

- SENATE FINANCE COMMITTEE -
ESTIMATED BUDGET EFFECTS OF CHAIRMAN'S MARK RELATING TO REVENUE RECONCILIATION PROVISIONS

Fiscal Years 1997 - 2007

[Millions of Dollars]

| Provision | Effective | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 1997-02 | 1997-07 |
|--|------------------------|------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| 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-EIC, deposit requirement for age 13 to 16 (age 13 - 17 after 2002); \$75,000/\$110,000 phaseout; no indexing [1]..... | 7/1/97 | --- | -10,300 | -18,192 | -17,884 | -17,502 | -17,291 | -17,088 | -17,674 | -17,422 | -17,173 | -16,926 | -81,169 | -167,452 |
| 2. Individual AMT - annually increase exemption amounts by \$600 joint/\$450 single for 2001 and 2002; \$950 joint/\$700 single for 2003 and thereafter..... | tybo/a 1/1/01 | --- | --- | --- | --- | -55 | -295 | -719 | -1,428 | -2,428 | -3,955 | -5,872 | -350 | -14,752 |
| SUBTOTAL OF FAMILY TAX RELIEF PROVISIONS..... | | --- | -10,300 | -18,192 | -17,884 | -17,557 | -17,586 | -17,807 | -19,102 | -19,850 | -21,128 | -22,798 | -81,519 | -182,204 |
| II. EDUCATION TAX INCENTIVES | | | | | | | | | | | | | | |
| 1. 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 technical schools) adjusted out-of-pocket 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 claim HOPE scholarship credit..... | pma & 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 | -45,349 |
| 2. Student loan interest deduction (\$2,500 above-the-line deduction; phaseout \$40,000 - \$50,000 singles/ \$80,000 - \$100,000 joint); deduction amounts are indexed; income limits indexed beginning in 2003..... | poida 12/31/97 | --- | -56 | -176 | -218 | -274 | -347 | -386 | -409 | -434 | -461 | -490 | -1,071 | -3,251 |
| 3. Permanent extension of employer-provided educational assistance for graduates and undergraduates..... | tyba 12/31/96 | --- | -636 | -660 | -704 | -745 | -778 | -813 | -850 | -888 | -928 | -972 | -3,522 | -7,972 |
| 4. Penalty-free IRA withdrawals for post-secondary and graduate education..... | tyba 12/31/97 | --- | -78 | -201 | -181 | -175 | -177 | -179 | -182 | -184 | -186 | -189 | -812 | -1,732 |

| Provision | Effective | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 1997-02 | 1997-07 |
|--|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| 5. 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 | --- | -202 | -836 | -1,175 | -1,354 | -1,421 | -1,833 | -2,223 | -2,613 | -3,008 | -3,421 | -4,988 | -18,086 |
| 6. Allow tax-free withdrawals from qualified 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 |
| 7. Repeal \$150 million limit on tax-exempt section 501(c)(3) bonds for new capital expenditures..... | 1/1/98 | --- | -6 | -45 | -75 | -89 | -99 | -106 | -115 | -125 | -138 | -162 | -315 | -962 |
| 8. Exempt teachers' course work in education technology from the 2% miscellaneous itemized deduction floor..... | tyba 12/31/97 | --- | -10 | -21 | -22 | -23 | -24 | -25 | -25 | -27 | -28 | -29 | -99 | -232 |
| 9. Raise small issuer arbitrage rebate exception for governmental bonds used to finance education 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..... | | --- | -2,580 | -6,772 | -7,287 | -7,659 | -7,940 | -8,534 | -9,077 | -9,625 | -10,188 | -10,789 | -32,237 | -80,448 |
| 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 26%; (d) symmetric AMT treatment; (e) exclusion for gain on personal residence (including remainder interests)..... | 5/7/97 | 1,318 | 7,184 | 57 | -3,007 | -3,192 | -3,338 | -3,510 | -3,724 | -3,886 | -4,097 | -4,391 | -978 | -20,586 |
| 2. Qualified small business stock rules: extend present law to corporate investors, repeal the excluded gains from AMT, increase size of eligible business to \$100 million, repeal pre-issue limitation, allow qualified tax-free rollover, other changes..... | various | --- | -73 | -129 | -149 | -171 | -197 | -226 | -260 | -299 | -344 | -396 | -719 | -2,244 |
| 3. Expand deductible IRAs - increase income limits by \$10,000 for joint filers in 1998, 2000, 2002, and 2004 (\$5,000 for single filers in 1998, 2000, 2002; \$10,000 in 2004) and eliminate active spousal participant rules; create IRA Plus as in S. 197; penalty-free withdrawals for first-time home purchases capped at \$10,000; and long-term unemployment [4]..... | tyba 12/31/97 | --- | -435 | -459 | -116 | -978 | -1,354 | -2,070 | -3,672 | -4,384 | -4,909 | -5,473 | -3,343 | -23,850 |
| SUBTOTAL OF ECONOMIC GROWTH, SAVINGS AND INVESTMENT INCENTIVES..... | | 1,318 | 6,676 | -531 | -3,272 | -4,341 | -4,889 | -5,806 | -7,656 | -8,569 | -9,350 | -10,260 | -5,040 | -46,680 |

| Provision | Effective | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 1997-02 | 1997-07 |
|--|------------------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| IV. ESTATE AND GIFT TAX PROVISIONS | | | | | | | | | | | | | | |
| 1. 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, and by \$50,000 from 2004 through 2008; index other provisions beginning in 1999..... | dda 12/31/97 | --- | --- | -295 | -557 | -977 | -1,277 | -2,110 | -2,912 | -3,946 | -4,976 | -6,276 | -3,106 | -23,326 |
| 2. Exclude up to \$1 million of qualified family farms and businesses..... | dda 12/31/97 | --- | --- | -598 | -702 | -823 | -957 | -1,138 | -1,327 | -1,543 | -1,686 | -1,841 | -3,080 | -10,616 |
| 3. 20-year installment payment where estate consists largely of interest in closely held business..... | dda 12/31/97 | --- | --- | --- | --- | --- | --- | -14 | -10 | -7 | -5 | -2 | --- | -38 |
| 4. No interest on certain portion of estate tax extended under section 6166 and interest rate reduced to 45% of present-law interest but nondeductible..... | dda 12/31/97 | --- | --- | -10 | -20 | -32 | -45 | -59 | -73 | -88 | -103 | -119 | -107 | -549 |
| 5. Certain farmland cash rentals do not cause recapture of special valuation..... | roa 12/31/76 | --- | -25 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -2 | -33 | -43 |
| 6. Expand exception from generation-skipping transfer tax for transfers to individuals with deceased parents..... | gsta DOE | --- | --- | -4 | -4 | -4 | -4 | -4 | -5 | -5 | -5 | -6 | -16 | -41 |
| 7. Exclude up to \$1 million estate tax exclusion for treatment of land subject to a qualified conservation easement coordinated with exclusion of family farms and businesses (expanded treatment of land with severed mineral rights) business relief used..... | dda 12/31/97 | --- | --- | -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 | -6,852 | -8,326 | -6,540 | -35,160 |
| V. EXPIRING TAX PROVISIONS | | | | | | | | | | | | | | |
| 1. Contributions of appreciated stock to private foundations (through 12/31/99)..... | 6/1/97 | --- | -40 | -111 | -81 | -9 | -2 | --- | --- | --- | --- | --- | -243 | -243 |
| 2. Orphan drug tax credit (permanent)..... | 6/1/97 | --- | -29 | -28 | -30 | -32 | -34 | -35 | -37 | -39 | -40 | -42 | -152 | -346 |
| 3. Work opportunity tax credit (through 12/31/99); modify eligibility for welfare recipients to 9 out of last 18 months; include SSI recipients..... | wpoifhma 9/30/97 | --- | -164 | -297 | -285 | -149 | -57 | -19 | -3 | --- | --- | --- | -953 | -975 |
| 4. R&E credit (through 12/31/99)..... | 6/1/97 | -161 | -1,062 | -1,621 | -1,458 | -700 | -452 | -259 | -72 | --- | --- | --- | -5,454 | -5,785 |
| SUBTOTAL OF EXPIRING TAX PROVISIONS..... | | -161 | -1,295 | -2,057 | -1,854 | -890 | -545 | -313 | -112 | -39 | -40 | -42 | -6,802 | -7,349 |
| VI. DISTRICT OF COLUMBIA TAX INCENTIVES [5] | | | | | | | | | | | | | | |
| 1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02..... | 1/1/98 | --- | -12 | -20 | -21 | -23 | -25 | -12 | -3 | -3 | -3 | -3 | -101 | -124 |

| Provision | Effective | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 1997-02 | 1997-07 |
|---|------------------|--|-------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
| 18. Reverse IRS position on AMT treatment of certain installment sales by farmers..... | di tyba 12/31/87 | -8 | -157 | -158 | -167 | -164 | -157 | -148 | 22 | 22 | 21 | 21 | -811 | -872 |
| 19. Require study on simplified collection of distilled spirits taxes..... | --- | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 20. Restore meals deduction to 80% in 5% increments every other year for persons subject to Federal hours of service limitation and Alaskan seafood processors..... | tyba 12/31/97 | --- | -8 | -17 | -27 | -38 | -50 | -63 | -77 | -92 | -109 | -126 | -140 | -607 |
| 21. Delay penalties for failure to make payments through EFTPS until after 6/30/98..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 22. Allow grandfathered publicly traded partnerships to elect to pay a PTP tax..... | tyba 12/31/97 | ----- <i>Revenue Neutral</i> ----- | | | | | | | | | | | | |
| 23. Exempt multi-employer plans from section 415 percentage limitation..... | tyba 12/31/97 | --- | -2 | -3 | -3 | -4 | -4 | -5 | -5 | -5 | -5 | -5 | -16 | -41 |
| 24. Clarify partial termination rules for Trans-Alaska pension trusts..... | --- | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | | |
| 25. Montana simplified tax and wage reporting system (5-year demo)..... | --- | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 26. Increase the size of projects financed with small-issue tax-exempt bonds to \$20 million (keep bond cap at \$10 million)..... | bia 12/31/97 | --- | [7] | -2 | -5 | -7 | -9 | -12 | -14 | -17 | -20 | -23 | -24 | -109 |
| SUBTOTAL OF MISCELLANEOUS PROVISIONS..... | | -10 | -941 | -1,079 | -1,214 | -985 | -674 | -708 | -606 | -667 | -768 | -864 | -4,900 | -8,511 |

VIII. REVENUE OFFSETS

| | | | | | | | | | | | | | | |
|---|-------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| 1. Extension of Airport and Airway Trust Fund excise taxes through 9/30/07; modify airline ticket tax deposit rule..... | 10/1/97 | -1,017 | 6,255 | 5,521 | 5,865 | 4,164 | 8,676 | 7,016 | 7,445 | 7,901 | 8,385 | 8,895 | 29,463 | 69,105 |
| 2. Reduce air passenger ticket tax rate from 10% to 7.5% of ticket price for flight segments to/from certain rural airports [8]..... | 10/1/97 | --- | -17 | -19 | -20 | -21 | -21 | -22 | -23 | -23 | -24 | -25 | -99 | -215 |
| 3. Repeal \$6 departure tax and impose 10% tax on the portion of international ticket price attributable to portion of flight through U.S. controlled airspace (but retain present law for domestic flights to/from Alaska and Hawaii) [9]..... | 10/1/97 | --- | 1,198 | 1,347 | 1,441 | 1,542 | 1,648 | 1,762 | 1,884 | 2,016 | 2,157 | 2,307 | 7,175 | 17,301 |
| 4. Impose 10% tax on cash payments to airlines for air travel under credit card and similar programs..... | 10/1/97 | --- | 87 | 97 | 103 | 109 | 116 | 123 | 130 | 138 | 147 | 155 | 512 | 1,205 |
| 5. Require gain recognition for certain extraordinary dividends..... | da 5/3/95 da 9/13/95 | --- | 44 | -93 | -54 | -10 | 38 | 73 | 79 | 85 | 92 | 98 | -75 | 352 |
| 6. Require gain recognition on certain distributions of controlled corporation stock (with modifications for intragroup distributions)..... | da 4/16/97 | --- | 504 | 293 | 257 | 221 | 184 | 149 | 113 | 77 | 41 | 9 | 1,459 | 1,848 |
| 7. Require recognition of gain on certain appreciated positions in personal property..... | csa 6/8/97 | --- | 367 | 121 | 68 | 73 | 79 | 85 | 94 | 111 | 118 | 127 | 708 | 1,243 |
| 8. Modify net operating loss carryover rules..... | NOLgi tyba DOE | --- | 44 | 319 | 380 | 269 | 188 | 143 | 118 | 105 | 98 | 95 | 1,200 | 1,758 |
| 9. Modify foreign tax credit carryover rules..... | ftpa tyba 12/31/97 | --- | 80 | 520 | 468 | 441 | 416 | 390 | 275 | 271 | 267 | 263 | 1,925 | 3,391 |

| Provision | Effective | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 1997-02 | 1997-07 |
|---|--------------------------|------|------|-------|-------|-------|-------|------|------|------|------|------|---------|---------|
| 10. Modify holding period for dividends-received deduction..... | droaa 30da DOE | --- | 12 | 15 | 15 | 16 | 16 | 16 | 17 | 17 | 17 | 18 | 74 | 159 |
| 11. Inclusion of income from notional principal contracts and stock lending transactions under subpart F..... | tyba DOE | --- | 9 | 20 | 21 | 21 | 21 | 21 | 22 | 22 | 22 | 23 | 91 | 202 |
| 12. Further restrict like-kind exchanges involving foreign personal property..... | Ta dofca | --- | 4 | 8 | 11 | 13 | 15 | 17 | 19 | 21 | 23 | 25 | 51 | 156 |
| 13. Extend LUST excise tax through 9/30/07..... | 10/1/97 | --- | 129 | 129 | 128 | 129 | 131 | 134 | 136 | 139 | 142 | 145 | 645 | 1,340 |
| 14. Treatment of preferred stock as "boot"..... | ta 6/8/97 | --- | 35 | 37 | 39 | 41 | 43 | 10 | 10 | 11 | 11 | 12 | 194 | 248 |
| 15. Extend FUTA surtax and increase the statutory limit on the FUA Trust Fund from .25% of covered wages to .50% [10]..... | lpo/a 1/1/99 | --- | --- | 1,063 | 1,763 | 1,797 | 1,733 | 661 | -73 | -71 | -74 | -73 | 6,356 | 6,726 |
| 16. Expansion of requirement that involuntarily converted property be replaced with property acquired from an unrelated person..... | icoa dofca | --- | 1 | 4 | 6 | 8 | 11 | 13 | 15 | 17 | 19 | 21 | 30 | 115 |
| 17. Require registration of confidential corporate tax shelters..... | tsoaiTg | --- | 15 | 37 | 38 | 39 | 41 | 42 | 43 | 44 | 46 | 47 | 170 | 392 |
| 18. 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 |
| 19. Extend disclosure of tax return information for administration of certain Veterans' programs [10]..... | dma 9/30/98 | --- | --- | 22 | 27 | 31 | 36 | 36 | 37 | 38 | 38 | 39 | 116 | 304 |
| 20. Modify holding period for certain foreign tax credits..... | dpoaa 30da DOE | --- | 23 | 48 | 50 | 53 | 56 | 58 | 61 | 64 | 68 | 71 | 230 | 552 |
| 21. Reform tax treatment of redemptions involving related corporations..... | da/a 6/8/97 | --- | 10 | 10 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 35 | 60 |
| 22. 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 |
| 23. Gains or losses from certain terminations with respect to property..... | 30da DOE | --- | 15 | 27 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 117 | 242 |
| 24. Interest on underpayment reduced by foreign tax credit carryback..... | ftpoa tyba DOE | --- | 8 | 10 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 22 | 27 |
| 25. Modify the basis allocation rules for distributee partners..... | pda DOE | --- | 26 | 52 | 55 | 57 | 59 | 61 | 64 | 66 | 69 | 72 | 249 | 581 |
| 26. Eliminate the substantial appreciation requirement for inventory of a partnership..... | sepda DOE | --- | 32 | 66 | 69 | 73 | 77 | 80 | 84 | 89 | 93 | 98 | 317 | 761 |
| 27. Extend UBIT rules to second tier subsidiaries of tax-exempt organizations and modify control test..... | tyba DOE & tyba 12/31/98 | --- | 8 | 14 | 8 | 6 | 5 | 5 | 4 | 4 | 4 | 4 | 42 | 63 |
| 28. Carryover basis on sale of property by tax-exempt related party..... | sea 6/8/97 | --- | [11] | [11] | [11] | [11] | [11] | [11] | [11] | [11] | [11] | [11] | 1 | 2 |
| 29. Modification of treatment of company-owned life insurance - pro rata disallowance of interest on debt to fund life insurance..... | cia 6/8/97 | --- | 20 | 53 | 93 | 140 | 193 | 247 | 299 | 349 | 399 | 447 | 500 | 2,240 |
| 30. Termination of suspense accounts for family farm corporations required to use accrual method of accounting..... | tyea 6/8/97 | --- | 30 | 34 | 36 | 37 | 38 | 40 | 41 | 42 | 44 | 45 | 175 | 387 |
| 31. Repeal installment sales grandfather rules of 1986 Act..... | tyba DOE | --- | 42 | 92 | 101 | 102 | 61 | 20 | 21 | 22 | 23 | 24 | 398 | 508 |

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|---|---------------------|---------------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| 32. Repeal 1986 Act grandfather rules for pension business of Mutual of America..... | tyba 12/31/97 | --- | [11] | 6 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 31 | 78 |
| 33. Apply 3% telephone excise tax to certain prepaid phone cards..... | DOE | --- | 19 | 28 | 38 | 49 | 60 | 71 | 83 | 101 | 113 | 124 | 193 | 684 |
| 34. Consistency requirement for returns of beneficiaries of estates and trusts..... | rfa DOE | --- | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 15 | 34 |
| 35. No information reporting on sales of principal residences less than \$250,000 or \$500,000 (married filing joint return)..... | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | | |
| 36. 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 |
| 37. Uniform excise tax on vaccines; add 3 new vaccines (\$0.84 per dose)..... | 10/1/97 | --- | [7] | [11] | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 8 |
| 38. Increase the amount from \$3,500 to \$5,000 on involuntary cash out from pension plans..... | dma DOE | [11] | 2 | 6 | 7 | 7 | 7 | 8 | 8 | 9 | 9 | 10 | 29 | 73 |
| 39. Repeal of 15% excess distribution and excess accumulation taxes..... | tyba & dda 12/31/96 | --- | -18 | -19 | -7 | 18 | 18 | 16 | 16 | 14 | 13 | 11 | -8 | 62 |
| 40. Repeal special rule which permits certain companies to eliminate their AMT liability..... | tyba 12/31/97 | --- | 2 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 22 | 47 |
| 41. Provide employers the option to offer tax-free employee parking or taxable cash compensation [12]..... | tyba 12/31/97 | --- | 3 | 8 | 11 | 12 | 12 | 13 | 14 | 14 | 15 | 16 | 46 | 118 |
| 42. Replace truck tax deduction for tire value with tax credit for excise tax paid on tires..... | sa 1/1/1998 | --- | 66 | 94 | 96 | 97 | 99 | 101 | 102 | 105 | 108 | 110 | 452 | 979 |
| SUBTOTAL OF REVENUE OFFSETS..... | | -1,017 | 9,096 | 10,030 | 11,232 | 9,662 | 14,154 | 11,477 | 11,225 | 11,877 | 12,563 | 13,296 | 53,152 | 113,592 |
| SIMPLIFICATION PROPOSALS..... | | --- | -179 | -132 | -144 | -159 | -171 | -183 | -199 | -220 | -236 | -254 | -792 | -1,890 |
| TECHNICAL CORRECTIONS..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| NET TOTAL..... | | 130 | 434 | -19,724 | -21,816 | -23,901 | -20,078 | -25,351 | -30,058 | -32,900 | -36,158 | -40,207 | -84,964 | -249,639 |

Source: Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Assumed enactment date of 10/1/97.

| Provision | Effective | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 1997-02 | 1997-07 |
|-----------|-----------|------|------|------|------|------|------|------|------|------|------|------|---------|---------|
|-----------|-----------|------|------|------|------|------|------|------|------|------|------|------|---------|---------|

Legend and Footnotes for JCX-32-97:

Legend for "Effective" column:

bia = bonds issued after
 cia = contracts issued after
 csa = constructive sales after
 da = distributions after
 da/a = distributions and acquisitions after
 dda = decedents dying after
 di = dispositions in
 dma = disclosures made 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
 eia = expenses incurred after
 eii = 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
 lpo/a = labor performed on or after
 NOLgi = net operating losses generated in
 pda = partnership distributions after
 poida = payments of interest due after
 pma = payments made after
 rd = returns due
 rfa = returns filed after
 roa = rentals occurring after (for returns open
 on date of first committee action)

sa = sales after
 sea = sales or exchanges after
 sepda = sales and exchanges, and certain
 partnership distributions after
 ta = transactions after
 Ta = transfers after
 tyba = taxable years beginning 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

- [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] 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.
- [6] 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 \$2.6 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.
- [7] Loss of less than \$500,000.
- [8] Rural airports would be defined as those 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.
- [9] 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.
- [10] Estimate provided by the Congressional Budget Office.
- [11] Gain of less than \$500,000.
- [12] Estimate does not include increase in receipts to Social Security trust fund (\$21 million for 1997 - 2002; \$51 million for 1997 - 2007).