ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS IN H.R. 2014 AS PASSED BY THE SENATE ON JUNE 27, 1997

Fiscal Years 1997 - 2007

[Millions of Dollars]

Decol-1							******		·					
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
. F1100 V = 110 -					."							 .		
I. FAMILY TAX RELIEF PROVISIONS											•			
1. \$500 tax credit for children under age 17 (under														
age 18 after 2002) (pro-rata \$250 for 1997 for														
children under age 13); post-50% EIC, deposit requirement for age 13 to 16 (age 13 - 17 atter	,													
2002); \$75,000/\$110,000 phaseout; no														
indexing [1]; (includes targeted AMT adjustment)	. 7/1/97		40.500											
Individual AMT - annually increase exemption	. 7/1/9/		-10,598	-18,680	-18,379	-17,998	-17,720	-17,534	-18,147	-17,914	-17,679	-17,450	-83,375	-172,099
amounts by \$600 joint/\$450 single for 2001														
and 2002; \$950 joint/\$700 single for 2003 and														•
thereafter (includes targeted AMT adjustment)	tybo/a 1/1/01					. 20	-187	500	4.070					
SUBTOTAL OF FAMILY TAX RELIEF PROVISIONS	•					-20	-107	-589	-1,279	-2,248	-3,765	-5,651	-215	-13,747
THE TAX INCIDE FROM SIGNS	***************************************	-40	-10,598	-18,680	-18,379	-18,026	-17,907	-18,123	-19,426	-20,162	-21,444	-23,101	-83,590	-185,846
II. EDUCATION TAX INCENTIVES											:			
Administration's HOPE scholarship tax credit as											•			
modified - drop B average requirement; credit is											* .			
50% of up to \$3,000 (75% of up to \$2,000 for														
students attending community colleges and														1.5
technical schools) adjusted out-of-pocket											47			
tuition expenses to include books required for	•													
attendance (phaseout \$40,000 - \$50,000														
singles/ \$80,000 - \$100,000 joint) [2]; require														
high school diploma or equivalent thereof to	pma &												•	-
claim HOPE scholarship credit	tyba 12/31/97		-1,531	-4,630	-4,689	-4,752	-4.822	-4.884	-4,935	-4.985	-5,035	-5.085	20.425	45.040
2. Student loan interest deduction (\$2,500						·		., ,	.,000,	1,000	3,000	-5,005	-20,425	-45,349
above-the-line deduction; phaseout \$40,000 - \$50,000 singles/ \$80,000 - \$100,000 joint);														
deduction amounts are indexed; income limits													- 1	
indexed beginning in 2003	poida 12/31/97			4										•
Treatment of cancellation of certain student	polua 12/31/9/		-56	-176	-218	-274	-347	-386	-409	-434	-461	-490	-1,071	-3,251
loans	Da DOE						Administration to				1.6		1	
Permanent extension of employer-provided	-					••••	- ivegiigibie	Revenue E	=ffect			••••		•••••
educational assistance for graduates and											11.5			
undergraduates	tyba 12/31/96		-636	-660	-704	-745	-778	-813	-850	-888	-928	070	0.500	*
Penalty-free IRA withdrawals for				•		0		-010	-050	-000	-926	-972	-3,522	-7,972
post-secondary and graduate education; allow								•						-
withdrawals from education savings IRAs for														
elementary and secondary school expenses	tyba 12/31/97		-102	-278	-290	-312	-344	-377	-412	-448	-486	-527	-1,326	-3,576
										•			.,520	0,070

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Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
 Education IRAs - allow contributions of \$500 child tax credit; and \$2,000 nondeductible contributions; tax-free inside buildup; tax free withdrawals if used for tuition, room and board 				-										
and graduate education; create prepaid plans for private education institutions (\$2,000 per year) [3]	tyba 12/31/97		-211	-867	-1,224	-1,421	-1,510	-1,949	-2,376	-2,801	-3,232	-3,684	-5,233	-19,275
State-sponsored tuition programs; expanded to														
include room and board [3]	tyba 12/31/97	***	-60	-199	-216	-236	-258	-281	-308	-336	-368	-403	-969	-2,665
501(c)(3) bonds for new capital expenditures9. Remove expenses for teachers' training courses, approved by school board, from the	1/1/98	••	-6	-45	-75	-89	-99	-106	-115	-125	-138	-162	-315	-962
2% miscellaneous itemized deduction floor 10. Raíse small issuer arbitrage rebate exception for governmental bonds used to finance education	tyba 12/31/97	****	-11	-23	-24	-25	-26	-27	-28	-30	-31	-32	-109	-256
facilities from \$5 million to \$10 million	bia 12/31/97		-1	-4	-7	-11	-14	-27	-30	-33	-36	-38	-36	-199
SUBTOTAL OF EDUCATION TAX INCENTIVES			-2,614	-6,882	-7,447	-7,865	-8,198	-8,850	-9,463	-10,080	-10,715	-11,393	-33,006	-83,505
III. ECONOMIC GROWTH, SAVINGS AND INVESTMENT INCENTIVES 1. Capital gains (a) 20%/10% rate structure; (b) retain maximum 28% for collectibles; (c) section 1250 recapture at maximum of 24%; (d) symmetric AMT treatment; (e) exclusion for gain on personal												V.		
residence (including remainder interests)	5/7/97	1,292	6,961	-132	-3,202	-3,394	-3,548	-3,729	-3,953	-4,126	-4,348	-4,654	-3,315	-24,125
rollover, other changes	various		- 73	-129	-149	-171	-197	-226	-260	-299	-344	-396	-719	-2,244
first-time home purchases capped at \$10,000; and long-term unemployment [4]; permit IRAs to invest in bullion; limit IRA penalty-free withdrawals to \$10,000 to replace or repair property damage in Presidentially declared disaster areas [5]; allow penalty-free IRA														
withdrawals for adoption expenses [6]	tyba 12/31/97	[7]	-438	-461	-118	-980	-1,356	-2,072	-3,674	-4,386	-4,911	-5,475	-3,353	-23,869
SUBTOTAL OF ECONOMIC GROWTH, SAVINGS AND INVESTMENT INCENTIVES	***************************************	1,292	6,450	-722	-3,469	-4,545	-5,101	-6,027	-7,887	-8,811	-9,603	-10,525	-7,387	-50,238

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
IV. ESTATE AND GIFT TAX PROVISIONS			,									·		······
Increase unified estate and gift tax credit to							•							
\$625,000 in 1998; \$640,000 in 1999; \$660,000														
in 2000; \$675,000 in 2001, \$725,000 in 2002,														
\$750,000 in 2003, \$800,000 in 2004, \$900,000														
in 2005, and \$1 million in 2006 and thereafter;														
index other provisions beginning in 1999	44- 40/04/07													
Exclude up to \$1 million of qualified family farms	dda 12/31/97			-295	-557	-977	-1,277	-2,110	-2,912	-3,946	-5,677	-7,782	-3,106	-25,533
and businesses	44- 40/04/07													
20-year installment payment where estate	dda 12/31/97			-598	-702	-823	-957	-1,138	-1,327	-1,543	-1,686	-1,841	-3,080	-10,616
consists largely of interest in closely held														
business	-l 40/04/0#													
No interest on certain portion of estate tax	dda 12/31/97	•••						-14	-10	-7	-5	-2		-38
extended under section 6166 and interest rate														
reduced to 45% of present-law interest but				•										
nondeductible	11. 10/01/05													•
nondeductible	dda 12/31/97	***		-10	-20	-32	-45	-59	-73	-88	-103	-119	-107	-549
recapture of special valuation	40/04/													
Expand exception from generation-skipping	roa 12/31/76		-25	-2	-2	-2	-2	-2	-2	-2	-2	-2	-33	-43
transfer tax for transfers to individuals with										•				
deceased parents			•				•					. :		•
deceased parents	gsta 12/31/97		•••	-4	-4	-4	-4	-4	-5	-5	-5	-6	-16	-41
treatment of land subject to a resulting														• •
treatment of land subject to a qualified											1			
conservation easement coordinated with														-
exclusion of family farms and businesses														
(expanded treatment of land with severed														
mineral rights) business relief used				-43	-48	-52	-55	-60	-64	-70	-75	-80	-198	-547
SUBTOTAL OF ESTATE AND GIFT TAX PROVISIONS	***************************************		-25	-952	-1,333	-1,890	-2,340	-3,387	-4,393	-5,661	-7,553	-9,832	-6,540	-37,367
V EVEIDING TAY PROVIDENCE								•		+ 21		1.4		
V. EXPIRING TAX PROVISIONS	•													
Contributions of appreciated stock to private													•	
foundations (through 5/31/99)	. 6/1/97		-55	-80	-44	-6	-1				***		-185	-185
Orphan drug tax credit (permanent)	. 6/1/97	•••	-29	-28	-30	-32	-34	-35	-37	-39	-40	-42	-152	-346
Extend a modified work opportunity tax credit									•			-76	-192	-340
(through 5/31/99); include SSI recipients	. wpoifhma 9/30/97		-201	-287	-224	-107	-41	-12	-2				-860	-874
4. R&E credit (through 5/31/99)	. 6/1/97	-161	-1,062	-1,312	-882	-475	-312	-146	-30					
Extend wind and closed-loop biomass	;									;	Ÿ		-4,043	-4,219
production credit for facilities placed in service				1										•
before 7/1/01	. DOE			1	-1	-5	-8	-8	-8	-8	. 8	-8	-14	-54
SUBTOTAL OF EXPIRING TAX PROVISIONS		-161	-1,347	-1,706	-1,181	-625	-396	-201	-77	-47	-48	-50	-5,254	-
					. 1	,			•	- 		-50	-3,254	-5,678
I. DISTRICT OF COLUMBIA TAX INCENTIVES [8]								4					2 2	
1. \$5,000 credit for first-time homebuyer in D.C.	•				*									
(sunset 12/31/01)	. po/a DOE		-23	-25	95	20	40	(-1)	r					•
2. 0% capital gains rate (10% for 1998 property) for	F		-20	-20	-25	-32	-19	[7]	[7]	[7]	[7]	[7]	-125	-125
new investment in qualified D.C. business	•									-		:		
property held for at least 5 years; sunset														
12/31/02	1/1/98		r=1	-							•	i		
	17 17 30		[7]	-7	-18	-33	-47	-67	-122	-139	-154	-167	-106	-755

										~ .				
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
\$60 million in tax credits to taxpayers that provide equity and loans to certain D.C.					-		•							
businesses 4. Expenditures out of new D.C. school trust fund	1/1/98		-5	-10	-17	-18	-6	-1	-2	-1			-56	-60
· ·			-3	-5	-5	-5	-5	-5	-5	-5	-5	-5	-23	-48
SUBTOTAL OF DISTRICT OF COLUMBIA TAX INCENTIN	VES		-31	-47	-65	-88	-77	-73	-129	-145	-159	-172	-310	-988
VII. MISCELL'ANEOUS PROVISIONS											•			
Create Intercity Passenger Rail														
Fund [9]	10/1/97		-641	-653	-666	-363	•••	•••					-2,323	-2,323
2. Transfer 3.8 cents/gallon of the 4.3													-2,020	-2,323
cents/gallon transportation motor fuels tax on highway motor fuels to the Highway Trust Fund														
(through 4/15/01), and thereafter transfer 4.3														
cents/gallon to the Highway Trust Fund	10/1/97													
Provide an above-the-line deduction for certain			•••••	••••	• • • • • • • •	• • • • •	No He	venue Effe	:t		-			· •
State and local official's expenses	eli tybo/a 1/1/98		-2	-4	-4	-4	-5	-5	-6	-6	-7	-7	. 40	
 Repeal UBIT on income from an S corporation 	•			-	•	•	Ū	-5	-0	-0	·/ .	-/	-19	-50
to an ESOP	tyba 12/31/97		-8	-23	-34	-41	-44	-46	-48	-50	-52	-54	-149	-400
Clarify tax-exempt status of certain State workmen's compensation funds														
Clarify tax treatment of corporate sponsorship of	tyba 12/31/97		[7]	[7]	-1	-1	-1	-1	-1	-1	-1	-1	-2	-6
charitable organization events	eca 12/31/97													
7. Raise the charitable mileage rate from 12	eca 12/31/9/						- Negligible	Revenue E	ffect	••••				
cents/mile to 15 cents/mile and index	tyba 12/31/97	•	-12	-83	-88	-97	-129	-140	-177	-192	044			
Allow timeshare associations to elect to be			•-	•	-00	-37	-123	-140	*177	-192	-241	-288	-409	-1,447
taxed as homeowner associations at 32% rate														
and modify definition of property for timeshares	tyba 12/31/96	***	-1	-1	-1	-1	-2	-2	-2	-2	-2	-2	-7	-17
Modification of passive foreign investment												-	•	• • •
company provisions to eliminate overlap with subpart F and to allow mark-to-market election	h-h 40/04/07													
10. Foreign sales corporation benefits for	tyba 12/31/97		-23	-21	-22	-24	-25	-26	-27	-29	-31	-33	-115	-261
computer software	gra 12/31/97		-27	-42	140	470								
Exception from U.S. property definition under	gra 12/01/01		-21	-42	-146	-173	-180	-191	-202	-227	-252	-277	-568	-1,717
subpart F for certain securities positions	tyba 12/31/97		-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	^	
12. Direct Secretary of Treasury to limit treaty	•		·	_	_	_		-2	٠ <u>٠</u>	*2	-2	-2	-9	-19
benefits for payments to certain hybrid entities	DOE	 -		- <i></i>		- 	- Negligible	Revenue E	ffect	• • • • • • • •	• • • • • • • • •	· • • • • · · · ·	. 	
13. Equalize the tax rates among alternative fuels														
except CNG14. Repeal excise tax on recreational	DOE	-2	-15	-16	-16	-17	-18	-19	-20	-21	-22	-23	-82	-186
motorboat diesel fuel	1/1/98				_									
15. Expense "Brownfields" redevelopment costs in	1/1/90		-4	-5	-5	-1	-1	-1	-1	-1	-1	-1	-16	-22
empowerment zones, enterprise communities														
and EPA demonstration sites	eia DOE		-35	-58	-58	-47	-48	-48	-47	-45	-45		0.47	
Reduce excise tax rate on draft cider to the				00	00		-40	-40	-47	-45	-45	-44	-247	-475
small producer beer rate	10/1/97		-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
17. Clarify that capital gains from culled cows are									•	•	•	•	-0	-1
of the EIC	Libraroksiks										*		•	
or mo cro	typa 12/31/95		-2	-1	-1	-1	-1	-1	-1	1	-1	-1	-6	-13
not included in disqualified income for purposes of the EIC	tyba 12/31/95	•••	-2	-1	-1	-1	-1	-1	-1	1	-1	-1	-6	

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
18. Provide involuntary conversion tax treatment for	,				Te	· · · · · · · · · · · · · · · · · · ·					2000	2007	1990-02	1990-07
livestock sold on account of certain	•													
weather-related conditions	sea 12/31/96		40											
19. Reverse IRS position on AMT treatment of	30a 12/31/30		-12	-2	-2	-2	-1	-1	-1	-1	-1	-1	-18	-23
certain installment sales by farmers	. di tyba 12/31/87		457											
20. Require study on simplified collection of distilled	. urtyba 12/31/6/	-8	-157	-158	-167	-164	-157	-148	22	22	21	21	-803	-864
spirits taxes														
21. Restore meals deduction to 80% in 5%	•••					• • • • • • • • • • • • • • • • • • •	No Re	renue Effec	t	• • • • · ·				
increments every other year for persons subject	•				,									•
to Federal hours of service limitation and				,										
Alaskan seafood processors, and clarify														
treatment of section 119 meals	h.b. 10/01/07		_											•
22. Delay penalties for failure to make	tyba 12/31/97		-8	-17	-27	-38	-50	-63	-77	-92	-109	-126	-140	-607
payments through EFTPS until after 6/30/98	DOE	•												
23. Allow grandfathered publicly traded	DOE						No Rev	renue Effec	:t	· • • • • • • • •	· · · · · · ·		• • • • • • • · · ·	
partnerships to elect to pay a PTP tax	11 40/04/0-													
24. Exempt multi-employer plans from section 415	tyba 12/31/97 -	••			• • • • • • • •		Rever	ue Neutral	• • • • • • •					
nementage limitation														
percentage limitation	tyba 12/31/97		-2	-3	-3	-4	-4	-5	-5	-5	-5	-5	-16	-41
nonsign tructs														771
pension trusts						• • • • • •	Negligible i	Revenue E	ffect					
26. Montana simplified tax and wage reporting							- •							
system (5-year demo)							No Rev	enue Effec	t					
27. Increase the size of projects financed with		1							•					
small-issue tax-exempt bonds to \$20 million													į	
(keep bond cap at \$10 million)	bia 12/31/97		[7]	-2	-5	-7	-9	-12	-14	-17	-20	-23	-24	100
28. Purchasing of receivables by tax-exempt										• • •	-20	-23	-24	-109
hospital cooperative service organizations	tyba 12/31/96	· • •	- 	• • • • • • • • •	• • • • • • • • • • • • • • • • • • •	. 	Negligible I	Revenue Fi	ffect	- <i></i>	. 			
29. Travel expenses of certain construction							J. J							
workers while working away from home	tyba 12/31/97		-4	-14	-15	-16	-17	-17	-18	-19	-20	-21	00	404
30. Worker classification of securities brokers	spa 12/31/97	·		. 	. 		Negligible I				-20	-21	-66	-161
31. Provide safety net for marginal oil and gas				*					1001			• • • • • •	•	
production when crude oil annual average										•	•		-	
wellhead falls below \$14	DOE			·			No Rev	enue Effect						
32. Loosen mortgage revenue bond requirements							1407104	-1100 E1100(*****				
in Presidentially declared disaster areas for 2													*	
years	[10]		-2	-5	-6	-6	-5	- 5	.4	4				
33. Modification of empowerment zone and	- •			•	• .	v	-5	, 5	-4	-4	-3	-3	-24	-43
enterprise community criteria in the event of				1									1	
future designations of additional zones and														
communities	DOE						Ma Davi							
34. Exclusion of ministers from discrimination testing							No Reve	enue Effect			• • • • • • •			
of nondenominational retirement plans	tyba 12/31/97						A4							
35. Deduction for contributions made by ministers	1,000 12.01/07						ivegiigible H	levenue Efi	ect		•••		· • • •	• • • • • •
to retirement plans	tyba 12/31/97									- :				
36. Treat service income of nonresident alien	., 1201/0/						Negligible F	evenue Eff	'ect			-	· • • • • · · · · · ·	
individuals earned on foreign ships as foreign		•	•											
source income and disregard the U.S.														
presence of such individuals	tyba 12/31/97		•											
37. Exemption from subpart F for active financing	iyua 12/31/8/		-2	-4	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
the second and a second														
income	tybi 1998		-23	-68	-3									

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-0
38. Pension proposals:						-								
a. Spousal consent	. pyba 12/31/97		•					_						
b. Increase in full funding limit	. pyba 12/31/97 . pyba 12/31/98			,			- •		Effect				- 	<i></i>
39. Charitable contribution deduction for certain	- pyva 12/31/96	***	***	-5	-14	-16	-20	-21	-25	-25	27	-27	-55	-18
expenses incurred in support of Native Alaskan		•					-							
subsistence whaling	Address DOF													•
40. Codify Bureau of Alcohol, Tobacco, and	tybbo/a DOE		-1	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	-1	
Fireness regulations as who labelled														
Firearms regulations on wine labeling	DOE		•••••	• • • • • • • •			No Re	evenue Effe	ect	· · · · · · · · ·			- 	
excise tax	DOE		• • • • • • •	• • • • • • •	••••		No Re	evenue Effe	ect		<i>-</i>	.		· ·
42. Exception from rule denying tax-exempt status														
to Federally guaranteed bonds for certain														
bonds receiving letter of credit backing from														
Federal Home Loan Banks	bia 12/31/97		[7]	-1	-1	-2	-2	-2	-3	-3	-3	-4	-6	-:
43. Increase deduction for health insurance									=	_	-	•	ŭ	
expenses of self-employed individuals: 50% in														
1997, 55% in 1998, 60% in 1999 through 2001,														
65% in 2002, 80% in 2003 through 2005, 90%													•	
in 2006, and 100% in 2007 and thereafter	tyba 12/31/96	-58	-183	-245	-349	-382	-457	-704	-882	-601	-404	-604	-1.616	4.0
14. Exclude from unrelated business taxable	•		,		0.0		701	-704	-002	-001	-404	-604	-1,010	-4,8
income for certain charitable gambling	prsa 12/31/97		· • • • -		. 		- Mealiaible	Royanya	Effort .					
45. Eliminate the 10% floor for casualty losses	• • • • • • • • • • • • • • • • • • • •						- Negligible	rievenue	Lifett					· •
attributable to a disaster in a Federally declared														
disaster area (1997 disaster areas only)	doa 12/31/96		-46	[7]	[7]									
16. Abatement of interest on underpayments by	dou 12301130		-40	1/1	[7]				***				-46	-
taxpayers in Presidentially declared disaster														
areas (1997 disaster areas only)	1/1/07	_				-					,			
47. Exclude from gross income certain survivor	1/1/97	- 5	***				***		***	•••	•	***	***	
benefits attributable to a public safety officer														
who is killed in the first of the								•						
who is killed in the line of duty	[11]	•••	[7]	-1	-1	-1	-1	-1	-1	-1	-2	-2	-4	-
48. Clarify the tax treatment of certain disability														
benefits received by former police officers or										-				
firefighters	DOE		-70	-9			•••			•••			-79	-
49. Diversification of 401(k) investments	DOE	• • • • • · · ·					- Negligible	Revenue i	Effect					
50. Credit for qualified employer provided day care														
facilities (50%) with \$150,000 cap; sunset														
12/31/99	tyba 12/31/97		-637	-603	-749	-481	-136	-19					-2,606	-2,6
51. Exclusion for first \$2,000 of severance pay in													-2,000	-2,0
workforce reductions	tyba 12/31/97		-5	-110	-113	-117	-120	-124	-128	-131	-135	-139	-466	4.44
52. Income averaging for farmers	tyba DOE ab 1/1/01	-1	-10	-53	-54	-50		-16-7	-120	-101	-100	-138		-1,1
53. Repeal of bad debt reserve method for thrift		-			↓	-00							-168	-16
savings associations	aiii SBJPA		-4	-7	-7	-7	-7	-6	-1	[40]	[4.0]	[40]	^^	_
54. Permit the current refunding of certain				-1	-,	-/	-/	-0	- 3	[12]	[12]	[12]	-32	-3
tax-exempt bonds	roia DOE						Manhatta	D	=10.					
55. Expand non-Amtrak States' use of the Intercity	10th DOE		· · · · · · ·				- ivegligible	Hevenue I	=nect		- 		• • • • • • • • • • • • • • • • • • • •	
Passenger Rail Fund	10/1/97		•											
- woodiger rich rundi			• • • • • • •	•		- <i></i>	No Revenu	e Or Outlay	Effect					
SUBTOTAL OF MISCELLANEOUS PROVISIONS														

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
/III. REVENUE OFFSETS		2											1000-02	1335-01
Extension of Airport and Airway Trust Fund	•										-			
excise taxes through 9/30/07; modify airline		•												
ticket tax deposit rule	40/4/0-													
2. Reduce air passenger ticket tax rate from 10%	10/1/97	-1,017	6,255	5,521	5,865	3,620	9,220	7,016	7,445	7,901	8,385	8,895	30,481	70,122
to 7.5% of ticket price for flight segments										,	-,	0,000	00,401	10,122
to/from certain rural airports; and modify the		.*												
definition of "rural airports" that qualify for a		1.						•						
reduced ad valorem tax rate [13]	40/4/0-													
Increase international departure tax from \$6.00	10/1/97	·	-26	-27	-27	-27	-27	-28	-29	-30	-31	-32	-134	-284
to \$8.00, impose \$8.00 tax on international													104	-204
arrivals, and impose 10% tax on portion of ticket														
price attributable to domestic segments of														
international flights (but retain present law for				1										
domestic flights to/from Alaska and Hawaii) [14]														
4 Impose 10% tower costs and Hawaii) [14]	. 10/1/97		590	657	694	734	776	821	867	914	965	1,018	3,451	0.007
4. Impose 10% tax on cash payments to airlines		1								017	500	1,010	3,431	8,037
for air travel under credit card and similar	•	•												
programs			87	97	103	109	116	123	130	138	147	155	E10	4 005
5. Require gain recognition for certain	da 5/3/95							120		100	147	100	512	1,205
extraordinary dividends	. da 9/13/95		44	-93	-54	-10	38	73	79	85	92	00	7.0	:
Require gain recognition on certain distributions	•						00	, ,	1.9	, 00	92	98	-75	352
of controlled corporation stock (with	•													
modifications for intragroup distributions)	da 4/16/97	·	504	293	257	221	184	149	113	77	44			
7. Require recognition of gain on certain							.0.	173	113	- 11	41	9	1,459	1,848
appreciated positions in personal property	. csa 6/8/97		367	121	68	73	79	85	94	111	110	400	1	
Modify net operating loss carryback and							, ,	- 00	34	111	118	127	708	1,243
carryover rules with the exception related to		:						100					•	
Presidentially declared disaster areas	NOLgi tyba DOE		42	303	361	256	179	136	112	100				
Limit carryback period for general business						200		130	112	100	93	90	1,141	1,672
credits to 1 year, extend carryforward period to														
20 years	cai tyba 12/31/97	***	182	300	81	-60	-32	n	-					
Modify foreign tax credit carryover rules	ftpa tyba 12/31/97		80	520	468	441	-32 416	-9	5	15	21	25	471	527
11. Modify holding period for dividends-received	•	A.			400	771	410	390	275	271	267	263	1,925	3,391
deduction with 2 year transition period	droaa 30da DOE		1	3	15	16	10	40	4			· · · · · · · · · · · · · · · · · · ·		
12. Inclusion of income from notional principal		i.	•	J	13	10	16	16	17	17	. 17	18	51	136
contracts and stock lending transactions under														
subpart F	tyba DOE	·	9	20	21	04			22		111			
 Further restrict like-kind exchanges involving 		-	•	20	41	21	21	21	22	22	22	23	9,1	202
foreign personal property	Ta dofca		4	8	44	40								3. 4
14. Extend LUST excise tax through 9/30/07	10/1/97		129	129	11 128	13	15	17	19	21	23	25	51	156
15. Treatment of preferred stock as "boot"	ta 6/8/97	·	35	37	39	129	131	134	136	139	142	145	645	1,340
16. Extend FUTA surtax and increase the statutory		11	33	37	39	41	43	10	10	11	11	12	194	248
limit on the FUA Trust Fund from .25% of	,											1		
covered wages to .50% [15]	lpo/a 1/1/99	1		1.000	4 705									
17. Expansion of requirement that involuntarily	.po/a 1/1/55	ý.	***	1,063	1,763	1,797	1,733	661	-73	-71	-74	-73	6,356	6,726
converted property be replaced with property											4.5			
acquired from an unrelated person	iona defen	1					*				3.1			
18. Require registration of confidential corporate	icoa dofca	·	1	4	6	. 8	11,	13	15	17	19	21	30	115
tax shelters; substantial understatement penalty	togoiT-	1	4-											
penalty	tsoaiTg		15	37	38	39	41	42	43	44	46:	47	170	392

										· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·		
Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-07
Information reporting on corporations receiving contract payments from certain Federal														
agencies	rd 90da DOE		***	7	8	9	10	11	11	12	12	- 13	34	93
administration of certain Veterans' programs [15] 21. Modify holding period for certain foreign tax	. dma 9/30/98			22	27	31	36	36	37	38	38	39	116	304
credits	dpoaa 30da DOE		23	48	50	53	56	58	61	64	68	71	230	552
related corporations	da/a 6/8/97		10	10	5	5	5	5	5	5	5	5	35	60
Restrict income forecast method and allow 3-year MACRS for rent-to-own property	tyba DOE	•••	37	43	61	69	38	27	25	16	17	18	248	352
24. Gains or losses from certain terminations with respect to property			15	27	25	25	. 25							
25. Interest on underpayment reduced by foreign tax credit carryback		-						25	25	25	25	25	117	242
Modify the basis allocation rules for distributee		* '	8	10	2	1	1	1	1	1	1	1	22	27
partners			26	52	55	57	59	61	64	66	69	72	249	581
requirement for inventory of a partnership	sepda DOE	***	32	66	69	73	77	80	. 84	89	93	98	317	761
tax-exempt organizations and modify control	tyba DOE & tyba 12/31/98		8	14	٥	c	-	-						
29. Carryover basis on sale of property by tax- exempt related party		•••	•		8	6	5	5	4	4	4	4	42	63
Modification of treatment of company-owned life insurance - pro rata disallowance of interest			[12]	[12]	[12]	[12]	[12]	[12]	[12]	[12]	[12]	[12]	. 1	2
on debt to fund life insurance	cia 6/8/97		20	53	93	140	193	247	299	349	399	447	500	2,240
farm corporations required to use accrual method of accounting [16]	[17]		29	33	35	36	37	39	40	41	43	44	170	377
1986 Act	tyba 8/15/98			44	97	106	106	64	21	22	23	24	353	507
33. Repeal 1986 Act grandfather rules for pension business of Mutual of America	tyba 12/31/97		[12]	6	8	9	9	9	9	9	9	10	31	78
34. Apply 3% telephone excise tax to certain prepaid phone cards	DOE		19	28	38	49	60	71	83	101	113	124	193	684
35. Consistency requirement for returns of beneficiaries of estates and trusts	rfa DOE		3	3	3	3	3	3	4	. 4	4	4	15	
36. No information reporting on sales of principal residences less than \$250,000 or \$500,000			J	J	ŭ	Ů	Ü	Ū	7		7	•	15	34
(married filing joint return)	DOE		• • • • • • •				- Negligible	Revenue E	ffect					
Determination of period of limitations relating to foreign tax credits	ftpoa tyba DOE		1	2	1	1	. 1	1	1	1	1	1	, 6	11
38. Uniform excise tax on vaccines; add 3 new vaccines (\$0.84 per dose)	10/1/97		[7]	[12]	1	1		1	1	•		•	. 0	
Increase the amount from \$3,500 to \$5,000 on involuntary cash out from pension plans		(40)			-	. <u>'</u>	_	. <u>.</u> .	- -	. !	1		3	8
40. Repeal of 15% excess distribution and excess	tyba &	[12]	2	6	7	7	7	. 8	8	9	. 9	10	. 29	73
accumulation taxes 41. Repeal special rule which permits certain	dda 12/31/96		-18	-19	-7	18	18	16	16	14	13	11	-8	62
companies to eliminate their AMT liability	tyba 12/31/97		2	5	5	5	5	5	5.	5	5	5	22	47

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Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1998-02	1998-
42. Provide employers the option to offer tax-free													1000 02	1330-
employee parking or taxable cash														
compensation [18]	hiba 10/01/07		_											
43. Replace truck tax deduction for tire value with	tyba 12/31/97		3	8	11	12	12	13	14	14	15	16	46	1
tax credit for excise tax paid on tires														•
44. Increase of \$0.20 per pack with proportionate	sa 1/1/1998	•	66	94	96	97	99	101	102	105	108	110	452	9
ingresse in other telescent with proportionate				-								110	732	9
increase in other tobacco products.	10/1/97		2,980	2,949	2,960	2.972	2.983	2.993	3,003	3.014	3,026	3,037	14.044	00.0
45. Limitation on Charitable Remainder Trust						·	-,	_,,,,,	0,000	0,017	3,020	3,037	14,844	29,9
annual payouts	Ta 6/18/97		. 1	1	. 1	1	1	1	1					
46. Treatment of income from certain sales of					•	•	•	•	,	1	1	1	. 5	
inventory as U.S. source income	tyba DOE		3	7	. 8	9	40							
47. Reduce ethanol income and excise tax subsidy			v		. 0	9	10	11	15	13	14	15	37	1
from 54 cents/gallon to 53 cents/gallon for	•													
2001 - 2002, 52 cents/gallon for 2003 - 2004,									•					
and 51 cents/gallon thereafter	4 14 16 4													
48. Modify levy exemption and provide continuous	1/1/01	••-			·	10	14	25	29	40	45	. 45	. 24	2
loss on codein comments (villes t BBB	•													•
levy on certain payments (without RRB														
beneficiaries)	lia DOE		328	323	252	212	156	117	101	85	81		4.074	4 -
49. Pension proposals:							.00	,,,	101	63	01	. 77	1,271	.1,7
 a. Increase in prohibited transactions excise 													100	
tax	ptoa DOE		2	· A	4				_					
Basis recovery method	aba 12/31/97		1	3	6	9	4	4	4	4	4	. 4	14	
c. Increase in full funding limit with 20-year			•	3	0	9	11	15	18	21	24	. 27	.30	- 1
amortization	pyba 12/31/98			_	_								*	
50. Authorize IRS to implement matching program	pyva 12/31/30			1	2	2	2	2	2	2	2	2	. 7	
for non-custodial parents	40446													
			<i>-</i>				,No R	levenue Effe	ect	- <i></i>				
SUBTOTAL OF REVENUE OFFSETS		-1,017	11,920	10.040	40 700	44.455								
	***************************************	-1,011	11,520	12,843	13,768	11,453	17,004	13,725	13,373	13,957	14,576	15,227	66,982	137,8
SIMPLIFICATION PROPOSALS	***************************************	***	-174	-132	-144	-159	-171	-183	-199	-220				
•							••••	-103	-133	-220	-236	-254	-788	-1,8
FCHNICAL CORRECTIONS	•													
FECHNICAL CORRECTIONS	***************************************				***				4	700				
COMMITTEE AMENDMENT ON CHILD HEALTH			4 000	4			47							
		***	-1,000	-1,000	-2,000	-2,000	-2,000	-		***			-8,000	-8,0
													-,	5,0
				- 19					· · · · · · · · · · · · · · · · · · ·			 .		
L OF H.R. 2014, AS AMENDED	*******************************	40	643	-19,495	-22,814	-25,814	-20,632	-24,733	-29,876	22 627	00 554	44 884		
e: Joint Committee on Taxation				,0	,0.7	20,014	-20,032	-24,733	-29,0/0	-32,627	-36,551	-41,771	-88.127	-253,69

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

Legend and Footnotes for JCX-36-97:

Legend for "Effective" column:

ab = and before

aba = annuities beginning after

aili SBJPA = as if included in the Small Business Job

Protection Act of 1996

bia = bonds issued after

cai = credits arising in

cia = contracts issued after

csa = constructive sales after

da = distributions after

Da = discharges after

da/a = distributions and acquisitions after

dda = decedents dying after

di = dispositions in

dma = disclosures made after

doa = disasters occurring after

DOE = date of enactment

dofca = date of first committee action

dpoaa = dividends paid or accrued after

droaa = dividends received or accrued after

eca = events conducted after

[1] Estimate considers interaction with HOPE tax credit proposal.

- [2] Estimate includes interaction with employer education.
- [3] Estimate includes interaction with estate and gift taxes.
- [4] Estimate includes interaction with education IRAs.
- [5] Effective for disasters occurring after 12/31/96.
- [6] Effective for payments and distributions after 12/31/96.
- [7] Loss of less than \$500,000.
- [8] All D.C. tax initiatives are contingent on the creation of an Economic Development Corporation in 1997; estimate assumes creation of such an Economic Development Corporation and enactment of reforms to D.C. borrowing authority similar to that in the Administration's proposal.

rd = returns due

rfa = returns filed after

- [9] This provision would transfer net revenues from 0.5 cents/gallon of the excise taxes on all transportation motor fuels to the fund. The provision has no revenue effect. Federal outlays would increase by \$2.3 billion over fiscal years 1998 2001. Negative numbers in the table show the budget effect of the increase in outlays. Estimate provided by the Congressional Budget Office.
- [10] Effective for bonds issued after 12/31/96 and bonds issued before 1/1/99.
- [11] Effective for payments received in taxable years beginning after 12/31/96 with respect to individuals dying after such date.
- [12] Gain of less than \$500,000.
- [13] Rural airports would be defined as airports receiving "essential air service" assistance on date of enactment and having fewer than 100,000 enplanements in the previous calendar year, and (2) other airports having fewer than 100,000 passenger enplanements in the previous calendar year, excluding those within 75 miles of airports having more than 100,000 passenger enplanements in the previous year.
- [14] Under present law, domestic flight to or from Alaska or Hawaii are subject to a \$6.00 departure tax plus a 10% tax on the portion of ticket price attributable to the portion of flight over land.
- [15] Estimate provided by the Congressional Budget Office.
- [16] Balances in new accounts would be included in income over a 10-year period, and balances in existing accounts over a 20-year period. For existing accounts, the amounts included in income in any year would not exceed 50% of the taxable income of the taxpayer before the inclusion. The provision would eliminate the present-law requirement that a portion of the suspense account be restored to income whenever the gross receipts of the corporation decline.
- [17] Provision would be effective for taxable years ending after the date of first committee action, for new suspense accounts, and taxable years beginning after that date for existing accounts.
- [18] Estimate does not include increase in receipts to Social Security trust fund (\$21 million for 1997 2002; \$51 million for 1997 2007).

eia = expenses incurred after eil = expenses incurred in ftpa = foreign taxes paid or accrued in ftpoa = foreign taxes paid or accrued in gra = gross receipts after gsta = generation skipping transfers after icoa = involuntary conversions occurring after lia = levies issued after lpo/a = labor performed on or after NOLgi = net operating losses generated in pda = partnership distributions after po/a = purchases on or after poida = payments of interest due after pma = payments made after prsa = payments received or solicited after ptoa = prohibited transactions occurring after pyba = plans years beginning after

roa = rentals occurring after (for returns open roia = refunding obligation issued after sa = sales after sea = sales or exchanges after sepda = sales and exchanges, and certain partnership distributions after spa = services performed after ta = transactions after Ta = transfers after tyba = taxable years beginning after tybi = taxable years beginning in tybbo/a = taxable years beginning before, on or after tybo/a = taxable years beginning on or after tyea = taxable years ending after tsoaiTg = tax shelters offered after issuance of Treasury guidance wpoifhma = wages paid or incurred for hires made after 30da = 30 days after

90da = 90 days after