

Joint Committee On Taxation
June 21, 1984
JCX-27-84

The attached items were provided for the information of the conferees only and do not necessarily reflect any decisions made in the conference.

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POSSIBLE COMPROMISES ON VARIOUS ITEMS

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| 4. Maximum estate and gift tax rates (p. 12) | Senate recedes with a modification that the tax rate is 55 percent through 1987, and declines to 50 percent thereafter. |
| 5. Windfall profit tax rate on newly discovered oil (p. 12) | Senate recedes with modification that the rate is 22.5 percent through 1987, declining to 20 percent in 1988, and 15 percent thereafter. |
| 29. Increase in reduction of certain corporate tax preference items from 15 percent to 20 percent (p. 44) | House recedes. |
| 50. Prepaid expenses (p. 72) | Senate recedes with an amendment providing an exemption that would allow a deduction for prepaid expenses where economic performance occurs after the end of the year under the following conditions: (a) economic performance occurs within 90 days after the end of the taxable year, (b) deduction would be limited to the cash investment made by the taxpayer, and (c) the requirements of present law are met. For purposes of this exception, in the case of oil and gas, economic performance would occur when drilling of the well is commenced. |
| 190. Installment payments of estate tax attributable to interests in closely held businesses (p. 280) | House recedes with technical modifications. |

191. Repeal of generation-
skipping transfer tax
(p. 280) Senate recesses.
237. Investment tax credit for
soil and water conservation
expenditures; increase in
cost recovery period for
single purpose agricultural
structures (p. 336) Senate recesses.

