

**ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS OF  
THE "ECONOMIC SECURITY AND WORKER ASSISTANCE ACT OF 2001"**

Fiscal Years 2002 - 2011

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
<b>Supplemental Stimulus Payments - provide a payment (\$300 individual, \$600 married filing jointly, and \$500 head-of-household) for individuals who filed a tax return in 2000 other than dependents and nonresident aliens; payment amount reduced by amount of payment individual received under H.R. 1836 [1] .....</b>													
	DOE	-13,733	---	---	---	---	---	---	---	---	---	-13,733	-13,733
<b>Individual Provisions</b>													
1. Accelerate the 25% individual income tax rate scheduled to go into effect in 2006 to 2002 .....													
	tyba 12/31/01	-12,816	-18,862	-12,196	-7,685	-2,106	---	---	---	---	---	-53,665	-53,665
2. Increase AMT exemption by \$1,600 non-joint/\$3,200 joint for 2002 and 2003, and \$850 non-joint/\$1,700 joint for 2004 .....													
	tyba 12/31/01	-717	-2,063	-2,315	-1,250	---	---	---	---	---	---	-6,345	-6,345
<b>Total of Individual Provisions .....</b>		<b>-13,533</b>	<b>-20,925</b>	<b>-14,511</b>	<b>-8,935</b>	<b>-2,106</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-60,010</b>	<b>-60,010</b>
<b>Business Provisions</b>													
1. Special depreciation allowance for certain property - 30% expensing of the value of capital assets with MACRS lives of 20 years or less and purchased software with one-year placed in service extension for certain property subject to a long production period (sunset after 36 months) [2] .....													
	ppiso/a 9/11/01	-39,301	-36,125	-30,295	2,768	20,728	19,036	15,839	12,218	8,694	5,955	-82,224	-20,483
2. Increase in section 179 expensing to \$35,000, and increase beginning point for phaseout to \$325,000 for 24 months .....													
	tyba 12/31/01	-852	-1,406	-142	682	466	351	267	188	116	65	-1,251	-264
3. Modify the AMT - repeal depreciation adjustment, repeal 90% limit for net operating losses, and repeal 90% limit on foreign tax credits for individuals and corporations .....													
	tyba 12/31/01	-1,268	-2,395	-2,481	-2,148	-1,677	-1,226	-751	-500	-392	-324	-9,969	-13,162
4. 5-year carryback of net operating losses and waive the AMT 90% limitation on the allowance of losses (sunset after 24 months) .....													
	NOLs gi tyeo/a 1/1/01	-4,587	-3,558	2,323	2,323	1,941	899	156	77	77	77	-1,558	-271
5. 15-year life for leasehold improvements [3] .....													
	lipiso/a 9/11/01	-78	-202	-369	-533	-684	-806	-917	-1,050	-1,186	-1,294	-1,865	-7,118
<b>Total of Business Provisions .....</b>		<b>-46,086</b>	<b>-43,686</b>	<b>-30,964</b>	<b>3,092</b>	<b>20,774</b>	<b>18,254</b>	<b>14,594</b>	<b>10,933</b>	<b>7,309</b>	<b>4,479</b>	<b>-96,867</b>	<b>-41,298</b>

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
<b>Extensions of Certain Expiring Provisions</b>													
A. Temporary Extension of Certain Provisions:													
1. Treatment of nonrefundable personal credits under the individual alternative minimum tax (sunset 12/31/03) [4]	tyba 12/31/01	-123	-664	-695	---	---	---	---	---	---	---	-1,482	-1,482
2. Tax credit for electric vehicles (sunset after 24 months)	ppisa 12/31/01 [5]	-25	-43	-41	-34	-20	1	6	4	2	1	-163	-150
3. Tax credit for electricity production from wind, closed-loop biomass, and poultry litter -- facilities placed in service date (sunset 12/31/03)	ppisa 12/31/01	-9	-26	-33	-34	-34	-35	-36	-37	-38	-39	-136	-322
4. Work opportunity tax credit (sunset 12/31/03)	wpoifibwa 12/31/01	-92	-246	-247	-130	-51	-17	-3	---	---	---	-766	-786
5. Welfare-to-work tax credit (sunset 12/31/03)	wpoifibwa 12/31/01	-27	-79	-90	-54	-23	-8	-2	[6]	---	---	-272	-283
6. Deductions for clean-fuel vehicles and refueling property (sunset after 24 months)	ppisa 12/31/01 [7]	-9	-19	-18	-13	2	19	18	11	6	3	-57	-1
7. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells (sunset 12/31/03)	tyba 12/31/01	-27	-41	-14	---	---	---	---	---	---	---	-82	-82
8. Qualified zone academy bonds (sunset 12/31/03)	tyba 12/31/01	[6]	-2	-7	-14	-20	-21	-21	-21	-21	-21	-43	-147
9. Temporary increase in limit on cover over of rum excise tax revenues (from \$10.50 to \$13.25 per proof gallon) to Puerto Rico and the Virgin Islands (sunset 12/31/03) [8]	DOE	-65	-61	-14	---	---	---	---	---	---	---	-140	-140
10. Two-year extension of tax on failure to comply with mental health parity requirements applicable to group health plans [9]	pyba 12/31/01	----- <i>Negligible Revenue Effect</i> -----											
11. Three-year suspension of section 809 related to the reduction in policyholder dividends for mutual life insurance companies	tyba 12/31/00	-29	-53	-53	-26	-3	[6]	---	---	---	---	-165	-165
12. One-year extension of Archer medical savings accounts ("MSAs")	DOE	---	[6]	-2	-2	-2	-2	-2	-2	-2	-2	-7	-15
13. One-year extension of accelerated depreciation and employment tax credit for incentives on tribal lands (through 12/31/04)	DOE	2	9	-123	-228	-87	15	58	94	78	18	-428	-164
14. Five-year extension of exceptions under Subpart F for active financing income (allow use of foreign statement of insurance reserves pursuant to guidance)	tyba 12/31/01	-260	-1,252	-1,441	-1,659	-1,911	-1,365	---	---	---	---	-6,523	-7,888
15. Permanent suspension of requirement that terminals selling diesel fuel and kerosene must sell both dyed and undyed fuel	1/1/02	----- <i>Negligible Revenue Effect</i> -----											
B. Temporary Assistance for Needy Families ("TANF") Provisions [8] [10]:													
1. Extend TANF Supplemental Grants program for one year (through 9/30/02)	---	-90	-25	-25	-25	-25	-25	-25	-25	-25	-25	-190	-315
2. Extend TANF contingency fund for one additional year (through 9/30/02)	---	---	---	---	---	---	-1	-1	-2	-3	-4	---	-11
<b>Total of Extensions of Certain Expiring Provisions</b>		<b>-754</b>	<b>-2,502</b>	<b>-2,803</b>	<b>-2,219</b>	<b>-2,174</b>	<b>-1,439</b>	<b>-8</b>	<b>22</b>	<b>-3</b>	<b>-69</b>	<b>-10,454</b>	<b>-11,951</b>

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
<b>Tax Benefits for Area of New York City Damaged in Terrorist Attacks on September 11, 2001 [11]</b>													
1. 30% bonus depreciation for property placed in service in the Zone:													
a. Property included in H.R. 3090; sunset 12/31/06 .....	ppisa 9/11/01	-621	-584	-527	-474	-415	260	536	424	338	254	-2,622	-811
b. Residential and non-residential new structures and building improvements; sunset 12/31/09 .....	ppisa 9/11/01	-164	-216	-257	-287	-289	-311	-313	-304	-27	65	-1,212	-2,102
2. 5-year life for leasehold improvements in the Zone; sunset 12/31/06 [12] .....	ppisa 9/11/01	-27	-43	-66	-94	-120	-124	-103	-77	-45	-7	-350	-706
3. Increase in section 179 expensing by \$35,000; only half the cost of section 179 zone property taken into account when apply the phaseout threshold (sunset 12/31/06) .....	tyba 12/31/01	-42	-50	-37	-29	-23	20	49	31	21	14	-182	-46
4. Authorize issuance of tax-exempt private activity bonds for rebuilding the portion of New York City damaged in the 9/11/01 terrorist attack - bonds capped at \$15 billion for replacement/reconstruction of office space, residential rental and public utility infrastructure to be issued within the next 3 years; exempt from AMT .....	bia 12/31/01	-15	-59	-150	-239	-266	-266	-266	-266	-266	-266	-729	-2,057
5. Extension of replacement period to 5 years for certain property involuntarily converted in the New York recovery zone on 9/11/01, and substantially all of the use of the replacement property is in New York City .....	[13]	-163	-181	-18	1	2	3	6	7	7	8	-358	-327
6. Interaction with general business tax provisions .....	---	609	567	511	-63	-306	-249	-210	-149	-92	-48	1,317	568
<b>Total of Tax Benefits for Area of New York City Damaged in Terrorist Attacks on September 11, 2001 .....</b>		<b>-423</b>	<b>-566</b>	<b>-544</b>	<b>-1,185</b>	<b>-1,417</b>	<b>-667</b>	<b>-301</b>	<b>-334</b>	<b>-64</b>	<b>20</b>	<b>-4,136</b>	<b>-5,481</b>
<b>Relief Provisions for Victims of Terrorist Attacks, Presidentially Declared Disasters, and Certain Other Disasters</b>													
A. Relief Provisions for Victims of April 19, 1995, September 11, 2001, and Anthrax Attacks:													
1. Provide income tax relief for victims of terrorist attacks; relief does not apply to certain amounts that would have been paid on account of death or only because of certain actions; \$10,000 minimum benefit regardless of income tax liability .....	tyebo/a 9/11/01	-151	-20	---	---	---	---	---	---	---	---	-171	-171
2. Exclusion of certain death benefits .....	tyebo/a 9/11/01	-25	-25	---	---	---	---	---	---	---	---	-50	-50
3. Estate tax reduction .....	[14]	-3	-45	-8	[15]	[15]	[15]	[15]	[15]	[15]	---	-57	-59
4. Payments by charitable organizations treated as exempt payments .....	pmo/a 9/11/01	----- <i>Negligible Revenue Effect</i> -----											
5. Exclusion of certain cancellations of indebtedness .....	[16]	-6	---	---	---	---	---	---	---	---	---	-6	-6
B. Other Relief Provisions:													
1. Exclusion for disaster relief payments .....	tyeo/a 9/11/01	----- <i>Negligible Revenue Effect</i> -----											
2. Authority to postpone certain deadlines and required actions .....	[17]	----- <i>Negligible Revenue Effect</i> -----											

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
3. Application of certain provisions to terrorist or military activity .....	tyeo/a 9/11/01	-2	-2	-1	-1	[6]	[6]	[6]	[6]	[6]	[6]	-6	-8
4. Clarify that the special deposit rules provided under the Air Transportation Safety and System Stabilization Act do not apply to employment taxes .....	[18]	----- No Revenue Effect -----											
5. Treatment of certain structured settlement payments .....	30da DOE	[19]	[19]	[19]	[19]	[6]	-1	-1	-1	-1	-1	[19]	-5
6. Personal exemption for certain disability trusts .....	tyebo/a 9/11/01	-3	-4	-5	-5	-6	-6	-7	-8	-8	-9	-23	-61
7. Disclosure of tax information in terrorism and national security investigations .....	dmo/a DOE	----- No Revenue Effect -----											
<b>Total of Relief Provisions for Victims of Terrorist Attacks, Presidentially Declared Disasters, and Certain Other Disasters .....</b>		<b>-190</b>	<b>-96</b>	<b>-14</b>	<b>-6</b>	<b>-6</b>	<b>-7</b>	<b>-8</b>	<b>-9</b>	<b>-9</b>	<b>-10</b>	<b>-313</b>	<b>-360</b>
<b>Miscellaneous and Technical Provisions</b>													
A. General Miscellaneous Provisions:													
1. Allow Form 1099 to be provided electronically .....	DOE	----- No Revenue Effect -----											
2. Reverse the Supreme Court's decision in <i>Gitlitz v. Commissioner</i> (relating to subchapter S corporations) .....	[20]	48	85	89	93	97	102	106	111	116	121	413	968
3. Limit use of non-accrual experience method of accounting to amount to be received for the performance of qualified professional services .....	tyea DOE	14	62	33	29	16	8	10	12	13	15	154	212
4. Exclusion for foster care payments to apply to payments by qualified placement agencies .....	tyba 12/31/01	-18	-29	-37	-45	-53	-61	-71	-80	-91	-102	-181	-586
5. Temporary increase in the highest specified percentage applied to the interest rate used in determining additional required contributions to defined benefit pension plans and PBGC variable rate premiums (sunset 12/31/03) .....	[21]	1,953	3,979	346	-2,478	-1,316	-1,624	-1,764	-1,204	-714	-210	2,483	-3,033
6. Above-the-line deduction for teacher classroom expenses capped at \$250 annually for 2002 and 2003 .....	1/1/02	-152	-205	-52	---	---	---	---	---	---	---	-409	-409
B. Technical Corrections to Previously Enacted Legislation .....	DOE	---	-1	-1	-1	-1	-1	-1	-1	[6]	[6]	-3	-5
<b>Total of Miscellaneous and Technical Provisions .....</b>		<b>1,845</b>	<b>3,891</b>	<b>378</b>	<b>-2,402</b>	<b>-1,257</b>	<b>-1,576</b>	<b>-1,720</b>	<b>-1,162</b>	<b>-676</b>	<b>-176</b>	<b>2,457</b>	<b>-2,853</b>
<b>Unemployment Assistance Provisions</b>													
1. Provide up to 13 weeks of extended benefits available in any State for those who became unemployed after March 14, 2001, and who exhaust their regular benefits [23] .....	1/1/02	-7,400	-2,400	---	---	---	---	---	---	---	---	-9,700	-9,700
2. Special Reed Act transfers [22] [23] .....	1/1/02	-500	-500	---	---	---	---	---	---	---	---	-900	-900
<b>Total of Unemployment Assistance Provisions .....</b>		<b>-7,800</b>	<b>-2,800</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-10,600</b>	<b>-10,600</b>
<b>Unemployment Insurance Revenues [8] .....</b>		<b>---</b>	<b>---</b>	<b>[24]</b>	<b>100</b>	<b>1,100</b>	<b>2,200</b>	<b>2,600</b>	<b>2,100</b>	<b>1,900</b>	<b>1,200</b>	<b>1,200</b>	<b>11,300</b>
<b>Total of Unemployment Insurance Outlay Provisions and Revenues [8] .....</b>		<b>-7,800</b>	<b>-2,800</b>	<b>[24]</b>	<b>100</b>	<b>1,100</b>	<b>2,200</b>	<b>2,600</b>	<b>2,100</b>	<b>1,900</b>	<b>1,200</b>	<b>-9,400</b>	<b>600</b>

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
<b>Health Care Assistance Provisions for Displaced Workers</b>													
1. 60% refundable tax credit for purchase of health insurance by workers who become involuntarily unemployed between March 15, 2001 and December, 2003; available for coverage in 2002 and 2003 up to a maximum of 12 months (including first month of reemployment); credit may be used to purchase COBRA or private insurance; include health insurance reforms [25] .....	[26]	-5,290	-5,075	-2,773	---	---	---	---	---	---	---	-13,139	-13,139
2. National Emergency Grants [8] .....	DOE	-1,300	-2,000	-700	---	---	---	---	---	---	---	-4,000	-4,000
<b>Total of Health Care Assistance Provisions for Displaced Workers .....</b>		<b>-6,590</b>	<b>-7,075</b>	<b>-3,473</b>								<b>-17,139</b>	<b>-17,139</b>
<b>Temporary State Health Care Assistance [23] .....</b>	<b>DOE</b>	<b>-2,550</b>	<b>-2,050</b>									<b>-4,600</b>	<b>-4,600</b>
<b>Social Security Held Harmless; Budgetary Treatment of Act .....</b>	<b>DOE</b>	----- <b>No Revenue Effect</b> -----											
<b>NET TOTAL .....</b>		<b>-89,814</b>	<b>-75,809</b>	<b>-51,931</b>	<b>-11,555</b>	<b>14,914</b>	<b>16,765</b>	<b>15,157</b>	<b>11,550</b>	<b>8,457</b>	<b>5,444</b>	<b>-214,195</b>	<b>-156,825</b>

Joint Committee on Taxation

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

Legend for "Effective" column:

bia = bonds issued after

DOE = date of enactment

dmo/a = disclosures made on or after

gi = generated in

lipiso/a = leasehold improvements placed in service on or after

NOLs = net operating losses

pea = plans established after

pmo/a = payments made on or after

ppisa = property placed in service after

ppiso/a = property placed in service on or after

pyba = plan years beginning after

tyba = taxable years beginning after

tyea = taxable years ending after

tyebo/a = taxable years ending before, on, or after

tyeo/a = taxable years ending on or after

wpoifibwa = wages paid or incurred for individuals beginning work after

30da = 30 days after

[1] Includes outlay effect of \$13,733 million in fiscal year 2002.

[2] A binding contract placed-in-service extension would apply in certain cases.

[3] Provision is not eligible for the 30% expensing provision.

[4] The "Economic Growth and Tax Relief Reconciliation Act of 2001" provides that the child tax credit and adoption tax credit are allowed for purposes of the alternative minimum tax for 2002 through 2010.

[5] The credit phases down for vehicles placed in service after 12/31/03. The credit is reduced by 25 percent in 2004, 50 percent in 2005, and 75 percent in 2006. No credit is available after 2006.

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

[7] The deduction phases down for vehicles placed in service after 12/31/03. The deductible amount is reduced by 25 percent in 2004, 50 percent in 2005, and 75 percent in 2006. No expensing is available after 2006.

[8] Estimate provided by the Congressional Budget Office.

[9] This provision will have a negligible effect on penalty excise taxes; however it could have an indirect effect on receipts through employer health deductions. This effect will be scored by the Congressional Budget Office.

[10] Assumes that the bill would include language that would override section 257 of the Deficit Control Act with respect to the extensions of expiring provisions.

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**Footnotes for JCX-92-01 continued:**

- [11] The New York City Recovery Zone is defined as all business addresses located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan, New York, NY.
- [12] Leasehold improvements that are recovered over a 5-year life are not eligible for bonus depreciation.
- [13] Effective for involuntary conversions in the New York Recovery Zone as a result of the terrorist attacks that occurred on September 11, 2001.
- [14] Effective for decedents dying on or after September 11, 2001, or, in the case of victims of the Oklahoma City terrorist attack, decedents dying on or after April 19, 1995.
- [15] Loss of less than \$1 million.
- [16] Effective for discharges made on or after September 11, 2001, and before January 1, 2002.
- [17] Effective for disasters and terrorist or military actions occurring on or after September 11, 2001, with respect to any action of the Secretary of the Treasury, the Secretary of Labor, or the Pension Benefit Guaranty Corporation occurring on or after the date of enactment.
- [18] Effective as if included in section 301 of the Air Transportation Safety and System Stabilization Act.
- [19] Gain of less than \$500,000.
- [20] The provision applies to discharges of indebtedness after October 11, 2001. The provision does not apply to any discharge of indebtedness before March 1, 2002, pursuant to a plan of reorganization filed with a bankruptcy court on or before October 11, 2001.
- [21] Effective for plan years beginning after December 31, 2001, and before January 1, 2004.
- [22] Includes a provision authorizing \$9 billion of Reed Act transfers.
- [23] Outlay effect provided by the Congressional Budget Office.
- [24] Gain of less than \$50 million.
- [25] Estimate includes \$3,470 million in outlays over fiscal years 2002 through 2011.
- [26] Effective for premiums paid between January 1, 2002, and December 31, 2003.