

**ESTIMATED REVENUE EFFECTS OF A CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 7,
THE "EDUCATION SAVINGS AND SCHOOL EXCELLENCE ACT OF 1999,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON MARCH 22, 2000**

Fiscal Years 2000 - 2010

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
1. Education savings accounts (formerly "Education IRAs") - increase the annual contribution limit to \$2,000; expand the definition of qualified education expenses to include elementary and secondary education expenses (and after-school programs); allow ESAs to be used for special needs beneficiaries; allow corporations and other entities to contribute to ESAs; allow contributions until April 15 of following year; and allow taxpayer to exclude ESA distribution from gross income and claim HOPE or Lifetime Learning credit as long as they are not used for same expenses	tyba 12/31/00	---	-53	-175	-267	-356	-447	-543	-645	-749	-856	-965	-1,298	-5,057
2. Prepaid Savings Plans - State-sponsored plans: exclusions for distributions for education expenses; private plans: tax deferral on income and exclusion for distributions for education expenses; allow tax-free education withdrawals from prepaid savings plans as long as they are not used for the same expenses for which HOPE or Lifetime Learning credits are claimed; miscellaneous other changes (clarify definition; one rollover per year)	tyba 12/31/00	---	-11	-35	-53	-75	-100	-129	-158	-185	-213	-236	-275	-1,196
3. Exclude from tax awards under the following programs: National Health Corps Scholarship program, beginning in 1994; F. Edward Hebert Armed Forces Health Professions Scholarship program, beginning in 1994; National Institutes of Health Undergraduate Scholarship Program, beginning in 1994; and similar State-sponsored scholarship programs, beginning in 2000	tyba 12/31/93 & tyba 12/31/99	-1	-5	-3	-3	-3	-3	-4	-4	-4	-5	-5	-20	-41
4. Provide new 4-year expenditure schedule for bonds for public school construction under the arbitrage rebate rules	bia 12/31/00	---	-16	-139	-262	-296	-312	-328	-331	-326	-320	-312	-1,027	-2,644
5. Increase the school construction small issuer arbitrage rebate exception from \$10 million to \$15 million	bia 12/31/00	---	[1]	-3	-5	-6	-11	-14	-15	-16	-17	-18	-24	-104

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
6. Increase student loan deduction income limits for single taxpayers by \$5,000 and adjust the income limits for married couples filing joint returns to twice that of a single taxpayer; phase-out range of \$15,000 for both; repeal 60-month rule	tyba 12/31/00	---	-52	-211	-226	-240	-253	-262	-272	-282	-291	-301	-981	-2,389
7. Corporate contributions of computer equipment to primary and secondary schools (one-year extension through 12/31/01)	1/1/01	---	-43	-37	-2	---	---	---	---	---	---	---	-82	-82
8. 2% floor on miscellaneous itemized deductions not to apply to qualified professional development expenses; with \$1,000 cap	tyba 12/31/00	---	-5	-10	-10	-11	-11	-11	-12	-12	-12	-12	-47	-106
NET TOTAL		-1	-185	-613	-828	-987	-1,137	-1,291	-1,437	-1,574	-1,714	-1,849	-3,754	-11,619

Joint Committee on Taxation

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

Legend for "Effective" column:

bia = bonds issued after

tyba = taxable years beginning after

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