

- Committee on Ways and Means -
**ESTIMATED BUDGET EFFECTS OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4579,
THE "TAXPAYER RELIEF ACT OF 1998"**

Fiscal Years 1999 - 2003

[Millions of Dollars]

Provision	Effective	1999	2000	2001	2002	2003	1999-03
I. Family Tax Relief Provisions							
A. Marriage Penalty Tax Relief - adjust the standard deduction so that it is twice that of the standard deduction for a single taxpayer; make uniform additional standard deduction for the blind and elderly.....	tyba 12/31/98	-3,517	-5,935	-6,057	-6,255	-6,310	-28,074
B. \$200/\$400 Exclusion for Interest and Dividends.....	tyba 12/31/98	-693	-3,472	-3,521	-3,599	-3,669	-14,954
C. Treatment of Nonrefundable Personal Credits (child credit, adoption, credit, HOPE and Lifetime Learning credits, etc.) Under the Alternative Individual Minimum Tax.....	tyba 12/31/97	-1,042	-1,103	-1,442	-1,911	-2,577	-8,075
D. Suspension of 5-Year Holding Period Relating to Gain on Sale of Principal Residence for Members of the Uniformed Services and the Foreign Service Serving Outside the Area in Which the Property is Located.....	sa DOE	-5	-12	-12	-13	-13	-54
Subtotal of Family Tax Relief Provisions.....		-5,257	-10,522	-11,032	-11,778	-12,569	-51,157
II. Education and Infrastructure Provisions							
A. Permit Private Higher Education Schools to Establish Qualified Prepaid Tuition Programs.....	ci tyba 12/31/98	-43	-117	-127	-137	-148	-572
B. Provide a 4-Year Exception from Arbitrage Rebate for Tax-Exempt Bonds Issued to Finance Public School Construction.....	bia 12/31/98	-86	-238	-343	-379	-332	-1,379
C. Increase Private Activity Bond Volume Cap to the Greater of \$75 Per Capita or \$225 Million.....	1/1/99	-16	-111	-225	-329	-425	-1,107
D. Designate 20 Renewal Communities; Provide Various Incentives Starting 1/1/00, Including 100% Capital Gains Exclusion on Certain Investments.....	DOE	-3	-156	-256	-282	-343	-1,039
Subtotal of Education and Infrastructure Provisions.....		-148	-622	-951	-1,127	-1,248	-4,097
III. Small Business and Farmer Tax Relief Provisions							
A. Accelerate the \$1 Million Estate Tax Unified Credit Exemption.....	dda 12/31/98	---	-4,381	-4,278	-4,641	-4,626	-17,926

Provision	Effective	1999	2000	2001	2002	2003	1999-03
B. Accelerate 100% Deduction for Health Insurance Premiums of Self-Employed Individuals.....	tyba 12/31/98	-415	-1,247	-1,249	-1,241	-959	-5,111
C. Accelerate \$25,000 Small Business and Farmer Expensing.....	tyba 12/31/98	-600	-945	-140	319	307	-1,059
D. Permanent Extension of Income Averaging for Farmers.....	tyba 12/31/00	---	---	-2	-21	-22	-45
E. Extend the Net Operating Loss Carryback Period for Farmer Losses.....	NOLgi tyba 12/31/97	-20	-18	-16	-14	-13	-81
F. Farmers Production Flexibility Contract Payments Not Included in Income Prior to Receipt.....	DOE	-98	98	---	---	---	---
Subtotal of Small Business and Farmer Tax Relief Provisions.....		-1,133	-6,493	-5,685	-5,598	-5,313	-24,222
IV. Extension of Expiring Provisions							
A. Extend the R&E Credit and Increase the Rates for the Alternative Incremental Research Credit by 1-Percentage Point (through 2/29/00).....	7/1/98	-1,543	-1,076	-677	-407	-249	-3,952
B. Extend the Work Opportunity Tax Credit (through 2/29/00).....	wpoifibwa 6/30/98	-245	-245	-156	-67	-25	-737
C. Extend the Welfare to Work Tax Credit (through 2/29/00).....	wpoifibwa 4/30/99	-14	-47	-37	-19	-8	-124
D. Permanently Extend Contributions of Appreciated Stock to Private Foundations; Public Inspection of Private Foundation Annual Returns.....	7/1/98; tyea 12/31/98	-23	-56	-71	-83	-91	-324
E. 1-Year Modified Extension of Exemption from Subpart F for Active Financing Income.....	tybi 1999	-117	-378	---	---	---	-495
F. Extend the Generalized System of Preferences (through 2/29/00) [1].....	7/1/98	-393	-142	---	---	---	-535
Subtotal of Extension of Expiring Provisions.....		-2,335	-1,944	-941	-576	-373	-6,167
V. Revenue Offset Provision							
A. Change the Treatment of Certain Deductible Liquidating Distributions of RICs and REITs.....	dma 5/21/98	2,425	1,109	723	640	672	5,569
Subtotal of Revenue Offset Provision.....		2,425	1,109	723	640	672	5,569
VI. Tax Technical Corrections Provisions.....							No Revenue Effect
TOTAL OF REVENUE PROVISIONS.....		-6,448	-18,472	-17,886	-18,439	-18,831	-80,074

Provision	Effective	1999	2000	2001	2002	2003	1999-03
Social Security Outlay Provisions [2]							
A. Accelerate Phase-in of \$30,000 Earnings Test Limit.....	tyea 12/31/98	-175	-225	-150	-25	10	-565
B. Delay Benefit Recomputations.....	bma 12/31/98	10	140	140	140	140	570
Subtotal of Social Security Outlay Provisions.....		-165	-85	-10	115	150	5
NET TOTAL		-6,613	-18,557	-17,896	-18,324	-18,681	-80,069

Joint Committee on Taxation

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

Legend for "Effective" column:

ci = contributions in
 bia = bonds issued after
 bma = benefits months after
 dda = decedents dying after
 dma = distributions made after
 DOE = date of enactment

NOLgi = net operating losses generated in
 sa = sales after
 tyba = taxable years beginning after
 tybi = taxable years beginning in
 tyea = taxable years ending after
 wpoifibwa = wages paid or incurred for individuals beginning work after

[1] Estimate provided by the Congressional Budget Office.

[2] Preliminary and unofficial estimates provided by the Congressional Budget Office.