## ESTIMATED BUDGET EFFECTS OF A COMMITTEE AMENDMENT TO THE REVENUE PROVISIONS OF H.R. 3448, THE "SMALL BUSINESS JOB PROTECTION ACT OF 1996," AS APPROVED BY THE SENATE FINANCE COMMITTEE ON JUNE 12, 1996

## Fiscal Years 1996 - 2005

[Millions of Dollars]

Provision	Effective	1996	1997	1998	1000	2000	0004		2005				1.	
	LITCUIVE	1330	199/	1990	1999	2000	2001	2002	2003	2004	2005	1996-00	2001-05	1996-05
I. Small Business and Other Tax Provisions														
A. Small Business Provisions														
Increase in expensing limitation for small													•	
businesses to \$18,000 for 1997, \$18,500 for														
1998, \$19,000 for 1999, \$20,000 for 2000.														
\$24,000 for 2001, \$24,000 for 2002,														
\$25,000 for 2003 and thereafter	tyba 12/31/96		-66	-175	-256	-327	-759	-935	-1.029	-977	-928	-824	4.000	F 450
2. Provide 15-year depreciation for gas	•		•••		200	021	-739	-935	-1,029	-9//	-928	-824	4,628	-5,453
station/convenience stores	ppiso/a/b DOE	-7	-24	-37	-45	-50	-53	-53	-55	-61	-42	100	004	407
3. FICA tip credit:				٠.	-10	•	-00	-55	-55	-01	-42	-163	-264	-427
Provided for off-premises employees	1/1/97		-6	-14	-15	-16	-17	-18	-18	-19	-20	-51	-92	140
b. Clarification of effective date	[1]	<b></b>							nue Effect		-20	-51	-92	-143
4. Treatment of certain dues paid to agricultural									AC LIICOL					
or horticultural organizations	tyba 12/31/94 -						- Nealiai	ble Rever	nue Effect					
5. Fishermen clarify exemption from FICA							, , , ,		.do Lilout					
taxes and provide that exemption applies														
even if crew member receives de minimis													1	
amounts of cash payments	rpa 12/31/94	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1	2
Change related-party and maximum			` .		t-,	1-3	[1	(-)	[-1	{ <b>←</b> ]	[~]	- (	-1	-2
size requirements for first-time farmer														
industrial development bonds	bia DOE		-1	-6	-12	-17	-21	-26	-30	-34	-37	-35	-148	-183
Clarify that newspaper carriers and									• •	٠.	O,		-140	-100
distributors are independent contractors	spa 12/31/95						- Negligil	ble Rever	ue Effect					
8. Provide involuntary conversion treatment for	•						• •							
Presidentially declared disaster areas	DDA 12/31/94	-6	-14	-10	-10	-10	-10	-10	-10	-10	-10	-50	-50	-100
Leasehold improvements provision	lida 6/12/96	-12	-22	-19	-16	-13	-11	-7	-4	-2	1	-82	-23	-105
10. 100% meals deduction for Alaska seafood									•	_	•	02	-20	-105
processors	tyba 12/31/96		-1	-2	-2	-2	-2	-2	-2	-2	-2	-7	-11	-18
11. Modification of excise tax on hard cider	1/1/97		-1	-1	-1	-1	-1	-1	-1	-2	-2	-4	-7	-11
12. Clarification of Section 530 worker classification											_	•	,	
safe harbor	spa 12/31/96		[2]	[2]	[2]	[2]	[2]	-1	-1	-1	-1	-1	-4	-5
Subtotal of Small Business Provisions	•••••	-25	-135	-264	-357	-436	-874	-1,053	-1,150	-1,108	-1.041	-1.218	-5.228	-
B Province Poleting to C O							•••	1,000	1,100	1,100	-1,041	-1,210	-3,220	-6,447
B. Provisions Relating to S Corporations														
Increase number of eligible shareholders     Permit certain trusts to hold stock in S	tyba 12/31/96		-5	-14	-16	-20	-22	-25	-28	-31	-35	-55	-141	-196
corporations3. Extend holding period for certain trusts	tyba 12/31/96		-2	-2	-2	-2	-2	-2	-2	-3	-3	-8	-12	-20
Extend holding period for certain trusts     Financial institutions permitted to hold	tyba 12/31/96		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[4]	[5]	[6]
	t. l 40/04/00										• •	• •	1-1	(~)
safe-harbor debt	tyba 12/31/96		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
										· -	- •	. ,	. ,	-

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	2001-05	1996-05
5 Authority to validate certain invalid elections	tyba 12/31/82		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
6. Allow interim closing of the books	tyba 12/31/96 -							ble Reven	ue Effect :		[ <u>-]</u> 	[4]	[4]	~! 
7. Expand post-termination period and amend														
subchapter S audit procedures.	tyba 12/31/96		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
8. S corporations permitted to hold S or C					• •			11	(-)	(-)	()	[]	(-)	- 1
subsidiaries	tyba 12/31/96		-5	-9	-11	-13	-15	-17	-20	-23	-26	-38	-101	-139
9. Treatment of distributions during loss years	tyba 12/31/96		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
10. Treatment of S corporations as shareholders							• •		(- <b>,</b>	i-j	1-1	(-)	()	Ī
in C corporations	tyba 12/31/96	~	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[4]	[5]	[6]
11. Elimination of certain earnings and profits of									• •	,	ι-,		1-1	(~)
S corporations	tyba 12/31/96		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[4]	[5]	[6]
under at rick rules											(-)		[-]	[~]
under at-risk rules	tyba 12/31/96		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[4]	[5]	[6]
Adjustments to basis of inherited S stock      Treatment of certain real estate held by an S	dda DOE		[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]
corporation							- •	•			1.1	E- J	171	1,1
corporation	tyba 12/31/96		-1	-1	-2	-2	-2	-2	-2	-2	-2	-6	-10	-16
Transition rule for elections after termination      Treat financial institutions that do not use the	tyba 12/31/96		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[4]	[5]	[6]
receive method as alicitate and for use the										٠,	(-)		1-1	(0)
reserve method as eligible corporations	tyba 12/31/96		-1	-3	-5	-6	-8	-10	-12	-14	-15	-15	-59	-74
shareholders with UBTI inclusion and ESOP														, ,
benefit contriction														
benefit restriction	tyba 12/31/97			-3	-9	-11	-13	-15	-17	-19	-21	-23	-85	-108
18. Interaction of subchapter S changes			-3	-26	-32	-37	-38	-39	-40	-40	-40	-98	-197	-295
Subtotal of Provisions Relating to S Corporations			-32	-73	-92	-106	-115	-125	-136	-147	-157	-303	-680	-987
II. Pension Simplification Provisions													• • • • • • • • • • • • • • • • • • • •	001
A. Simplified Distribution Rules														
Repeal of 5-year income averaging for														
lump-sum distributions	tal - 40/04/00													
Repeal of \$5,000 exclusion of employees'	tyba 12/31/99		74	77	108	78	70	44	17	15		337	145	482
death benefits	44- DOE													
Simplified method for taxing annuity	dda DOE		28	49	52	54	55	55	56	57	57	183	280	463
distributions under certain employer plans														
Minimum required distributions	asda 90 da DOE		22	28	28	29	29	29	30	30	31	107	149	256
B. Increased Access to Retirement Savings Plans -	yba 12/31/96		-1	-4	-4	-4	-4	-4	-4	-4	-4	-13	-20	-33
Establish SIMPLE pension plan as modified, but													i	
repeal salary reduction SEPs	yba 12/31/96													
Tax-exempt organizations eligible under	yba 12/31/96		-50	-76	-79	-81	-84	-87	-91	-94	-97	-285	-453	-735
section 401(k)	yba 12/31/96													
3. Increase availability of spousal IRAs	yba 12/31/96 yba 12/31/96		-8	-22	-24	-25	-26	-28	-29	-30	-31	-79	-144	-223
C. Nondiscrimination Provisions	yua 12/31/90		-57	-168	-184	-195	-206	-219	-233	-248	-264	-604	-1,170	-1,774
Simplified definition of highly compensated								**						
employees [8]	yba 12/31/96	***	[0]	101				_				7		
2. Repeal of family aggregation rules [8]	yba 12/31/96		[9] [10]	[9]				· Cons	idered in	Other Pro	visions -	·		
3. Modification of additional participation	, Da 12/01/30		[IV]	[10]				Cons	idered in	Other Pro	visions -			
requirements	yba 12/31/96						A1 11 11 11	. 5						
4. Safe-harbor nondiscrimination rules for qualified cash	you 12/01/30						vegligibl	e Hevenu	e Effect -					4
or deferred arrangements and matching												16.1		,
contributions [11]	yba 12/31/98				00	455	400	46.				÷.	: 1	v 5.
5. Definition of compensation for section 415	Jua 12/01/30		***		-39	-155	-160	-164	-169	-174	-179	-195	-847	-1,042
purposes	yba 12/31/97			-1	4	^	^	_	_	_				
	, oa 12/01/31			-1	-1	-2	-2	-2	-2	-2	-3	-4	-11	-15
•														

	Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	2001-05	1006.05
ח	. Miscellaneous Provisions		· · · · · · · · · · · · · · · · · · ·		in Age					2003	2004	2005	1990-00	2001-03	1990-02
1	Plane covering self-ampleved in divide.														
,	Plans covering self-employed individuals	yba 12/31/96					~ · ·	Negligib	ole Reven	ue Effect	• • • • • • • • • • • • • • • • • • •				
	2. Elimination of special vesting rule for		•												
3	multiemployer plans	yba 12/31/96		[2]	-1	-1	-1	-1	-1	-1	-1	-1	-3	-5	-8
4	Distributions under rural cooperative plans     Treatment of governmental plans under	DOE					<b>-</b>	- Negligib	le Reven	ue Effect	- <b></b>			. <b></b>	
7	section 415														
5	section 415	yba 12/31/94					<del>-</del>	- Negligib	le Reveni	ue Effect		<b>-</b>		. <b></b>	
5	i. Uniform retirement age [8]	yba 12/31/96		[10]	[10]-		<b></b> -		Con	isidered ir	n Other Pr	ovisions			
	employees	1													
7	employees	yba 12/31/96						- Negligib	le Reveni	ue Effect -					
,	State and lead governments and the season														
	State and local governments and tax-exempt				i i										
٥	organizations	tyba 12/31/96		[2]	-1	-1	-1	-2	-2	-2	-2	-2	-3	-10	-13
9	Require section 457 plan assets to be held in trust Correction of GATT interest and mortality rate	DOE		<b>-7</b>	-21	-24	-25	-25	-26	-27	-28	-29	-77	-135	-212
	provisions in the Retirement Protection Act	[12]		-4	-4	-4				***			-12		-12
10	Multiple salary reduction agreements												14		-12
	permitted under section 403(b)	tyba 12/31/95			-,			- Negliaib	le Reveni	ue Effect -					
11	. Application of elective deferral limit to section														
	403(b) plans	tyba 12/31/95		. <b></b> .			<b></b> -	- Nealiaib	le Revenu	ue Effect -					
12	. Treatment of Indian tribal governments under							0.0							
	section 403(b)	cpbo/a 12/31/96					<del></del> -	- Negliaibi	le Revenu	ue Effect -					
13.	. Modify notice required of right to qualified							3.3							
	joint and survivor annuity	pyba 12/31/96						- Nealiaibi	le Revenu	je Effect -					
14.	Repeal of combined plan limit	lyba 12/31/99					-72	-195	-201	-207	-213	-219	-72	1,035	-1,107
15.	. 3-year waiver of excess distribution tax	1/1/97		42	44	47	32						165	1,000	165
16.	. Increase section 4975 excise tax on												100		100
	prohibited transactions from 5% to 10%	ptoa DOE		2	4	4	4	4	4	4	4	4	14	20	34
17.	Treatment of leased employees	yba 12/31/96					- <b></b>	- Negligibl	le Revenu					20	34
18.	Uniform penalty provision to apply to certain														
	pension reporting requirements	1/1/97		<b>-</b>		·		No R	levenue E	ffect					
19.	Clarify that SECA does not apply to certain														
-	parsonage allowance income	ybbo/a 12/31/94					<b></b>	- Negligibl	le Revenu	ie Effect -					
20.	Direct IRS to develop model forms for							• •							
	qualified domestic relations orders ("QDRO")	*													
•	and spousal consent provisions	DOE						- Negligibl	le Revenu	e Effect -	<u></u>				
21.	Date of adoption of plan amendments	DOE			<del></del> -			No R	evenue E	ffect					
22.	Permit volunteer firefighters to make deferrals under														
	section 457 (limited to \$3,000 per year)	do/a 1/1/97		-2	-5	7	-9	-11	-13	-16	-18	-20	-23	-78	-101
Sub	ototal of Pension Simplification Provisions			34	-106	-129	-373	-558	-615	-674	-708	-757	-564	-3,314	-3,875
III. Ext	ension of Certain Expiring Provisions														
1.	Extend the work opportunity tax credit, with														
••	modifications through 9/30/97 [13]	10/1/96		117	140	00	00	4.5	_						
2.	Employer provided educational assistance;	10/1/90		-117	-143	-83	-33	-12	-2				-376	-14	-390
٠.	sunset after 12/31/96	1/1/95	100	740											
3.	R&E credit, with modifications through	1/1/95	-136	-740						***		~ ~ =	-876		-876
Ξ.	6/30/97	7/1/96	202	745	400	000	4.05								
4.	Orphan drug tax credit through 6/30/97	111190	-202	-745	-469	-232	-165	-89	-20				-1,813	-109	-1,922
.,	with section 39 benefits	7/1/96	6	40	4				***						
-	Contribution of appreciated stock to private	111/90	-6	-18	-1	-1	-1	-1	[2]	[2]	[2]	[2]	-26	-2	-28
5.															
5.	foundations through 6/30/97	7/1/96	-14	-86	-11	-4							-115		-115

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Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	2001-05	1996-05
Extend section 29 binding contract date to 6	7.477.												2001.00	
months after date of enactment and														
placed-in service date to 1/1/98 for biomass														
and coal	DOE		-8	-32	-51	-51	-40	-35	-36	-37	-38	-142	-187	-329
7. Suspend excise tax on motorboat diesel							, ,			σ,	-		101	023
through 6/30/97		-8	-26									-34		-34
Subtotal of Certain Expiring Provisions	••••••	-366	-1,740	-656	-371	-250	-142	-57	-36	-37	-38	-3,382	-312	-3,694
IV. Revenue Offsets	•													
1. Possessions tax credit: Wage credit companies - 6														
years of present law, thereafter subject to income														
cap and, after 10 years, wage credit percentage														
lowered to 40%; Income companies - 2 years of														
present law followed by 8 years subject to income														
cap; QPSII - repealed later of taxable years														
beginning after 12/31/95 or earnings after 6/30/96 2. Repeal 50% interest income exclusion for financial	tyba 12/31/95	190	595	540	530	475	500	685	1,075	1,295	1,555	2,330	5,110	7,440
institution loans to ESOPs [14]	lma DOE	40	64	405	444	400								
Provide that punitive damages are not	illia DOE	10	64	105	144	182	220	256	292	327	360	505	1,455	1,960
excludable from income	ara 6/30/96		5	7	7	7	8	8	8	8		-	40	
4. Provide for flow through treatment for			J	,	,	,	0	٥	0	8	8	26	40	66
Financial Asset Securitization Investment														
Trusts (FASITs)	DOE		36	18	9	3	-2	-7	-12	-17	-22	66	-60	6
5. Phase out and extend luxury automobile										**			-	·
excise tax through 12/31/02	sma 6/30/96	-10	-58	-105	-132	124	183	140	32			-180	355	175
local furnishers of electricity or gas; prohibit														
new local furnishers (with current service areas														
grandfathered)	DOE		[15]	5	1	-1	3	A	•	40		_		
7. Eliminate interest allocation exception for	002		[10]	5	'	-1	3	4	8	16	22	5	53	58
certain nonfinancial corporations	tyba 12/31/95	35	99	107	123	141	163	187	201	215	228	505	994	1 400
8. Reinstate Airport and Airway Trust Fund excise	•				,20	• • • •		10,	201	210	220	505	994	1,499
taxes through 12/31/96, with exemption for														
fixed-wing emergency medical aircraft, and mining,														
oil, and gas industry helicopters for flights not using	4													
FAA services9. Tax-free treatment of contributions in aid of	tp7data DOE	392	1,530									1,922		1,922
construction for water utilities; change														
depreciation for water utilities	[16]		-21	-9	-3	11	24	25	45		•			
10. Revision of expatriation tax rules	2/6/95	15	37	63	97	139	181	35 216	45 247	55 275	64 298	-22	223	201
Subtotal of Revenue Offsets		632	2,287	731	776	1,081	1,280	1,524				351	1,217	1,568
		332	2,201	701	770	1,001	1,200	1,324	1,896	2,174	2,513	5,508	9,387	14,895
V. Technical Corrections	***************************************	14	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	14	[3]	14
SUBTOTAL OF PARTS I., II., III., IV., AND V	***************************************	255	414	-368	-173	-84	-409	-326	-100	174	520	55	-147	-94
VI. Other Provisions														- <del>-</del>
A. Miscellaneous Provisions														
<ol> <li>Exempt from diesel dyeing requirement any</li> </ol>														
States exempt from Clean Air Act dyeing														
requirement	fcqa DOE	[2]	-1	1	-1	-1	-1	-1	-1	-1	-1	-3	-3	-6
									•	•	•	•	- 0	-0

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Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	2001-05	1996-05
2. Application of common paymaster rules to														
certain agency accounts at State														
universities [17]	rpa 12/31/96	***	[18]	[18]	[18]	[18]	[18]	[18]	[18]	[18]	[18]	[4.0]	1011	[40]
Exempt imported recycled halons from			[]	[,0]	[,0]	[10]	[10]	[10]	[10]	[10]	[10]	[18]	[18]	[18]
ozone-depleting chemicals tax	cia 12/31/96		-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-5	-9
Authorize tax-exempt bonds for purchase of			•	•		-	- 1	- 1	-1	-1	-1	-4	-5	-9
Alaska Power Authority	bia DOE		-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-5	-0
<ol><li>Allow for tax-free conversion of common trust funds</li></ol>			•	•	•	•	•	•	- 1	- 1	-1	-4	-5	-9
to mutual funds	ta 12/31/95	-4	-9	-8	-8	-8	-8	-8	٠.۵	۵.	.a	-37	-43	-80
6. Clarify that State prepaid tuition plans are			•	•	•	•	·	Ŭ	-3	- 9	- 9	-37	-43	-00
tax-exempt entities; clarify OID rules	tyba 12/31/95 -						Nealiaible	e Revenue	Fffect	· <b></b>				
7. Suspend excise tax on ozone depleting							· vogngnon	7 110 101100	LIEUL					
chemicals used in metered dose inhalers	DOE + 7 days		-12	-8	-8	-2			****			-30		-30
Subtotal of Miscellaneous Provisions		[2]	-24	-19	-19	-13	-11	-11	-12	-12	-12	-78	-56	
				,,	-15	-13	-11	-11	-12	-12	-12	-/0	-50	-134
B. Additional Revenue Offsets														
Modify basis adjustment rules under section 1033	ica DOE		1	5	9	14	20	29	37	46	56	29	188	217
2. Repeal exemption for withholding on gambling														
winnings from bingo and keno where proceeds														
exceed \$5,000	DOE + 30 days	3	12	6	6	. 6	7	7	7	7	8	33	36	69
3. Treatment of certain insurance on retired lives	tyba 12/31/95		2	1	-2	5	2	[2]	10	-5	2	6	8	14
Subtotal of Additional Revenue Offsets	***************************************	3	15	12	13	25	29	36	54	48	66	68	232	300
												•••	LOL	000
JBTOTAL OF PART VI	••••••	3	-9	-7	-6	12	18	25	42	36	54	-10	176	166
													1. A.	
ET TOTAL		050	405	^==									and the second	
int Committee on Taxation	******************************	258	405	-375	-179	-72	-391	-301	-58	210	574	45	29	72

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

Legend for "Effective" column: ara = amounts received after

asda = annuity starting date after

bia = bonds issued after

cia = chemicals imported after

cpbo/a = contracts purchased before, on, or after

dda = decedents dying after

DDA = disasters declared after

do/a = deferrals on or after

DOE = date of enactment

fcqa = first calendar quarter after

ica DOE = involuntary conversions after date of enactment

lida = leasehold improvements disposed of after

lma = loans made after

lyba = limitation years beginning after

ppiso/a/b = property placed in service on, after, or before

ptoa = prohibited transactions occurring after

pyba = plan years beginning after

rpa = remuneration paid after

sma = sales made after

spa = services performed after

ta = transfers after

tyba = taxable years beginning after

tp7data DOE = tickets purchased 7 days after date of enactment for travel 7 days after date of enactment

yba = years beginning after

ybbo/a = years beginning before, on, or after

90 da DOE = 90 days after date of enactment

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	2001-05	1996-05

## Footnotes for JCX-30-96:

- [1] Effective as if included in the Omnibus Reconciliation Act of 1993.
- [2] Loss of less than \$500,000.
- [3] Loss of less than \$5 million.
- [4] Loss of less than \$15 million.
- [5] Loss of less than \$20 million.
- [6] Loss of less than \$30 million.
- [7] Gain of less than \$1 million.
- [8] Revenue effect after 1/1/99 included in the revenue estimate for the safe harbor provision due to interactions between this provision and Item III.C.4.
- [9] Loss of less than \$10 million.
- [10] Negligible revenue effect.
- [11] This provision considers interaction effects of SIMPLE retirement plan provisions (Items III.C.1, III.C.2, and III.D.5)
- [12] Effective as if included in the General Agreement on Tariffs and Trade of 1994.
- [13] Credit rate at 35% on first \$6,000 of income; eligible workers expanded to include welfare cash recipients, veteran foodstamp recipients, and 18 24 year olds living in a household receiving food stamps for a period of at least 3 months on the date of hire without pre-certification; 375 hour work requirement; 21 day certification requirement.
- [14] The repeal would not apply to loans made pursuant to a binding contract entered into before 6/10/96.
- [15] Gain of less than \$500,000.
- [16] Effective for amounts received after 6/12/96 and property placed in service after 6/12/96 with the exception of certain property subject to a binding contract before 6/10/96.
- [17] Estimates provided by the Congressional Budget Office.
- [18] Loss of less than \$1 million.