CONTENTS

COMPARISON OF HOUSE AND SENATE REVENUE RECONCILIATION PROVISIONS OF H.R. 7765

I. COMPARATIVE DESCRIPTION OF PROVISIONS

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
1. Gains on foreigners' real estate				
a. General rule	Nonresident aliens and foreign corporations are generally not subject to U.S. tax on their gains from the sale of property unless the gains are effectively connected with the conduct of a U.S. trade or business (including cases where an election has been made to have the gains treated as effectively connected) or, in the case of a nonresident alien, the gains are from U.S. sources and the alien is present in the U.S. 183 days or more during the taxable year.	Nonresident aliens and foreign corporations would be subject to tax on the disposition of U.S. real property. These persons would also be taxed on gain from the disposition of an interest in a U.S. real property holding organization (RPHO). The tax would be imposed regardless of whether or not the gain was effectively connected with a U.S. business or the seller was present in the United States.	Substantially the same as House bill.	
b. Rate of tax	Gains which are effectively connected with a U.S. business are taxed at graduated rates and the long-term capital gains deduction is allowed where appropriate. Thus, the highest rate of tax is 28 percent. Non-connected gains of aliens taxable because of presence in the U.S. for 183 days during the year are subject to a flat 30-percent tax.	All gains and losses from the disposition of U.S. real property interests would be treated as if they were effectively connected with a U.S. trade or business.	Same as House bill, except that net gains from disposition of U.S. real property interests would be subject to tax at a minimum rate of 28 percent, if that tax would be higher than the tax under the general rule. No tax if net gains during the taxable year from the sale of U.S. real property interests do not exceed $5,000.	
c. Real property holding organizations (RPHO)		(1) *Definition of RPHO.*—Any entity if during the taxable year the fair market value of its U.S. real property interests is at least 50 percent of the sum of the values of its (i) U.S. real property interests, (ii) interests in foreign real property, and (iii) other assets used in the trade or business. (2) *Gains subject to tax.*—All gains from disposition of an interest in an RPHO, except no tax is imposed on sale of publicly-traded stock in a corporation by a person who owned 5 percent or less.	(1) *Definition of RPHO.*—Any entity if (a) at least a 50 percent interest is held by 10 or fewer persons, and (b) the fair market value of its U.S. real property interests is at least 50 percent of the value of all its assets (other than liquid assets). (2) *Gains subject to tax.*—All gains from disposition of an interest in an RPHO.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
1. Gains on foreigners' real estate—Continued				
d. Withholding	Withholding is not required on gains of foreign investors which are effectively connected with a U.S. trade or business. However, withholding is required on capital gains of nonresident aliens taxable because of their presence in the U.S.	No provision.	(1) *When required.*—The withholding requirement will apply only if the purchaser knows or has received a notice that the seller is a foreign person. The seller is required to notify the purchaser that the seller is a foreign person. The seller's agent is also required to notify the purchaser that the seller is a foreign person if the agent has reason to believe that the seller may be a foreign person. (2) *Amount to be withheld.*—The amount to be withheld is the smallest of (i) 28 percent of the sales price, (ii) the "seller's maximum tax liability" (discussed below), or (iii) the fair market value of that portion of the sale proceeds which is within the withholder's control. The "seller's maximum tax liability" is the maximum amount which the Treasury determines that the seller could owe on his gain on the sale plus any unsatisfied prior withholding tax liabilities of prior foreign owners with respect to that property. (3) *Exemption from and reductions of withholding.*—A purchaser will not be required to withhold if: (i) the property being sold is a single family residence which is to be used by the purchaser as his principal residence and the amount realized by the seller on the sale is $150,000 or less, (ii) the property being sold is stock of a corporation and the sales transaction takes place on an established securities market or (iii) the seller obtains a "qualifying statement" from the Treasury that he is exempt from tax or he has provided adequate security or has otherwise made arrangements with Treasury for the payment of the tax. The Treasury may prescribe a reduced amount to be withheld under similar procedures.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
1. Gains on foreigners' real estate—Continued				
e. Reporting	Foreign investors engaged in a U.S. trade or business generally are required to file income tax returns annually.	(1) *Returns to identify whether an RPHO.*—If, at any time during a calendar year, (i) an entity beneficially owns real property interests which constitute more than 40 percent of the fair market value of the assets taken into consideration in determining whether or not it is an RPHO, and (ii) at least one foreign person has an interest (other than a portfolio interest in publicly-traded stock) in the entity, the entity is required to file an information return for the year. The return is to set forth the name and address of any foreign person who held an interest, whether the entity is an RPHO at any time during the calendar year, and any other information which the Treasury may prescribe by regulations. (2) *Returns to identify foreign owners.*—Foreign owners of U.S. real estate who are not subject to the return requirements described above are generally required to file returns showing (i) the name and address of the person, (ii) a description of all U.S. real property interests held by such person, and (iii) such other information as the Treasury may prescribe by regulations. (3) *Failure to make a return or furnish a statement.*—A penalty for failure to file a tax return or to furnish a statement required under the rules described above will be imposed in an amount equal to $25 for each day during which such failure continues but not to exceed $25,000. Also, in the case of a failure by a foreign person to file a return required by the rules set forth in "Other returns," above, the penalty for any calendar year cannot exceed 5 percent of the aggregate of (i) the fair market value of the U.S. real property interests owned by that person at any time during the year, and (ii) the face amount of the U.S. real property interest installment obligations.	(1) *Returns to identify whether an RPHO.*—If, at any time during a calendar year, (i) an entity has U.S. real property interests which constitute more than 40 percent of the fair market value of its assets, (ii) 10 or fewer persons have a controlling interest in the entity, and (iii) at least one foreign person has an interest in the entity, the entity is required to file an information return for the year. The information required is similar to the information required under the House bill. (2) *Returns to identify foreign owners.*—No provision. (3) *Failure to make a return or furnish a statement.*—A penalty for failure to file a tax return or to furnish a statement will be imposed in an amount equal to the greater of (i) $25 for each day during which the failure continues, but not to exceed $25,000, or (ii) the amount of the tax under the bill which is not paid and which is attributable to transfers (other than those made in an established securities market) occurring during the calendar year for which the return or statement was required.	
f. Source of income				

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
1. Gains on foreigners' real estate—Continued		***Effective date.***—The bill will apply to dispositions after June 18, 1980.	***Effective date.***—The amendment will apply to dispositions after December 31, 1979, except those made pursuant to a contract binding at all times after December 6, 1979.	
		Until January 1, 1985, gain will not be taxed to the extent required by treaty obligations of the U.S. On and after that date, the provision will prevail over any conflicting treaty provisions remaining in effect.	Same as House bill.	
		Revenue effect.—This provision is estimated to increase budget receipts by $40 million in fiscal year 1981, $88 million in 1982, $97 million in 1983, $106 million in 1984, and $117 million in 1985.	***Revenue effect.***—This provision is estimated to increase budget receipts by $182 million in fiscal year 1981, $119 million in 1982, $130 million in 1983, $143 million in 1984 and $157 million in 1985.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
2. Inclusion in wages of social security and unemployment taxes paid by employers	Employer payment of an employees liability for social security taxes or State unemployment compensation taxes (without deduction from the remuneration of the employee) is specifically exempted from wages for purposes of social security taxes (FICA), Federal unemployment taxes (FUTA), and social security benefits.	Employers payment of an employees liability for social security taxes or State unemployment compensation taxes are included in the definition of wages for purposes of FICA, FUTA, and social security benefits. However, this provision does not apply with respect to domestic service in the employer's home.	Same as House bill, except provision does not apply to (1) employer payment of employee State unemployment compensation taxes, or (2) agricultural labor. Additional language makes clear that this provision applies to State and local government employees as well as other employees covered by FICA.	
		Effective date.—The provision is generally effective with respect to remuneration paid after December 31, 1980.	***Effective date.***—Same as House bill.	
		However, in the case of certain State, political subdivision, or other State or local coverage group employment under section 218 of the Social Security Act, the provision applies with respect to remuneration paid after December 31, 1983. This later effective date for governmental units is limited to remuneration for services in positions of a kind for which all or a substantial portion of the amounts equivalent to employee social security taxes were paid by such governmental unit (without deduction from the wages of the employee) under the practices of the governmental unit in effect on June 18, 1980.	Same as House bill, except with a date of July 26, 1980, instead of June 18, 1980. (Senate floor amendment by Senator Thurmond, adopted by voice vote.)	
		Revenue effect.—The provision is estimated to increase budget receipts by $50 million in fiscal year 1981, $83 million in 1982, $125 million in 1983, $223 million in 1984, and $334 million in 1985.	***Revenue effect.***—The provision is estimated to increase budget receipts by $45 million in fiscal year 1981, $77 million in 1982, $119 million in 1983, $217 million in 1984, and $328 million in 1985.	
3. Telephone excise tax	The tax for 1981 is 1 percent of amounts paid for service. The tax expires on January 1, 1982. (The tax has been phasing down from the prior rate of 10 percent since 1973.)	The tax is 2 percent for 1981 and 1 percent for 1982. The tax expires on January 1, 1983.	Same as House bill.	
		Effective date.—Effective for amounts paid pursuant to bills first rendered after December 31, 1980.	***Effective date.***—Same as House bill.	
		Revenue effect.—This provision is estimated to increase budget receipts by $358 million in fiscal year 1981, $570 million in fiscal year 1982, and $193 million in fiscal year 1983.	***Revenue effect.***—Same as House bill.	

I. COMPARATIVE DESCRIPTION OF PROVISIONS—Continued

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
4. Cash management provisions				
a. Estimated income tax payments by large corporations based on prior year's tax liability	Corporations generally are required to pay 80 percent of their current year's tax liability in quarterly estimated tax payments during the taxable year. However, they are exempt from the penalty for underpayment of estimated tax if their estimated tax payments equal 100 percent of their prior year's tax liability.	Corporations whose taxable income exceeded $1 million in any of the three preceding taxable years would be required to pay estimated tax of at least 60 percent of current year's tax liability regardless of their prior year's tax liability.	Same as the House bill, except that large corporations would be required to pay at least 50 percent of current year's tax liability on a current basis.	
b. Inclusion of minimum tax in estimated tax payments	For both corporations and individuals, the minimum tax is not subject to the estimated tax requirements.	No provision.	Both the add-on minimum tax for corporations and individuals and the alternative minimum tax for individuals would be subject to the same estimated tax requirements as the regular income tax.	
c. Increase in estimated tax payments required from corporations	There is no penalty for underpayment of corporate taxes as long as estimated tax payments are made proportionately each quarter and the sum of the payments are at least 80 percent of the tax liability that is shown on the tax return when it is filed after the close of the taxable year.	No provision.	The proportion of the tax shown on the return (or the actual tax if no return is filed) which is to be paid currently by a corporation not relying on the prior year exceptions would be increased from 80 percent to 85 percent.	
		Effective date.—The provision would be effective for taxable years beginning after December 31, 1980.	***Effective date.***—The provisions would be effective for taxable years beginning after December 31, 1980.	
		Revenue effect.—This provision is estimated to increase revenues by $3,063 million in fiscal year 1981, $475 million in 1982, $457 million in 1983, $394 million in 1984, and $402 million in 1985.	***Revenue effect.***— (a) Requiring large corporations to be at least 50 percent current with estimated payments would increase budget receipts by $2,239 million in fiscal year 1981, $348 million in 1982, $334 million in 1983, $288 million in 1984, and $294 million in 1985. (b) Requiring estimated tax payments on minimum taxes would increase budget receipts by $500 million in fiscal year 1981, $35 million in 1982, $38 million in 1983, $40 million in 1984, and $45 million in 1985. (c) Increasing the proportion of corporate income taxes to be covered by estimated payments from 80 percent to 85 percent would increase budget receipts by $901 million in fiscal year 1981, $139 million in 1982, $135 million in 1983, $116 million in 1984, and $119 million in 1985.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
5. Windfall profit tax				
a. Royalty owner's credit	Under present law, there are no special provisions relating to the windfall profit tax treatment of royalty owners. Thus, the rates applicable to the windfall profit on royalty oil are 70 percent in the case of tier 1 oil, 60 percent for tier 2 oil and 30 percent for tier 3 oil.	No provision.	Qualified royalty owners are allowed a one-time credit of up to $1,000 against the windfall profit tax imposed on their royalty oil during 1980. A qualified royalty owner is an individual, estate, or qualified family farm corporation. A husband, wife, and minor children are treated as one individual for purposes of the $1,000 limit on the credit. A qualified family farm corporation is a farming corporation in existence on June 25, 1980, all of the stock in which is owned by members of the same extended family. ***Effective date.***—The credit is effective for calendar year 1980. ***Revenue effect.***—The amendment reduces revenues by $180 million in fiscal year 1981.	
b. Stripper oil exemption	The windfall profit on stripper oil production is the excess of its removal price over an average base price of $15.20, adjusted for inflation. This windfall profit is taxed at a 30-percent rate in the case of independent producers (subject to the 1,000 barrel a day limit) and at a 60-percent rate on all other stripper production. However, the taxable windfall profit may not exceed 90 percent of the net income from the property.	No provision.	The amendment provides a one-year (for fiscal year 1981) exemption, from the windfall profit tax for up to 2 barrels a day of stripper oil production for each stripper well from which the producer receives production. (Floor amendment by Senator Bellmon exempting certain stripper oil and decreasing adjusted base prices, adopted by a vote of 72–23.) ***Effective date.***—The amendment applies to stripper oil removed from the premises after September 30, 1980, and before October 1, 1981. ***Revenue effect.***—The amendment would reduce revenues by $1.4 billion in fiscal year 1981 and would increase revenues by $175 million in fiscal year 1982.	
c. Adjusted base price	The windfall profit tax is imposed on the excess of the removal price of each barrel of domestic crude oil over its adjusted base price. The adjusted base price for tier 1 and tier 2 oil is determined quarterly by increasing the applicable base price to reflect inflation occurring after the second quarter of 1979. In the case of tier 3 oil, the base price is adjusted for inflation plus 2 percent a year.	No provision.	Under the amendment, the adjusted base price, as determined under the existing windfall profit tax rules, is reduced by 10.9 percent during each quarter of fiscal year 1981. (Floor amendment by Senator Bellmon increasing amount of adjustment from 0.8 percent to 10.9 percent and exempting certain stripper oil, adopted by a vote of 72–23.) ***Revenue effect.***—The amendment will increase revenues by $1.3 billion in fiscal year 1981 and reduce revenues by $151 million in fiscal year 1982.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
6. Increased duties on imported alcohol for fuel use.	Imports of ethyl alcohol for non-beverage purposes are dutiable at a most-favored nation (MFN) rate of 3 percent *ad valorem* and a non-MFN rate of 20 percent *ad valorem*. Fuels that are at least 10 percent alcohol are exempt from the Federal excise taxes on motor fuel (currently 4 cents per gallon) through December 31, 1992. A tax credit is provided for alcohol used as a fuel (either blended or straight) of a type suitable for use in an internal combustion engine. The amount of the credit is 40 cents per gallon for most alcohol of at least 190 proof, and 30 cents per gallon for alcohol between 150 and 190 proof. The credit is reduced by the amount of the above-mentioned excise tax exemption applicable to the fuel. The credit generally is available only to a person who blends an alcohol mixture for use as a fuel in a trade or business or who uses straight alcohol as a fuel in a trade or business. The credit applies only to sales or uses after September 30, 1980, and on or before December 31, 1992. Under present law, the excise tax exemptions are available for fuels produced by blending gasoline or special fuels with either domestically produced alcohol or imported alcohol. Additionally, the credit available for alcohol used as fuel is available to domestically produced alcohol and imported alcohol.	No provision.	The Senate amendment would impose, in addition to the existing duty on MFN and non-MFN imports of ethyl alcohol for non-beverage purposes, an additional duty of 40 cents per gallon on such imports from the date of enactment through December 31, 1992. ***Effective date.***—The increased duty will be applicable during the period beginning on the date of enactment and ending on December 31, 1992 (the expiration date of the existing exemptions from the Federal excise tax under Code sections 4041(k) and 4081(c) and the existing credit under Code section 44E). ***Revenue effect.***—It is estimated that this provision will increase revenues by \$63 million in fiscal year 1981, \$23 million in 1982 and less than \$5 million thereafter.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
7. Mortgage Subsidy Bond Tax Act of 1980	Present law provides that tax-exempt industrial development bonds may be issued to finance residential real property for family units. In addition, present law contains no restrictions on the uses of State or local government bonds, such as most mortgage subsidy bonds, which are not industrial development bonds (i.e., bonds used in the trade or business of a nonexempt person). Present law also contains rules which restrict the amount of arbitrage that can be earned on tax-exempt obligations.	**a. Single family owner-occupied residences** Except in the case of a qualified mortgage bond or a qualified veterans' mortgage bond, interest on any bond is not tax-exempt if a significant portion of the proceeds are to be used for mortgages (or other financing) of owner-occupied residences. ***(1) Qualified mortgage bonds*** (*a*) *Principal residence requirement.*—All mortgages must be for single family residences which can reasonably be expected to become the principal residences of the mortgagors. The residences must be located within the jurisdiction of the issuing authority. (*b*) *Three-year requirement.*—Each mortgagor must not have been a homeowner within the last 3 years. However, exceptions to the 3-year rule are provided for rehabilitation loans, for home improvement loans, and for mortgages placed in targeted areas. A loan qualifies as a rehabilitation loan if the residence is at least 20 years old at the time of the rehabilitation, 75 percent or more of the external walls of the residence are retained, and the rehabilitation costs are 25 percent or more of the mortgagor's basis in the residence (after the rehabilitation). Home improvement loans are loans in an amount not in excess of $15,000 for certain alterations or repairs for existing single family residences. (*c*) *Income limitations.*—The income of each mortgagor must not exceed 115 percent of the median family income in the Standard Metropolitan Statistical Area (SMSA), or county, if not in an SMSA, in which the mortgage is placed. In the case of financing provided under any issue for targeted area residences, one-third of the residences in targeted areas financed from the issue may be for any mortgagor regardless of his income. With respect to the remainder of the residences located within targeted	No provision.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
7. Mortgage bonds—Continued		areas, the income of the mortgagor cannot exceed 140 percent of median family income for the State or the SMSA where the residence is located, whichever is higher. Both in targeted and non-targeted areas, 50 percent of the mortgage funds must go to families with incomes of 90 percent or less of the median family income in the SMSA. (*d*) *Targeted areas.*—Targeted areas are defined as follows: (1) census tracts in which 70 percent of the families have incomes of not more than 80 percent of statewide median income, or (2) areas of chronic economic distress as defined by States subject to the approval of the Secretaries of Treasury and Housing and Urban Development. Criteria used by Treasury and HUD to evaluate a proposed targeted area designation are: (1) the condition of the housing stock, including age and number of abandoned and substandard units, (2) the need of area residents for owner-financing, as indicated by a high percentage of families in poverty, low per capita income, high numbers of welfare recipients, and high unemployment rates, (3) the potential for use of tax exempt mortgage bonds to improve conditions in the area, and (4) the existence of a housing assistance plan which provides a displacement program and a public improvements and services program (similar to that required by HUD under its Community Development Block Grant program). (*e*) *Purchase price limitation.*—The purchase price of each residence must not exceed 80 percent of the average purchase price in the preceding year in the SMSA in which the mortgage is placed. In the case of targeted areas, the percentage would be 110 percent of the average purchase price in the SMSA. Average purchase price means average purchase price of a new home, in the case of a purchase of a new home, and average purchase price of an existing home, in the case of the purchase of an existing		

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
7. Mortgage bonds—Continued		home. In the case of home improvement loans, the purchase price limitation would not apply. (*f*) *New mortgage requirement.*—Except for construction period loans, bridge loans or similar temporary initial financing, and an existing mortgage in the case of a rehabilitation loan, none of the bond proceeds can be used to acquire or replace an existing mortgage. (*g*) *Low downpayment requirement.*—At least 75 percent of the lendable proceeds (other than for rehabilitation loans and home improvement loans) must be used for mortgages which have a 95-percent loan-to-value ratio. In addition, certain graduated payment mortgages with as low as a 90-percent loan-to-value ratio will qualify for purposes of the 75-percent requirement. (*h*) *Assumptions of mortgages.*—Individuals assuming a mortgage originally financed with tax-exempt bonds must meet the principal residence requirement, the three-year requirement, the purchase price limitation, and the income limitation. (*i*) *Market limitations.*—The total amount of housing bonds that could be issued in a State each year would be limited to the greater of $50,000,000 or 5 percent of the average of all mortgages originated in that State in the preceding 3 years. The limit is to be allocated among governmental units within a State first on the basis of mortgages originated in the smallest jurisdiction having authority to issue housing bonds. This allocation can be changed by agreement among issuing subdivisions or by State statute. (*j*) *Required targeted portion.*—If an issuing jurisdiction includes a targeted area, at least 20 percent of the lendable proceeds of a bond issue (but no more than 40 percent of the market share of the targeted areas) must be made available for one year for mortgage loans in the targeted areas in the issuing jurisdiction.		

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
7. Mortgage bonds—Continued		(*k*) *Multiple originators' requirement.*—There must be more than one person who originates mortgages from the bond proceeds, unless there is only one willing and able originator or there is a sound public purpose for using only one originator. (*l*) *Bond issue approval.*—All bonds must be submitted to a State agency for the agency's opinion as to whether or not the issue meets the market limitation and targeted portion requirement. The State agency must issue an opinion within 30 days after submission. (*m*) *Arbitrage restrictions.*—The effective interest rate on mortgages to homeowners is limited to 1.0 percentage point above the yield to maturity to the purchasers of the bonds, calculated on the date of issuance. In addition, arbitrage is not permitted on reserves that exceed 150 percent of the annual debt service on the bonds. Finally, arbitrage earnings other than the 1.0 percentage point on home mortgages must be returned to the mortgagors. (*n*) *Termination.*—The issuance of single family, owner-occupied housing bonds would be permitted under the above rules only for 2 years from the date of enactment. Interest on such bonds issued after this 2-year period would be taxable. (*o*) *Miscellaneous.*—All tax-exempt housing bonds issued after the date of enactment must be in registered form. No advance refunding of mortgage subsidy bonds will be permitted after the date of enactment. ***(2) Qualified veterans' mortgage bonds*** (*a*) *Residences for veterans.*—Substantially all of the proceeds from the bonds must be used to provide residences for veterans. (*b*) *New mortgage requirement.*—Except for construction period loans, bridge loans or similar temporary initial financing, and an existing mortgage where the residence is substantially rehabilitated, none of the proceeds of the bonds can be used to replace or acquire an existing mortgage.		

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
7. Mortgage bonds—Continued		(c) *General obligation requirement.*—Both the principal and interest of the bond must be secured by the general obligation of a State.		
		(d) *Miscellaneous.*—All qualified veterans' mortgage bonds issued after the date of enactment must be in registered form. No advance refunding of these bonds will be permitted after the date of enactment.		
		Effective date and transitional rules		
		The bill applies to bonds issued after April 24, 1979, with several exceptions: These exceptions include an official action rule, a rollover rule, and a project under development rule. In addition, special rules are provided for State housing finance agencies, rehabilitation programs, and special rules for a number of individual cases.	No provision. (However, the Senate adopted an amendment to the supplemental appropriations bill that indicated a sense of the Senate that any bill restricting the use of mortgage subsidy bonds would not apply to bonds issued prior to January 1, 1981, so long as the proceeds of the bonds are committed to home purchasers within one year from the date of issue. The amendment was deleted from the bill in conference. By colloquy, Senator Long has indicated that the transitional rules of the resolution were intended to be supplemented to those in the House bill.)	
		b. Multi-family rental housing		
		(1) *General rules.*—The present exception for tax-exempt industrial development bonds would be limited to obligations from which substantially all the proceeds are to be used for multi-family rental housing projects in which at least 20 percent of the units are to be occupied by individuals of low or moderate income, determined in a manner consistent with the Leased Housing Program under Section 8 of the United States Housing Act of 1937. In the case of bonds issued before January 1, 1981 (which do not come within the transitional rules), the 20-percent requirement need only be met for a period of 20 years. (2) *Miscellaneous.*—All tax-exempt housing bonds issued after the date of enactment must be in registered form.	No provision.	

Item	Present Law	House Bill	Senate Amendment	Conference Agreement
7. Mortgage bonds—Continued		*Effective date and transitional rules* The bill applies to bonds issued after April 24, 1979, with these exceptions: An official action rule, a rollover rule, and a project-under-development rule. **c. Revenue effect** This provision is estimated to increase revenues by $413 million in fiscal year 1981, $1,718 million in 1982, $4,208 million in 1983, $7,754 million in 1984, and $12,203 million in 1985.		

II. COMPARATIVE REVENUE EFFECTS

Comparison of Budget Effects of the House and the Senate Revenue Reconciliation Provisions, Fiscal Years 1981–1985

(Millions of dollars)

Item	House					Senate				
	1981	1982	1983	1984	1985	1981	1982	1983	1984	1985
1. Taxing gain on foreigners' real estate	40	88	97	106	117	182	119	130	143	157
2. Inclusion in wages of social security and unemployment taxes paid by employers	50	83	125	223	334	45	77	119	217	328
3. One-year extension of 2% telephone excise tax	358	570	193			358	570	193		
4. *Cash management provisions:*										
a. Require large corporations to be more current with estimated payments	3,063	475	457	394	402	2,239	348	334	288	294
b. Include minimum tax in estimated payments						500	35	38	40	45
c. Increase estimated payments for corporations to 85 percent						901	139	135	116	119
5. *Windfall profit tax provisions:*										
a. Windfall profit tax credit for royalty owners						−180				
b. Exemption of first two barrels per day of stripper production						−1,444	175			
c. Modification of inflation adjustment						1,278	−151			
6. Increased duties on alcohol imported for fuel use						63	23	4	1	
7. Mortgage Subsidy Bond Tax Act of 1980	413	1,718	4,208	7,754	12,203					
Total	**3,924**	**2,934**	**5,080**	**8,477**	**13,056**	**3,942**	**1,335**	**953**	**805**	**943**