.8	1.9	2.0	2.2	10.5
c. Two-year extension of phaseout of itemized deductions for high-income taxpayers					2.2	5.0	7.2
d. Two-year extension of phaseout of personal exemption for high-income taxpayers					1.4	3.1	4.4
e. Cap deduction for regular tax and AMT purposes for executive compensation at $1 million	0.1	0.3	0.4	0.4	0.4	0.4	1.9
2. Revenue offsets from the President's budget:							
a. Prohibit double dipping by thrifts receiving Federal financial assistance [7]	0.2	0.1	0.1	0.1	(2)	−0.1	0.4
b. Extend 45-day processing rule to all returns [8]	0.1	0.4	0.4	0.4	0.5	0.5	2.2
c. Conform book and tax accounting for securities inventories	0.1	0.4	0.5	0.5	0.5	0.5	2.5
3. Other revenue offsets:							
a. Extend 95% test for corporate estimated tax payments; modify and make permanent the individual estimated tax safe harbor at 115%	0.4					5.6	6.0
b. Extend depreciation period for real estate: nonresidential, from 31.5 to 40 years; residential, from 27.5 to 31 years	(2)	0.1	0.4	0.7	1.1	1.5	3.7
c. Increase required miles to be eligible for moving expense deduction	(2)	0.1	0.1	0.1	0.1	0.1	0.5
d. Tax precontribution gain on certain partnership redemptions	(2)	(2)	(2)	(2)	0.1	0.1	0.2

ESTIMATED REVENUE EFFECTS OF H.R. 4287: TAX FAIRNESS AND ECONOMIC GROWTH ACT OF 1992—Continued

[Billions of dollars]

Provision	1992	1993	1994	1995	1996	1997	1992–97
D. Simplification and Other Provisions							
1. Require amortization of intangible assets	2.0	1.9	−0.5	−0.9	−1.2	−1.5	−0.2
2. Repeal supplemental young child and child health insurance components of EITC; increase EITC family size adjustment credit rates	(1)	(1)	(2)	(2)	(2)	(2)	(2)
3. Other simplification provisions	0.5	0.5	−0.8	−1.1	0.1	0.0	−0.8
4. Transfer of railroad retirement tier II income tax revenues to railroad retirement account							
5. Taxpayer Bill of Rights		(1)	(1)	(1)	(1)	(1)	(1)
Subtotal: Revenue-Raising Provisions							**93.5**
Subtotal: Revenue-Losing Provisions							**−85.4**
Grand Totals (7)	**−12.0**	**−18.2**	**3.3**	**8.6**	**12.1**	**20.1**	**13.9**

[1] Loss of less than $50 million.

[2] Gain of less than $50 million.

[3] The legislative explanation of the bill urges the Secretary of the Treasury to issue regulations under section 861, consistent with an allocation system for research and development expenses that provides incentives to increase the performance of U.S.-based research activities. Because this is a recommendation rather than a statutory requirement, it has no revenue effect. Immediate adoption of this recommendation by the Administration would result in approximately a $3 billion reduction in the Congressional Budget Office (CBO) receipts baseline over the 1992–1997 period.

[4] This estimate is based on the following assumptions: [1] capital gains are taxed as ordinary income; [2] "commercially reasonable" implies the market interest rate; [3] in the case of partnerships, the "fractions rule" remains in effect; and [4] the seller and the buyer are not related parties.

[5] Net of income tax offsets. Effective dates: Luxury tax = 2/1/92; Diesel tax = 7/1/92.

[6] The level of taxable income associated on average with adjusted gross income of $105,000 (single), $185,000 (joint), and $180,000 (head of household). Individual taxpayers' circumstances may vary from this average.

[7] Because the provision to prohibit double dipping by thrifts receiving Federal financial assistance affects both Federal revenues and outlays, the effect is included in this table. However, it is the opinion of the CBO that this amount should not appear on the pay-as-you-go scorecard.

[8] These estimates of negative outlays include amended income tax returns and current-year excise, gift, estate, and employment returns. This estimate has been supplied by the Congressional Budget Office.

Notes.—Details may not add to totals due to rounding.

Source: Joint Committee on Taxation, February 20, 1992.