

**- Conference Comparison -**  
**ESTIMATED BUDGET EFFECTS OF THE REVENUE RECONCILIATION PROVISIONS OF H.R. 2264**  
**AS PASSED BY THE HOUSE AND BY THE SENATE**

Fiscal Years 1994-1998

[Millions of Dollars]

Provision	Effective	House Bill						Senate Amendment					
		1994	1995	1996	1997	1998	1994-98	1994	1995	1996	1997	1998	1994-98
<b>IDENTICAL PROVISIONS</b>													
1. Repeal Health Insurance (HI) wage base cap (1).....	1/1/94	2,750	6,030	6,374	6,808	7,200	29,161	2,750	6,030	6,374	6,808	7,200	29,161
2. Reinstatement top estate and gift tax rates at 53% and 55%...	1/1/93	475	512	553	598	647	2,785	475	512	553	598	647	2,785
3. Individual estimated tax simplification.....	1/1/94	-1,900	--	--	2,600	--	700	-1,900	--	--	2,600	--	700
4. Increase corporate tax rate to 35% for taxable income above \$10 million (phaseout benefit of 34% rate beginning at \$15 million) (2).....	1/1/93	4,404	2,808	2,943	3,080	3,186	16,421	4,404	2,808	2,943	3,080	3,186	16,421
5. Prohibit double-dip related to FSLIC assistance (3).....	3/4/91	142	92	2	172	254	661	278	78	31	266	363	1,016
6. Extend and modify corporate estimated tax rules.....	tyba 12/31/93	2,116	428	59	4,279	929	7,810	2,116	428	59	4,279	929	7,810
7. Modify earnings stripping, portfolio interest, and conduit rules.....	tyba 12/31/93	63	78	83	88	93	405	63	78	83	88	93	405
8. Revise foreign tax credit for oil and gas and shipping income.....	tyba 12/31/92	622	440	461	486	510	2,520	622	440	461	486	510	2,520
9. Transfer pricing compliance initiative (enhanced penalty provision).....	tyba 12/31/93	73	73	73	73	73	366	73	73	73	73	73	366
10. Extend current 2.5 cents/gallon motor fuels tax (10/1/95 - 9/30/99) (4).....	10/1/95	--	--	2,595	2,670	2,651	7,916	--	--	2,595	2,670	2,651	7,916
11. Modified substantial understatement penalty.....	1/1/94	84	104	101	94	85	469	84	104	101	94	85	469
12. Information reporting for discharge of indebtedness for FDIC, RTC, and financial institutions.....	DoE	115	115	102	82	75	490	115	115	102	82	75	490
13. BATF user fees for alcohol labeling and formula applications (1).....	90 days after DoE	5	5	5	5	5	25	-----Senate does not include outlays in Net Total-----					
14. Deny business travel deductions for spouse and dependents on non-business travel.....	1/1/94	2	20	21	23	24	90	2	20	21	23	24	90
15. Increase withholding rate on bonuses to 28%.....	1/1/94	188	9	10	10	11	228	188	9	10	10	11	228
16. Facilitate pension investments in real estate.....	1/1/94	-46	-60	-63	-68	-73	-310	-46	-60	-63	-68	-73	-310

Provision	Effective	House Bill						Senate Amendment					
		1994	1995	1996	1997	1998	1994-98	1994	1995	1996	1997	1998	1994-98
17. a. Repeal luxury excise tax on boats, aircraft, jewelry, and furs.....	1/1/93	-69	-46	-49	-52	-55	-270	-69	-46	-49	-52	-55	-270
b. Index luxury excise tax on automobiles for inflation (6).....	1/1/93	-98	-124	-179	-237	-300	-938	-98	-124	-179	-237	-300	-938
18. Extend AMT treatment of gifts of appreciated property to charities permanently.....	(7)	-100	-77	-78	-80	-82	-417	-100	-77	-78	-80	-82	-417
19. Extend General Fund transfer to Railroad Retirement Tier 2 Fund permanently.....	(1)	----- <i>No Revenue Effect</i> -----						----- <i>No Revenue Effect</i> -----					
20. Extend 25% deduction for self-employed health insurance for individuals through 12/31/93.....	7/1/92	-566	--	--	--	--	-566	-566	--	--	--	--	-566
21. Permanent extension of vaccine excise tax (8).....	DoE	154	154	154	139	133	733	140	134	134	134	134	675
22. Expand 45-day interest rule for certain refunds (outlays) (1).....	1/1/94	4	46	64	64	64	242	----- <i>Senate does not include outlays in Net Total</i> -----					
23. Extend tax information access for Department of Veterans Affairs (through 9/30/98).....	10/1/97	--	--	--	--	136	136	----- <i>Senate does not include outlays in Net Total</i> -----					
24. Increase in Public Debt Limit.....	DoE	--	--	--	--	--	---	--	--	--	--	--	---
<b>SUBTOTAL: Identical Provisions.....</b>		<b>8,418</b>	<b>10,607</b>	<b>13,231</b>	<b>20,834</b>	<b>15,566</b>	<b>68,657</b>	<b>8,531</b>	<b>10,522</b>	<b>13,171</b>	<b>20,854</b>	<b>15,471</b>	<b>68,551</b>
<b><u>SIMILAR PROVISIONS</u></b>													
<b>I. REVENUE-RAISING PROVISIONS</b>													
<b>A. Individual Income and Estate and Gift Tax Provisions</b>													
1. Increase tax rates paid by high-income individuals (9).....	1/1/93	26,083	17,572	20,590	24,584	26,263	115,091	--	--	--	--	--	---
(H) [a.] Add fourth bracket at 36% rate for taxable income over \$140,000 (joint), \$127,500 (head of household), \$115,000 (single). [b.] Impose a 10% surtax on regular taxable income over \$250,000 (not applicable to capital gains). [c.] Increase minimum tax rate to 26% for AMTI of less than \$175,000 and 28% for AMTI over \$175,000; increase AMTI exemption to \$45,000 (joint) and \$37,500 (single). [d.] Extend itemized deduction limitation and personal exemption phaseout scheduled to expire for 1996 and 1997, respectively.													
Increase tax rates paid by high-income individuals (9).....	1/1/93	--	--	--	--	--	---	21,309	13,217	20,837	24,856	26,545	106,764
(S) [a.] Add fourth bracket at 36% rate for taxable income over \$140,000 (joint), \$127,500 (head of household),													

Provision	Effective	House Bill						Senate Amendment						
		1994	1995	1996	1997	1998	1994-98	1994	1995	1996	1997	1998	1994-98	
\$115,000 (single). [b.] Impose a 10% surtax on taxable income over \$250,000 (also applicable to capital gains). [c.] Increase minimum tax rate to 26% for AMTI of less than \$175,000 and 28% for AMTI over \$175,000; increase AMTI exemption to \$45,000 (joint) and \$37,500 (single). [d.] Extend itemized deduction limitation and personal exemption phaseout scheduled to expire for 1996 and 1997, respectively.														
2. Reduce deductible portion of business meals and entertainment from 80% to 50%: (S) include lowering meal substantiation threshold to \$20.....	1/1/94	1,823	3,124	3,287	3,448	3,605	15,287	1,845	3,161	3,325	3,487	3,645	15,463	
3. Deny deduction for club dues: (S) include hotel and airport clubs.....	1/1/94	128	220	229	240	251	1,068	132	227	236	247	259	1,101	
4. Deny deduction for executive pay over \$1 million.....	1/1/94	42	55	57	76	105	335	42	55	57	76	105	335	
5. Reduce compensation that can be taken into account for purposes of benefits and contributions under qualified retirement plans to \$150,000 in 1994 (1993 cap is \$235,840): (S) with modifications.....	1/1/94	174	542	555	556	556	2,383	179	574	565	581	561	2,460	
6. Disallow moving expense deduction for meals and real estate expenses: (S) impose \$10,000 cap.....	1/1/94	36	362	381	407	442	1,627	50	499	525	554	597	2,224	
7. (H) Increase taxable portion of Social Security and Railroad Retirement Tier 1 benefits.....	1/1/94	2,859	6,104	6,891	7,683	8,462	31,998	--	--	--	--	--	--	
(S) Impose 2-tier system to determine taxable portion of Social Security and Railroad Retirement Tier 1 benefits.....	1/1/94	--	--	--	--	--	--	2,072	4,932	5,680	6,435	7,154	26,273	
<b>B. Provisions Affecting Businesses</b>														
1. Deny deduction for lobbying expenses.....	e/a 12/31/93	99	170	179	187	193	829	146	251	263	275	284	1,220	
2. Require mark-to-market accounting method for dealers in securities: (S) transition rule for LIFO inventory.....	tyeo/a 12/31/93	828	799	808	820	562	3,817	822	795	804	816	558	3,796	
3. Limit section 936 credit: (S) modified by floor action.....	tyba 12/31/93	108	514	1,536	2,268	2,261	6,688	456	946	957	892	848	4,099	
<b>C. Foreign Tax Provisions</b>														
1. Repeal deferral for excessive accumulated foreign earnings.....	tyba 9/30/93	70	146	176	188	199	779	20	44	56	61	69	251	
2. Allocate 50% of R&E expenses to place of performance: (H) permanently; (S) 12 months.....	(10)	-287	-501	-572	-601	-632	-2,592	-225	-225	--	--	--	-450	

Provision	Effective	House Bill						Senate Amendment					
		1994	1995	1996	1997	1998	1994-98	1994	1995	1996	1997	1998	1994-98
<b>D. Energy/Transportation Tax Provisions</b>													
1. Modified BTU tax (including diesel compliance and import amendments) [Rates - per million BTU: Base \$0.268, Petroleum \$0.610].....	7/1/94	2,069	10,015	16,341	20,751	22,351	71,528	----- Replaces Provision -----					
2. Transportation motor fuels tax and diesel fuel compliance (16):													
a. Motor fuels tax increase of 4.3 cents/gallon.....	10/1/93	----- Replaces Provision -----						4,795	4,893	4,845	4,844	4,891	24,268
b. Exempt all jet fuels.....	10/1/93	----- Replaces Provision -----						-418	-443	-452	-463	-475	-2,251
c. Diesel fuel compliance.....	1/1/94	----- Replaces Provision -----						249	188	193	198	204	1,031
<b>E. Intangibles</b>													
1. Amortization of acquired intangible assets (14 years) (S) 14 years; 75% amortizable.....	DoE (11)	38	300	454	586	720	2,097	245	642	1,007	1,390	1,791	5,075
<b>F. Miscellaneous Revenue-Raising Provisions</b>													
1. Substantiation and disclosure of charitable contributions (12).....	1/1/94	9	60	64	68	72	273	15	103	109	118	124	469
<b>II. INVESTMENT AND TRAINING PROVISIONS</b>													
<b>A. Education and Training Provisions</b>													
1. Extend employer-provided educational assistance: (H) permanently; (S) 24 months (13).....	7/1/92	-641	-490	-520	-552	-586	-2,789	-601	-156	--	--	--	-757
2. Extend targeted jobs tax credit: (H) permanently; (S) 24 months, and no youth apprentice credit.....	7/1/92	-282	-303	-357	-403	-444	-1,788	-253	-175	-91	-35	-12	-566
<b>B. Investment Incentives</b>													
1. Extend research and experimentation credit: (H) permanently; (S) 12 months.....	7/1/92 (H); 7/1/93 (S)	-2,169	-1,534	-1,835	-2,102	-2,337	-9,977	-811	-408	-201	-142	-77	-1,639
2. (H) Modify AMT depreciation schedule.....	ppisa 12/31/93	-507	-1,664	-2,421	-2,198	-2,151	-8,941	--	--	--	--	--	---
(S) Elimination of ACE depreciation adjustment.....	ppisa 12/31/93	--	--	--	--	--	---	-344	-986	-1,112	-1,026	-880	-4,348
3. Increase section 179 expensing: (H) \$25,000; (S) \$20,500.....	tyba 12/31/92	-3,949	-1,693	-1,223	-815	-462	-8,141	-3,076	-1,328	-952	-615	-330	-6,300
4. Extend small-issue manufacturing and agricultural bonds: (H) permanently; (S) 24 months.....	7/1/92	-17	-35	-51	-68	-81	-252	-14	-29	-38	-37	-34	-152
<b>C. Expansion and Simplification of Earned Income Tax Credit (EITC) (14).....</b>													
	1/1/94	-397	-4,328	-7,571	-7,860	-8,180	-28,336	-28	-287	-349	-413	-433	-1,510
<b>D. Real Estate Investment Provisions</b>													
1. Extend mortgage revenue bonds: (H) permanently; (S) 24 months.....	7/1/92	-70	-138	-199	-256	-306	-966	-50	-97	-135	-140	-132	-554

Provision	Effective	House Bill						Senate Amendment					
		1994	1995	1996	1997	1998	1994-98	1994	1995	1996	1997	1998	1994-98
2. Extend low-income housing credit permanently: {S}: with modifications.....	7/1/92	-373	-597	-938	-1,296	-1,660	-4,864	-373	-597	-938	-1,296	-1,660	-4,864
3. Provide passive loss relief for real estate professionals.....	1/1/94	-304	-557	-525	-587	-685	-2,658	-261	-471	-436	-491	-578	-2,237
4. Increase recovery period for non-residential real property to: {H} 39 years {S} 38 years.....	ppiso/a 2/25/93	125	355	659	1,038	1,397	3,574	112	316	587	926	1,248	3,189
<b>E. Diesel Fuel Tax for Motorboats</b>													
1. Impose 20.1-cent-per-gallon excise tax on diesel fuel used in noncommercial motorboats: {S} sunsets tax (15).....	1/1/94	21	30	31	32	34	148	21	30	31	32	34	148
<b>III. OTHER REVENUE PROVISIONS</b>													
<b>A. Disclosure Provisions</b>													
1. Access to tax information by the Department of Education (through 9/30/98).....	DoE	--	--	--	--	--	---	-----Senate does not include outlays in Net Total-----					
2. Access to tax information by the Department of Housing and Urban Development (through 9/30/98).....	DoE	--	--	--	--	--	---	-----Senate does not include outlays in Net Total-----					
<b>B. Other Provisions</b>													
1. Use of Harbor Maintenance Trust Fund for administrative expenses.....	fya DoE	(5)	(5)	(5)	(5)	(5)	(5)	-----Senate does not include outlays in Net Total-----					
2. Childhood immunization entitlement (outlays) (1).....	--	--	-500	-520	-535	-550	-2,105	-----Senate does not include outlays in Net Total-----					
<b>SUBTOTAL: Similar Provisions.....</b>		<b>25,516</b>	<b>28,028</b>	<b>35,506</b>	<b>45,659</b>	<b>49,399</b>	<b>184,113</b>	<b>26,056</b>	<b>25,671</b>	<b>35,373</b>	<b>41,130</b>	<b>44,306</b>	<b>172,538</b>
<b>PROVISIONS IN HOUSE BILL</b>													
1. Increase inland waterways fuel tax.....	1/1/94	9	47	101	153	175	486	-----No Provision-----					
2. Service industry non-compliance initiative.....	1/1/94	26	89	94	99	103	411	-----No Provision-----					
3. Raise standard for tax shelter and preparer penalties.....	1/1/94	--	--	--	--	--	---	-----No Provision-----					
4. Youth apprenticeship credit.....	1/1/94	-14	-51	-104	-168	-232	-570	-----No Provision-----					
5. Targeted capital gains incentives for investment in small businesses.....	1/1/93	-17	-124	-206	-276	-329	-952	-----No Provision-----					
6. Exempt high-speed rail bonds from private activity bond caps.....	1/1/94	-4	-17	-35	-56	-67	-180	-----No Provision-----					
7. Treatment of certain real property business indebtedness of individuals.....	1/1/93	-138	-110	-60	-30	-28	-366	-----No Provision-----					

Provision	Effective	House Bill						Senate Amendment					
		1994	1995	1996	1997	1998	1994-98	1994	1995	1996	1997	1998	1994-98
8. Empowerment Zones and Enterprise Communities (17)...	1/1/94	-547	-952	-1,113	-1,217	-1,326	-5,154	----- No Provision -----					
<b>SUBTOTAL: Provisions in House Bill.....</b>		<b>-685</b>	<b>-1,118</b>	<b>-1,323</b>	<b>-1,495</b>	<b>-1,704</b>	<b>-6,325</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>PROVISIONS IN SENATE AMENDMENT</b>													
1. Repeal stock-for-debt exception to section 108.....	sta 6/17/93	----- No Provision -----						35	83	125	167	212	622
2. Add passive activity losses and credits to list of tax attributes reduced by cancellation of indebtedness.....	1/1/94	----- No Provision -----						8	34	73	112	152	378
3. Add AMT credits to list of tax attributes reduced by cancellation of indebtedness.....	1/1/94	----- No Provision -----						29	65	92	116	139	440
4. Treatment of exports of unprocessed softwood timber.....	tyba DoE	----- No Provision -----						56	77	81	87	92	393
5. Provide tax incentives for businesses on Indian reservations.....	1/1/94	----- No Provision -----						-23	-40	-44	-49	-53	-209
6. Increase checkoff for Presidential Campaign Fund (1).....	--	----- No Provision -----						----- Senate does not include outlays in Net Total -----					
7. Transfer motorboat fuel tax revenues to the Aquatic Resources Trust Fund.....	10/1/93	----- No Provision -----						----- Senate does not include outlays in Net Total -----					
8. Annual report on Federal finances to taxpayers (1).....	DoE	----- No Provision -----						----- Senate does not include outlays in Net Total -----					
<b>SUBTOTAL: Provisions in Senate Amendment.....</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>105</b>	<b>219</b>	<b>327</b>	<b>433</b>	<b>542</b>	<b>1,624</b>
<b>NET TOTAL.....</b>		<b>33,249</b>	<b>37,517</b>	<b>47,414</b>	<b>64,998</b>	<b>63,261</b>	<b>246,445</b>	<b>34,692</b>	<b>36,412</b>	<b>48,871</b>	<b>62,417</b>	<b>60,319</b>	<b>242,713</b>

## Joint Committee on Taxation

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

Legend: {H} = House bill

{S} = Senate amendment

Legend for "Effective" column: DoE = date of enactment

e/a = expenses after

fya = fiscal years after

ppisa = property placed in service after

ppiso/a = property placed in service on or after

sta = stock transferred after

tyba = taxable years beginning after

tyeo/a = taxable years ending on or after

[Footnotes appear on the following page.]

**Footnotes for JCX-10-93:**

- (1) Estimate for this provision provided by the Congressional Budget Office (CBO).
- (2) Effective 1/1/93, but no penalties for underwithholding or estimated tax in 1993 with blended rates for fiscal year taxpayers.
- (3) (H) The net budget effects of this proposal are shown for the House bill. The estimate for the House bill includes an increase in outlays of \$136 million in 1994, a decrease of \$14 million in 1995, an increase of \$29 million in 1996, an increase of \$95 million in 1997, and an increase of \$109 million in 1998. These outlays are not included for the Senate Amendment. According to CBO, Budget Act requirements may prohibit counting this provision for pay-as-you-go purposes.
- (4) Revenues from the 2.5-cent-per-gallon tax on railroad diesel and off-highway recreational vehicle fuel revenues would be retained in the General Fund. Other revenues would be deposited in present-law trust funds, as follows: highway gasoline and highway diesel revenues to the Highway Trust Fund; and motorboat gasoline and small-engine gasoline revenues to the Aquatic Resources Trust Fund.
- (5) Subject to passage of legislation to appropriate funds from the Harbor Maintenance Trust Fund. Revenue effect of the provision: \$3 million for 1995, \$9 million for 1996, \$11 million for 1997, and \$12 million for 1998, for a total of \$35 million over the 1994-1998 budget period. Outlay effect of the provision: \$5 million in each fiscal year 1994 through 1998, for a total of \$25 million over the budget period.
- (6) Estimate includes the effects of (i) exempting demonstrator cars from the luxury tax, effective 1/1/93, and (ii) exempting equipment installed on vehicles for use by disabled individuals, effective 1/1/91.
- (7) Effective for contributions of tangible personal property made after 6/30/92, and for contributions of all property made after 1992.
- (8) Vaccine excise tax revenues are higher under the House bill because they include a \$2.1 billion childhood immunization entitlement program which will result in increased vaccine sales.
- (9) (H) Effective 1/1/93, but no penalties for underwithholding or estimated tax in 1993; indexing of 36% rate and surtax brackets effective 1/1/95. Estimate includes provisions to prevent conversion of ordinary income to capital gains.  
(S) Effective 1/1/93, with blended rates, but no penalties for underwithholding or estimated tax in 1993; indexing of 36% rate and surtax brackets effective 1/1/95. Estimate includes certain provisions to prevent conversion of ordinary income to capital gains.
- (10) Effective at expiration of Rev. Proc. 92-56, which is generally the third taxable year beginning after 8/1/91.
- (11) Taxpayer may elect to apply to intangibles acquired after 7/25/91. Estimate also includes a provision affecting payments to partners retiring or dying on or after 1/5/93.
- (12) (H) Substantiation requirement for charitable contributions in excess of \$750; disclosure related to quid pro quo contributions.  
(S) Substantiation requirement for charitable contributions of \$250 or more; disclosure related to quid pro quo contributions (\$75 exemption).
- (13) (H) FICA portion of estimate (off budget): \$176 million for 1994, \$193 million for 1995, \$204 million for 1996, \$217 million for 1997, and \$230 million for 1998; HI portion (on budget): \$40 million for 1994, \$44 million for 1995, \$47 million for 1996, \$49 million for 1997, and \$52 million for 1998.  
(S) FICA portion of estimate (off budget): \$160 million for 1994 and \$61 million for 1995; HI portion (on budget): \$36 million for 1994 and \$14 million for 1995.
- (14) (H) Estimate includes outlays of \$339 million in 1994, \$3,735 million in 1995, \$6,895 million in 1996, \$7,191 million in 1997, and \$7,518 million in 1998.  
(S) EITC outlays would be \$145 million in 1994, \$1,653 million in 1995, \$3,717 million in 1996, \$5,490 million in 1997, and \$5,757 million in 1998.
- (15) (S) Includes revenues from extension of the 2.5-cent-per-gallon motor fuels tax (10/1/95 to 9/30/99). Tax on motorboat diesel would expire after 12/31/99. Revenues would be deposited in the Aquatic Resources Trust Fund.
- (16) (S) Revenues from the 4.3-cent-per-gallon tax would be deposited in present-law trust funds as follows: highway gasoline, highway diesel, and railroad diesel tax revenues to the Highway Trust Fund; inland waterway fuel revenues to the Inland Waterways Trust Fund; motorboat gasoline, motorboat diesel, and small-engine gasoline revenues to the Aquatic Resources Trust Fund; off-highway recreational vehicle fuel revenues to the National Recreational Trails Trust Fund; and aviation gasoline revenues to the Airport and Airway Trust Fund.
- (17) (H) Estimate includes specialized small business investment company (SSBIC) provisions.