SUMMARY DESCRIPTION OF ADDITIONAL REVENUE RECONCILIATION PROVISIONS TO BE CONSIDERED BY THE WAYS AND MEANS COMMITTEE

Prepared for the

HOUSE COMMITTEE ON WAYS AND MEANS

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of the

JOINT COMMITTEE ON TAXATION

October 15, 1987

JCX-16-87

Federal Employees Retirement System Open Session

Under the possible amendment, employees covered by the Civil Service Retirement System would be entitled during a 6-month period during 1988 to elect to join the Federal Employees Retirement System. The 6-month period would be set by the Federal Thrift Board.

AFDC HOMELESS

1. Prohibit HHS from proposing and implementing regulations which prevent a State, prior to October 1, 1988, from including in its standard of need with respect to applicants for or recipients of AFDC (either as a basic or special need) an amount for shelter and related needs that varies according to geographic location, family circumstance, or the type of living accomodation occupied.

2. Prohibit HHS from proposing and implementing regulations and policy which restrict AFDC emergency assistance payments prior to October 1, 1988. Current policy, which permits Federal matching for emergency assistance authorized by the State during one period of thirty consecutive days in any 12 consecutive months, would be retained. This assistance may include payments and services to meet needs which arose before or extend beyond such period.

3. Authorize a demonstration program permitting any State which provides for temporary shelter as a special need to test a homelessness prevention program for AFDC recipients. Under the demonstration, AFDC matching funds would be available at the rate normally paid for temporary shelter in private, for profit transient dwellings (i.e., welfare hotels) to pay rent for up to 12 months in a permanent dwelling. Such permanent dwellings must meet local housing codes, the landlord must have a record free of evidence of tenant harrassment, and the landlord must agree to a lease of at least 24 months the subsidy period.

Funding Source for National Vaccine Injury Compensation Program

Present Law

The National Vaccine Injury Compensation Program was enacted in 1986 (and amended in 1987) to provide a source of compensation for individuals who are injured or die as a result of administration of certain vaccines (diphtheria, pertussis and tetanus (DPT); diphtheria and tetanus (DT); measles, mumps, and rubella (MMR); and polio). The new Federal compensation program substitutes a Federal insurance system for existing State-law tort remedies. The program is to become effective upon enactment of a tax to finance it.

Explanation of Proposal

A new Vaccine Injury Compensation Trust Fund would be established to administer funding for the compensation program with respect to injuries from vaccines administered after September 30, 1988, and before October 1, 1992, unless the program terminates earlier pursuant to a trigger being proposed by the Committee on Energy and Commerce. (The compensation program would in no event apply with respect to injuries from vaccines administered after September 30, 1992.)

Compensation authorized under the program for up to 3,500 injuries from vaccine administrations between July 1, 1977, and October 1, 1988, would be provided by general revenue appropriations to the Public Health Service, and pursuant to legislation to be considered by Energy and Commerce.

The new Trust Fund would be funded by amounts equivalent to revenues (net of income tax offsets) from an excise tax on the DPT, DT, MMR, and polio vaccines (and any other vaccines used for these purposes). The new excise tax rates would be $4.56 for DPT; $.06 for DT; $4.44 for MMR; and $.29 for polio vaccines. No exemptions would be provided from the new excise tax. Liability of the United States under the program would be limited to amounts in the Trust Fund. The Trust Fund would not be permitted borrowing authority from general revenues.

By agreement with the Committee on Energy and Commerce, amendments designed to reduce program costs to amounts (determined on a present value basis) not exceeding revenues projected to be deposited in the Trust Fund from the new tax would be included in the Ways and Means Committee's reconciliation package. These amendments would include, but not be limited to, a special trigger terminating the program should claims filed exceed a prescribed maximum per year, payment of awards (on a present value basis) as lump sum amounts, and limitation of eligible claimants to individuals suffering injuries lasting in excess of six months.

Effective Date

The new excise tax would be effective on January 1, 1988, and would expire after the later of (a) December 31, 1992, or (b) the date on which Trust Fund revenues exceed projected liabilities with respect to compensable injuries from vaccines administered before October 1, 1992 (or any earlier termination date provided under the special trigger provision included in the proposal). The new Trust Fund would be effective on the date of enactment.

Budget Effect

	1988	1989	1990	1988-90
	67	-1	-6	60

Enjebi Community Trust Fund

Proposal

Earnings on and distributions from the Enjebi Community Trust Fund would be exempt from any form of Federal, State, or local taxation.

Background:

The Enjebi Community Trust Fund was first created in Section 103(K) of the Compact of Free Association Act of 1985, P.L. 99-239, to provide the means to clean up and rehabilitate Enjebi Island of Enewetak Atoll. Enjebi was used by the United States as ground zero for most of the 43 nuclear weapons tests conducted there in the 1940's and 1950's. Because it was not possible, for radiological health reasons, to resettle Enjebi at the time the rest of the atoll was rehabilitated in the late 1970's, a decision was made by the Carter Administration, and subsequently ratified by the Department of the Interior in the present administration, that a fund should be established to conduct the cleanup once it is feasible for the people to return. The fund is to have a principal amount of $10,000,000. Tax exemption was provided for a similar trust fund for Bikini in 1982.

On a point of order, this provision was stricken from H.R. 2712, the Department of the Interior and Related Agencies Appropriations Bill for FY88.