

**ESTIMATED BUDGET EFFECTS OF REVENUE-RELATED PROVISIONS OF TITLE II OF H. R. 3,
AS AMENDED BY THE SENATE ON APRIL 24, 1990***

Fiscal Years 1990-1995

(Millions of Dollars)

Provision	Effective	1990	1991	1992	1993	1994	1995	1990-95
A. Tax Credit for Child Care and Child Health Insurance:								
1. Make child/dependent care credit 90% refundable for taxpayers with AGI of \$28,000 or less (1).....	1/1/91	--	-53	-1,121	-1,147	-1,232	-1,323	-4,876
2. Child health insurance credit (2).....	1/1/91	--	-29	-611	-649	-727	-882	-2,898
B. Earned Income Tax Credit (EITC) Supplemental for Children Under 4 Years Old (3).....								
	1/1/91	--	-63	-629	-667	-709	-751	-2,819
Subtotal A. + B.		--	-145	-2,361	-2,463	-2,668	-2,956	-10,593
C. Telephone Excise Tax:								
1. Permanent extension.....	1/1/91	--	1,520	2,570	2,748	2,936	3,135	12,909
2. Modification of collection period.....	7/1/90	123	8	9	10	10	11	171
Subtotal C.		123	1,528	2,579	2,758	2,946	3,146	13,080
D. One-Year Delay and Simplification of Section 89 and Related Nondiscrimination Rules.....								
	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
E. Modify Rules for Leased Employees.....								
	1/1/84	(5)	(5)	(5)	(5)	(5)	(5)	(5)
F. Require Estimated Tax Payments on Tax Liability for Certain Subchapter S Income.....								
	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
GRAND TOTALS (A. + B. + C.)		123	1,383	218	295	278	190	2,487

NOTE: For estimated budget effects of related provisions of H.R. 3, as passed by the House on March 29, 1990, see JCX-9-90 (April 2, 1990).

* The provisions of S. 5, as passed by the Senate (June 23, 1989), were included (with technical amendments) in H.R. 3, as amended by the Senate.

- (1) Credit is refundable on an advance basis for taxable years beginning after 12/31/91. Fiscal year outlays (refundable portion) for this provision: \$53 million in 1991, \$1,121 million in 1992, \$1,147 million in 1993, \$1,232 million in 1994, and \$1,323 million in 1995.
- (2) Credit rate is 35% in 1991, 40% in 1992, 45% in 1993, 50% in 1994 and thereafter; phaseout income levels: \$12,000 - \$19,000. Fiscal year outlays (refundable portion) for this provision: \$28 million in 1991, \$582 million in 1992, \$618 million in 1993, \$693 million in 1994, and \$841 million in 1995.
- (3) Expanded EITC by number of children: 1 child = 7% credit; 10% phaseout.
2+ children = 10% credit; 15% phaseout.
Phaseout income levels: \$10,000 - \$15,000, indexed.
Fiscal year outlays (refundable portion) for this provision: \$63 million in 1991, \$629 million in 1992, \$667 million in 1993, \$709 million in 1994, and \$751 million in 1995.
- (4) Originally included in S. 5, but section 89 was repealed separately in 1989. No current estimate is available for enactment of a new version of section 89 or other non-discrimination rules, as contained in the Senate amendment to H.R. 3.
- (5) Loss of less than \$500,000.
- (6) Originally included in S. 5, but a substantially identical provision was enacted separately in 1989. To the extent that the version of the provision contained in the Senate amendment to H.R. 3 varies from present law, no current estimate is available.