JOINT COMMITTEE ON TAXATION
December 13, 2007
JCX-116-07

ESTIMATED REVENUE EFFECTS OF H.R. 3997,
THE "DEFENDERS OF FREEDOM TAX RELIEF ACT OF 2007,"
AS AMENDED AND PASSED BY THE SENATE ON DECEMBER 12, 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. Tax Relief and Protections for Military Personnel													
1. Permanently extend the qualified mortgage bond first-time homebuyer exception for veterans	bia 12/31/07	-3	-15	-32	-51	-70	-89	-110	-130	-152	-174	-171	-826
2. Allow an exclusion of amounts received as military basic housing allowance from consideration as income for purposes of the low-income housing credit	ama DOE	-3	-7	-12	-17	-22	-27	-33	-39	-46	-53	-61	-259
3. Permanently extend the election to include combat pay as earned income for purposes of the earned income credit	tyba 12/31/07	---	-19	-11	-9	-7	-8	-7	-8	-6	-6	-47	-83
4. Extend the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veterans Affairs	cfcorfa DOE	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
5. Employer wage credit for activated military reservists (20% of differential pay up to $20,000; employers with less than 50 employees)	apa DOE & before 1/1/10	---	-1	-2	-1	-1	-1	[1]	[1]	[1]	[1]	-6	-7
6. Treatment of distributions from retirement plans for individuals called to active duty for at least 180 days	DOE	[1]	[1]	[1]	-1	-1	-1	-1	-1	-1	-1	-1	-6
7. Exclusion of certain State payments to military personnel	pmbo/a DOE	*Negligible Revenue Effect*											
8. Survivor and disability payments with respect to qualified military service	dodoo/a 1/1/07	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-2

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
9. Treatment of differential military pay as wages.....	rpa 12/31/07 & yba 12/31/07	1	-2	-2	-1	-1	-1	-1	-1	-1	-1	-4	-8
10. Permanent extension of disclosure authority to the Department of Veterans Affairs [2].....	10/1/08	---	5	9	13	16	19	22	25	27	28	43	164
11. Contributions of military death gratuities to Roth IRAs or educational savings accounts.....	[3]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-4
Total of Tax Relief and Protections for Military Personnel ……		**-7**	**-40**	**-51**	**-68**	**-87**	**-109**	**-131**	**-155**	**-180**	**-208**	**-254**	**-1,041**
II. Certain Housing Benefits for Intelligence Community and Peace Corps Volunteers													
1. Exclusion of gain on sale of a principal residence by certain employees of the intelligence community.....	soproo/a DOE & soproo/a 12/31/10	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-3
2. Suspension of 5-year period during service with the Peace Corps.....	tyba 12/31/07	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1
Total of Certain Housing Benefits for Intelligence Community and Peace Corps Volunteers ……		**[1]**	**[1]**	**[1]**	**[1]**	**[1]**	**[1]**	**[1]**	**[1]**	**[1]**	**[1]**	**-1**	**-4**
III. Revenue Provisions													
1. Impose mark-to-market and 10-year income inclusion rule on individuals who expatriate.....	[4]	33	66	63	67	71	74	77	78	78	79	300	686
2. Require employer health plans to offer special enrollment option to reservists who lose Tricare coverage [2].....	90da DOE	5	10	10	10	15	15	15	15	15	15	50	125
3. Increase the minimum penalty for failure to file from $100 to $225.....	rrtbfa 12/31/07	8	30	31	31	32	32	32	33	33	34	132	296
Total of Revenue Provisions ……		**46**	**106**	**104**	**108**	**118**	**121**	**124**	**126**	**126**	**128**	**482**	**1,107**
NET TOTAL ……		**39**	**66**	**53**	**40**	**31**	**12**	**-7**	**-29**	**-54**	**-80**	**227**	**62**

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be December 20, 2007.

[Legend and Footnotes for JCX-116-07 appear on the following page]

Legend and Footnotes for JCX-116-07:

Legend for "Effective" column:

ama = allocations made after
apa = amounts paid after
bia = bonds issued after
bib = bonds issued before
cfcorfa = claims for credit or refund filed after
DOE = date of enactment
dodoo/a = deaths or disabilities occurring on or after
pmbo/a = payments made before, on or after
rpa = remuneration paid after
rrtbfa = returns required to be filed after
soproo/a = sales of personal residences occurring on or after
tyba = taxable years beginning after
yba = years beginning after
90da = 90 days after

[1] Loss of less than $500,000.
[2] Estimate provided by the Congressional Budget Office.
[3] Generally effective with respect to deaths from injuries occurring on or after the date of enactment and deaths from injuries occurring on or after October 7, 2001, and before the date of enactment if such contribution is made not later than one year after the date of enactment.
[4] Generally effective for expatriations on or after the date of enactment. The tax on covered gifts and bequests is effective for gifts and bequests received on or after the date of enactment from expatriates whose expatriation date is on or after the date of enactment.