

JOINT COMMITTEE ON TAXATION

June 9, 1997

JCX-23-97

- COMMITTEE ON WAYS AND MEANS -
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. CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN														
1. Tax credit for children under age 17 (\$400 in 1998 and \$500 thereafter); \$75,000/\$110,000 AGI phaseout for credit [1].....	1/1/98	---	-2,282	-15,340	-18,187	-17,863	-17,584	-16,263	-15,997	-15,426	-15,055	-14,347	-71,257	-148,346
2. Index dependent care tax credit expense limit; \$75,000/\$110,000 AGI phaseout.....	1/1/98	---	8	47	19	-38	-69	-124	-164	-214	-285	-370	-33	-1,189
3. Expand State high-risk pools to include children of high-risk individuals.....	tyba 12/31/97	---	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
SUBTOTAL OF CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN.....		---	-2,274	-15,294	-18,169	-17,902	-17,654	-16,388	-16,162	-15,641	-15,341	-14,718	-71,293	-149,542
II. EDUCATION TAX INCENTIVES														
A. Tax Benefits Relating to Education Expenses														
1. Administration's HOPE scholarship tax credit as modified - drop B average requirement; credit is 50% of up to \$3,000 out-of-pocket tuition expenses and books required for attendance (phaseout \$40,000 - \$50,000 singles/ \$80,000 - \$100,000 joint).....	tyba 12/31/97	---	-1,745	-5,012	-5,091	-5,173	-5,258	-5,338	-5,404	-5,471	-5,540	-5,610	-22,278	-49,640
2. Deduction for undergraduate tuition, room, and board expenses paid through State-sponsored prepaid tuition programs; limit deduction to \$10,000 per student per year, with aggregate maximum deduction of \$40,000 per student.....	tyba 12/31/97	---	-60	-179	-196	-216	-238	-261	-288	-316	-348	-383	-889	-2,485
3. Penalty-free withdrawals from all IRAs for undergraduate, post-secondary vocational, and graduate education expenses.....	1/1/98	---	-72	-213	-200	-149	-125	-114	-98	-93	-92	-91	-758	-1,246

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B. Expanded Education Investment Savings Opportunities														
1. Permit contributions to an education investment account for a child under age 18; create private prepaid tuition programs; provide deduction for undergraduate and post-secondary vocational tuition, room, and board expenses paid through education investment accounts or private prepaid tuition programs; limit deductions to \$10,000 per student per year with aggregate maximum deduction of \$40,000 per student [3].....	tyba 12/31/97	---	-355	-1,138	-1,642	-1,967	-1,877	-1,939	-2,560	-3,118	-3,651	-4,186	-6,979	-22,433
C. Other Education Tax Provisions														
1. Extend employer-provided education assistance for undergraduates through 12/31/97 [1].....	tyba 12/31/96	---	-171	---	---	---	---	---	---	---	---	---	-171	-171
2. Raise \$150 million volume cap on 501(c)(3) bonds (other than hospital bonds) by \$10 million per year until it reaches \$200 million.....	1/1/98	---	-2	-14	-27	-37	-46	-50	-51	-54	-59	-70	-126	-410
3. Enhanced deduction for corporate contributions of computer technology and equipment for grades K - 12.....	tyba 12/31/97	---	-46	-48	-53	-58	-63	-69	-76	-83	-91	-100	-268	-688
4. Phase out qualified tuition reduction provided to employees of educational institutions (section 117(d)); phaseout benefits - 80% in 1998, 60% in 1999, 40% in 2000, 20% in 2001, and repealed in 2002 (HOPE scholarship applies to balance).....	1/1/98	---	12	46	83	124	169	203	213	224	235	247	433	1,556
SUBTOTAL OF EDUCATION TAX INCENTIVES.....		---	-2,439	-6,558	-7,126	-7,476	-7,438	-7,568	-8,264	-8,911	-9,546	-10,193	-31,036	-75,517
III. SAVINGS AND INVESTMENT TAX INCENTIVES														
A. Retirement Savings														
1. Create American Dream IRAs; allow penalty-free rollovers from IRAs; allow special purpose withdrawals from AD IRAs for first-time home purchase [4].....	1/1/98	---	-184	534	435	-534	-286	-519	-1,683	-2,524	-3,576	-4,633	-33	-12,968
B. Capital Gains Provisions														
1. Capital gains: (a) 20/10% rate structure; (b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); and (g) 32% rate in 1998, 31% in 1999, and 30% thereafter for corporate gains with 5-year holding period (effective 1/1/98).....	generally 5/7/97	1,659	6,304	-466	-3,684	-3,647	2,492	-4,952	-5,888	-7,133	-8,887	-10,757	2,658	-34,959

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SUBTOTAL OF SAVINGS AND INVESTMENT TAX INCENTIVES.....														
		--	6,120	68	-3,249	-4,181	2,206	-5,471	-7,571	-9,657	-12,463	-15,390	2,625	-47,927
IV. ALTERNATIVE MINIMUM TAX PROVISIONS														
1. AMT - Increase individual exemption amount by \$1,000 every other year 1999 through 2007, index thereafter.....	tyba 12/31/98	---	---	-53	-219	-352	-672	-1,023	-1,705	-2,440	-3,755	-5,138	-1,296	-15,357
2. Exemption from alternative minimum tax for small corporations.....	tyba 12/31/97	---	-97	-171	-131	-100	-77	-59	-45	-34	-26	-20	-577	-762
3. Phaseout of alternative minimum tax applicable to business activities - prospective repeal of AMT business adjustments and preferences: (a) depreciation (ppisa 12/31/97), (b) other adjustments and preferences other than 10% rules (1/1/01); and repeal remaining corporate AMT (1/1/06).....	---	---	-1,237	-3,272	-3,897	-4,061	-4,851	-3,688	-2,948	-2,653	-3,510	-3,758	-17,318	-33,875
SUBTOTAL OF ALTERNATIVE MINIMUM TAX PROVISIONS.....														
		--	-1,334	-3,496	-4,247	-4,513	-5,600	-4,770	-4,698	-5,127	-7,291	-8,916	-19,191	-49,994
V. ESTATE, GIFT AND GENERATION-SKIPPING TAX PROVISIONS														
A. Estate and Gift Tax Provisions														
1. Increase unified estate and gift tax credit to \$1.0 million by \$20,000 per year through 2002 and by \$25,000 per year thereafter; index other provisions beginning in 1999.....	dda 12/31/97	---	---	-221	-557	-977	-1,348	-1,739	-2,508	-3,131	-3,700	-4,710	-3,103	-18,891
2. 20-year installment payment where estate consists largely of interest in closely held business.....	dda 12/31/97	---	---	---	---	---	---	-14	-10	-7	-5	-2	---	-38
3. Reduced rate on all, and no interest on certain portion of, estate tax extended under section 6166.....	dda 12/31/97	---	---	-10	-20	-32	-45	-59	-73	-88	-103	-119	-107	-549
4. Clarification of judicial review of eligibility for extension of time for payment of estate tax.....	dda DOE	---	---	-15	-15	-15	-15	-15	-15	-14	-12	-11	-60	-127
5. Extension of treatment of certain rents under section 2032A to lineal descendants.....	roa 12/31/76	---	-25	-2	-2	-2	-2	-2	-2	-2	-2	-2	-33	-43
6. Gifts may not be revalued for estate tax purposes after expiration of statute of limitations.....	gma DOE	---	---	-16	-18	-21	-26	-32	-38	-45	-53	-61	-81	-310
7. Repeal certain throwback rules applicable to domestic trusts.....	tyba 12/31/97	---	---	-20	-20	-20	-20	-20	-20	-20	-20	-20	-80	-180
8. Unified credit of decedent increased by unified credit of spouse used on split gift included in decedent's gross estate.....	gma DOE	---	-9	-10	-10	-11	-11	-12	-12	-13	-13	-14	-51	-115
9. Reformation of defective bequests, etc. to spouse of decedent.....	dda DOE	---	-11	-12	-13	-13	-14	-15	-15	-16	-17	-18	-63	-144

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B. Generation-Skipping Tax Provisions														
1. Severing of trusts holding property having an inclusion ratio of greater than zero.....	sa DOE	---	---	-6	-6	-6	-7	-7	-7	-7	-7	-7	-25	-60
2. Expansion of 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
SUBTOTAL OF ESTATE, GIFT AND GENERATION-SKIPPING TAX PROVISIONS.....		---	-45	-316	-665	-1,101	-1,492	-1,919	-2,705	-3,348	-3,937	-4,970	-3,619	-20,498
VI. EXPIRING TAX PROVISIONS														
1. Research tax credit (through 12/31/98).....	6/1/97	-161	-1,062	-1,091	-470	-314	-211	-66	---	---	---	---	-3,309	-3,375
2. Contributions of appreciated stock to private foundations (through 12/31/98).....	6/1/97	---	-80	-61	-9	-2	---	---	---	---	---	---	-151	-151
3. Extend the work opportunity tax credit for one year (through 9/30/98) [5].....	wpoilhma 9/30/97	---	-127	-133	-75	-30	-11	-2	---	---	---	---	-376	-377
4. Orphan drug tax credit (permanent).....	6/1/97	---	-29	-28	-30	-32	-34	-35	-37	-39	-40	-42	-152	-346
SUBTOTAL OF EXPIRING TAX PROVISIONS.....		-161	-1,298	-1,313	-584	-378	-256	-103	-37	-39	-40	-42	-3,988	-4,249
VII. DISTRICT OF COLUMBIA TAX INCENTIVES [6]														
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
2. Provide 0% capital gains rate on enterprise zone business property in the D.C. Enterprise Zone held for at least 5 years; sunset 12/31/02.....	1/1/98	---	[2]	-1	-2	-3	-4	-5	-5	-6	-6	-8	-9	-40
3. \$75 million in tax credits to taxpayers that provide equity and loans to certain D.C. businesses.....	1/1/98	---	-5	-10	-20	-25	-10	-2	-2	-1	[2]	[2]	-70	-75
4. Reduce 15% income tax bracket to 10% for residents of new D.C. Enterprise Zone.....	1/1/98	---	-18	-28	-30	-31	-33	-35	-36	-38	-40	-42	-141	-332
SUBTOTAL OF DISTRICT OF COLUMBIA TAX INCENTIVES.....		---	-35	-59	-73	-82	-72	-54	-46	-48	-49	-53	-321	-571
VIII. WELFARE-TO-WORK TAX CREDIT														
1. Administration's welfare-to-work credit, as modified: (a) wage credit is 35% on first \$10,000 of wages in the first year of employment, and 50% on \$10,000 of wages in the second year of employment; (b) effective for hires made before 10/1/00.....	wpoilhma 12/31/97	---	-13	-41	-60	-54	-30	-12	-4	-1	---	---	-199	-216
SUBTOTAL OF WELFARE-TO-WORK TAX CREDIT.....		---	-13	-41	-60	-54	-30	-12	-4	-1	---	---	-199	-216

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IX. MISCELLANEOUS PROVISIONS														
A. Provisions Relating to Excise Taxes														
1. Exempt Federal vaccine purchases from vaccine excise tax for one year; make the vaccine excise tax rates uniform and add three new vaccines.....	vpa 9/30/97	---	-98	[2]	1	1	1	1	1	1	1	1	-95	-90
2. Repeal excise tax on recreational motorboat diesel fuel.....	1/1/98	---	-4	-5	-5	-1	-1	-1	-1	-1	-1	-1	-16	-22
3. Modify excise tax on imported halons.....	DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	1	1
B. Provisions Relating to Disasters														
1. Disaster losses: postponement of IRS deadlines and loss valuation.....	aoty	----- Negligible Revenue Effect -----												
2. Modify tax treatment of livestock sold on account of certain weather-related conditions.....	sea 12/31/96	---	-12	-2	-2	-2	-1	-1	-1	-1	-1	-1	-18	-23
C. Provisions Relating to Employment Taxes														
1. Independent contractor for bakery drivers.....	spa 12/31/97	---	-13	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	-15	-18
2. Independent contractor for securities brokers.....	spi tyba 12/31/97	----- Negligible Revenue Effect -----												
3. SECA for insurance agents.....	pa 12/31/97	----- Negligible Revenue Effect -----												
4. Safe harbor for independent contractors [9].....	pa 12/31/97	---	-191	-203	-202	-206	-210	-214	-224	-233	-239	-283	-1,012	-2,205
D. Provisions Relating to Small Businesses														
1. Delay imposition of penalties for failure to make payments electronically through EFTPS until after 12/31/98.....	7/1/97	---	-904	904	---	---	---	---	---	---	---	---	---	---
2. Definition of principal place of business for home office deduction.....	tyba 12/31/97	---	-114	-234	-244	-253	-263	-274	-285	-295	-306	-318	-1,109	-2,587
E. Provisions Relating to Pensions														
1. Water districts made eligible for 401(k) plans even if State or local entity.....	1/1/98	---	[8]	-1	-1	-1	-2	-2	-2	-2	-2	-3	-6	-15
2. Modify section 415 limits for certain State and local plans.....	tyba 12/31/97	---	-9	-25	-25	-26	-26	-26	-27	-27	-27	-28	-111	-246
3. Extend moratorium on nondiscrimination rules for public pension plans (through 12/31/02).....	DOE	----- Negligible Revenue Effect -----												
4. Treatment of certain disability benefits received by former police officers or firefighters.....	DOE	---	-11	---	---	---	---	---	---	---	---	---	-11	-11
F. Trade Provision: 2-year GSP Extension [10].....														
	6/1/97	---	-464	-216	---	---	---	---	---	---	---	---	-680	-680
G. Extend CBI Parity Through 12/31/98 [10].....														
	1/1/98	---	-160	-57	---	---	---	---	---	---	---	---	-217	-217
H. Other Provisions														
1. Shrinkage allowance for inventory accounting.....	---	---	-7	-21	-23	-25	-27	-29	-31	-33	-35	-37	-103	-268
2. Include liability to pay compensation under workmen's compensation acts within rules relating to certain personal liability assignments.....	cfa DOE	---	-1	-2	-5	-8	-12	-17	-23	-29	-32	-36	-27	-164
3. Grandfather publicly traded partnerships with tax on gross receipts to make revenue neutral.....	tyba 12/31/97	----- Revenue Neutral -----												
4. Exclusion from UBTI for certain corporate sponsorship payments.....	pra 12/31/97	----- Negligible Revenue Effect -----												
5. Allow timeshare associations to elect to be taxed as homeowner associations at 32%.....	tyba 12/31/96	----- Negligible Revenue Effect -----												

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6. Allow refunding of certain tax-exempt Virgin Islands bonds [11].....	bia DOE	---	-2	-4	-5	-5	-5	-3	-1	-3	-4	-4	-21	-37
7. Restore the business meals deduction to 80% in 5% increments every other year for persons subject to Federal hours of service limitation.....	tyba 12/31/97	---	-8	-17	-27	-37	-49	-62	-76	-91	-108	-125	-138	-600
8. Clarify tax-exempt status of certain State workmen's compensation funds.....	tyba 12/31/97	---	[2]	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-2	-6
9. Deferral of gain on sales of stock in farm product refining firms to farm coops which supply the firm with raw farm products for refining.....	sea 12/31/97	---	-2	-5	-5	-5	-4	-4	-4	-4	-4	-4	-21	-41
SUBTOTAL OF MISCELLANEOUS PROVISIONS.....		---	-2,000	112	-544	-569	-600	-633	-675	-719	-759	-840	-3,601	-7,229
X. REVENUE PROVISIONS														
A. Financial Products														
1. Constructive sales treatment for appreciated financial positions.....	[12]	---	367	121	68	73	79	85	91	98	105	112	708	1,199
2. Disallowance of interest on indebtedness allocable to tax-exempt obligations (\$1 million de minimis).....	tyba DOE oaa dofca	---	8	18	24	29	35	41	47	52	57	62	113	372
3. Gains or losses from certain terminations with respect to property.....	30da DOE	---	15	27	25	25	25	25	25	25	25	25	117	242
4. Determination of original issue discount where pooled debt obligations subject to acceleration.....	tyba DOE	---	76	275	358	319	283	100	105	109	114	118	1,311	1,857
5. Denial of interest deduction on certain debt instruments.....	iia 6/8/97	---	5	16	29	43	55	62	63	64	65	67	148	469
B. Corporate Organizations and Reorganizations														
1. Tax treatment of certain extraordinary dividends.....	da 5/3/95 or da 9/13/95	---	440	-90	-51	-7	42	71	77	82	89	95	334	748
2. Recognition of gain in certain section 355 transactions.....	da 4/16/97	---	567	330	289	248	206	165	124	83	41	3	1,640	2,056
3. Tax treatment of redemptions involving related corporations.....	da/a 6/8/97	---	10	10	5	5	5	5	5	5	5	5	35	60
4. Modify holding period for dividends-received deduction.....	droaa 30da DOE	---	12	15	15	16	16	16	17	17	17	18	74	159
C. Other Corporate Provisions														
1. Registration and other provisions relating to confidential corporate tax shelters.....	tsoaiTg	---	15	37	38	39	41	42	43	44	46	47	170	392
2. Certain preferred stock treated as "boot".....	ta 6/8/97	---	35	37	39	41	43	10	10	11	11	12	194	248
D. Administrative Provisions														
1. Reporting of certain payments made to attorneys.....	pma 12/31/97	---	---	3	3	3	3	3	4	4	4	4	12	31
2. Decrease of threshold for reporting payments to corporations performing services for Federal agencies.....	rd 90da DOE	---	---	7	8	9	10	11	11	12	12	13	34	93

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3. Disclosure of return information for administration of certain Veterans' programs [10].....	dma 9/30/98	---	---	22	27	31	36	36	37	38	38	39	116	304
4. Modify levy exemption and provide continuous levy on certain payments.....	lia DOE	---	332	327	256	213	157	117	102	86	82	78	1,285	1,750
5. Consistency requirement for returns of beneficiaries of estates and trusts.....	rfa DOE	---	3	3	3	3	3	3	4	4	4	4	15	34
6. No information reporting on sales of principal residences less than \$250,000 or \$500,000 (married filing joint return).....	DOE	----- Negligible Revenue Effect -----												
E. Excise Tax Provisions														
1. Extend and modify Airport Trust Fund excise taxes:														
a. Extend domestic air passenger ticket tax; reduce tax rate from 10% to 7.5% of ticket price; impose an additional tax of \$2.00 per flight segment for 10/1/97 through 12/31/98, \$2.25/segment in 1999, \$2.50/segment in 2000, \$2.75/segment in 2001, and \$3.00/segment in 2002, and in years thereafter index the \$3.00/segment tax to changes in the CPI (first indexing adjustment on 1/1/03); tax domestic legs of international flights in the same manner; and impose 7.5% tax on payments to airlines for air travel under credit card and similar programs.....														
	10/1/97	---	4,692	4,997	5,415	5,858	6,328	6,764	7,204	7,671	8,170	8,686	27,291	65,785
b. Require breakout of airfare and tax in airline advertising.....														
	10/1/97	----- No Revenue Effect -----												
c. Extend current air cargo excise tax.....														
	10/1/97	---	304	347	377	409	443	481	522	567	615	667	1,880	4,732
d. Extend international departure fee, raise fee to \$10/passenger, charge arrivals at the same fee rate, and index the \$10.00 fee to changes in the CPI (first indexing adjustment on 1/1/99).....														
	10/1/97	---	680	755	816	882	956	1,041	1,125	1,218	1,319	1,426	4,089	10,218
e. Extend current taxes on noncommercial aviation gasoline and jet fuel.....														
	10/1/97	---	84	87	89	91	93	95	97	99	102	104	446	943
2. Tax kerosene in the same manner as diesel fuel.....														
	7/1/98	---	44	43	49	46	44	43	44	47	49	52	226	461
3. Reduce ethanol tax credit and excise tax exemption from 54 to 51 cents/gallon; increase small producer credit from 10 to 13 cents/gallon; limit subsidy-eligible production to the producer's average production for 1993-1997; impose 51 cents/gallon penalty on excess production during periods when 51 cents/gallon subsidy is in effect, repeal all subsidies for ETBE (effective DOE), and repeal all subsidies after 12/31/00 [13].....														
	1/1/98	---	62	91	98	423	547	556	565	574	584	594	1,221	4,094

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F. Provisions Relating to Tax-Exempt Organizations														
1. Impose Federal income tax on income earned by an Indian tribe or related entity from all commercial activities (including gaming).....	1/1/98	---	233	398	414	432	450	469	489	510	532	555	1,927	4,483
2. Modify control test and include attribution rules to determine UBIT consequences of certain payments from subsidiaries of tax-exempt organizations.....	tyba DOE & tyba 12/31/98	---	8	14	8	6	5	5	4	4	4	4	42	63
3. Carryover basis on sale of property by tax-exempt related party.....	sea 6/8/97	---	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	1	2
4. Extend reporting and proxy tax requirements for political and lobbying expenditures to all section 501(c) organizations except charitable organizations.....	tyba 12/31/97	---	4	4	5	5	5	5	5	5	6	6	23	50
5. Repeal 1986 Act grandfather rules for pension business of certain insurers.....	tyba 12/31/97	---	[7]	82	116	124	128	133	140	149	160	174	450	1,208
G. Other Revenue-Increase Provisions														
1. Termination of suspense accounts for family farm corporations required to use accrual method of accounting.....	[14]	---	30	34	36	37	38	40	41	42	44	45	175	387
2. 2-year carryback and 20-year carryforward for net operating losses.....	NOlgi tyba DOE	---	44	319	380	269	188	143	118	105	98	95	1,200	1,758
3. Modification of treatment of company-owned life insurance - pro rata disallowance of interest on debt to fund life insurance.....	cia dofca	---	20	53	93	140	193	247	299	349	399	447	500	2,240
4. Modify the basis allocation rules for distributee partners.....	pda DOE	---	26	52	55	57	59	61	64	66	69	72	249	581
5. Eliminate the substantial appreciation requirement for inventory of a partnership.....	sepda DOE	---	32	66	69	73	77	80	84	89	93	98	317	761
6. Extend the 5-year time limit for taxing pre-contribution gain to 10 years.....	pcpa dofca	---	---	---	---	---	7	21	22	23	24	25	7	122
7. Restrict income forecast method and allow 3-year MACRS for rent-to-own property.....	tyba 12/31/97	---	37	43	61	69	38	27	25	16	17	18	248	352
8. Repeal 14-day rule on rental of vacation properties (section 280A).....	tyba 12/31/97	---	23	23	24	26	27	28	29	30	31	33	123	274
9. 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
10. Repeal installment sales grandfather rules of 1986 Act.....	tyba DOE	---	42	92	101	102	61	20	21	22	23	24	398	508
SUBTOTAL OF REVENUE PROVISIONS.....		---	8,251	8,662	9,348	10,147	10,737	11,064	11,678	12,337	13,073	13,848	47,149	109,151
XI. FOREIGN SIMPLIFICATION AND OTHER FOREIGN-RELATED PROVISIONS														
A. General Provisions														
1. Phase in eligibility of licenses of computer software for foreign sales corporation benefits.....	lga 12/31/97	---	-15	-29	-111	-171	-178	-189	-200	-225	-250	-275	-504	-1,643

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
9. 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
SUBTOTAL OF FOREIGN SIMPLIFICATION AND OTHER FOREIGN-RELATED PROVISIONS.....		---	-33	-102	-184	-260	-281	-307	-323	-358	-391	-425	-862	-2,668
XII. SIMPLIFICATION PROVISIONS RELATING TO INDIVIDUALS AND BUSINESSES														
A. Provisions Relating to Individuals														
1. Deduction attributable to unearned income of dependent filers: greater of (a) present law; or (b) earned income plus \$250; delink dependent AMT from parent's AMT position.....	1/1/98	---	-2	-38	-35	-35	-35	-35	-35	-38	-37	-36	-146	-327
2. Increase de minimis threshold for estimated tax to \$1,000.....	tyba 12/31/97	---	-134	-17	-18	-19	-20	-21	-22	-24	-25	-26	-208	-326
3. Optional methods for computing SECA combined; increase dollar amount to provide four quarters of coverage [15].....	tyba 12/31/97	---	1	1	1	2	2	2	2	2	2	2	8	16
4. Treatment of certain reimbursed expenses of rural mail carriers.....	tyba 12/31/97	---	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11
5. Treatment of travel expenses of certain Federal employees engaged in criminal investigations.....	eii tyea DOE	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-2
6. Permit payment of taxes by any commercially acceptable means.....	DOE	----- Negligible Revenue Effect -----												
B. Provisions Relating to Businesses Generally														
1. Modify look-back method for long-term contracts.....	cci tyea DOE	---	-1	-2	-3	-4	-4	-4	-4	-5	-5	-5	-14	-37
2. Minimum tax treatment of certain property and casualty insurance companies.....	tyba 12/31/97	---	-1	-2	-3	-3	-3	-3	-3	-3	-3	-3	-12	-27
3. Provide for exclusion for construction allowances provided to lessees.....	leia DOE	----- Negligible Revenue Effect -----												
C. Provisions Relating to Partnerships														
1. Simplified reporting to partners.....	tyba 12/31/97	---	6	8	8	8	8	9	9	9	9	9	38	83
2. Simplified audit procedure for large partnerships.....	tyba 12/31/97	---	[7]	[7]	[7]	1	1	1	1	1	1	1	2	8
3. Due date for furnishing information to partners of large partnerships.....	tyba 12/31/97	----- No Revenue Effect -----												
4. Returns required on magnetic media for partnerships with 100 partners or more.....	tyba 12/31/97	----- Negligible Revenue Effect -----												
5. Treatment for partnership items of individual retirement accounts.....	tyba 12/31/97	----- No Revenue Effect -----												
6. Other partnership audit rules.....	tyba 12/31/97	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-3
7. Closing partnership taxable year with respect to deceased partner.....	tyba 12/31/97	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1
D. Provisions Relating to Real Estate Investment Trusts														
1. Clarification of limitation on maximum number of shareholders.....	tyba DOE	----- Negligible Revenue Effect -----												
2. De minimis rule for tenant services income.....	tyba DOE	----- Negligible Revenue Effect -----												

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
XVI. INCREASE IN PUBLIC DEBT LIMIT.....	--	--	--	--	--	--	--	--	--	--	--	--	--	--
NET TOTALS.....		1,498	4,661	-18,370	-25,550	-26,356	-20,477	-26,169	-28,827	-31,547	-36,789	-41,758	-84,594	-249,690

Source: Joint Committee on Taxation

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

Legend for "Effective" column:

aca = actions commenced after	lia = levies issued after
aiii OBRA = as if included in the Omnibus Budget Reconciliation Act of 1990	lga = licenses granted after
aiii SBJPA = as if included in the Small Business Job Protection Act of 1996	NOLgi = net operating losses generated in
aoty = all open taxable years	oaa = obligations acquired after
bia = bonds issued after	pa = payments after
cci = contracts completed in	pca = proceedings commenced after
cfa = claims filed after	pcpa = property contributed to partnership after
cia = contracts issued after	pda = partnership distributions after
da = distributions after	pma = payments made after
da/a = distributions and acquisitions after	ppisa = property placed in service after
dda = decedents dying after	pra = payments received after
Dma = disclaimers made after	rd = returns due
dma = disclosures made after	ria = returns filed after
DOE = date of enactment	roa = rentals occurring after (for returns open on date of first committee action)
dofca = date of first committee action	sa = severances after
dpoaa = dividends paid or accrued after	sea = sales or exchanges after
droaa = dividends received or accrued after	sepda = sales and exchanges, and certain partnership distributions after
dwcorpt = depreciation and wages claimed on returns filed prior to	spi = services performed in
eii = expenses incurred in	ta = transactions after
fcq DOE + 90 days = first day of the calendar quarter that begins at least 90 days after date of enactment	Ta = transfers after
ftpoa = foreign taxes paid or accrued in	tyba = taxable years beginning after
gma = gifts made after	tyea = tax years ending after
gsta = generation skipping transfers after	tybo/a = taxable years beginning on or after
icoa = involuntary conversions occurring after	tsoaiTg = tax shelters offered after issuance of Treasury guidance
ia = instruments issued after	voo/a = violations occurring on or after
leia = leases entered into after	vpa = vaccine purchases after
	wpoifhma = wages paid or incurred for hires made after
	30da = 30 days after
	90da = 90 days after

[1] Considers interaction with HOPE tax credit proposal.

[2] Loss of less than \$500,000.

[3] Considers interaction with AD IRA proposal.

[4] Revenue estimate includes interactions with other educational savings provisions.

[5] Estimate includes interaction with welfare-to-work tax credit.

[6] 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 package.

[Footnotes for JCX-23-97 continued on the following page]

Footnotes for JCX-23-97 continued:

- [7] Gain of less than \$500,000.
- [8] Loss of less than \$1 million.
- [9] Considers interaction with proposal to allow bakery drivers to be treated as independent contractor for employment tax purposes.
- [10] Estimate provided by the Congressional Budget Office.
- [11] Assumes prior or concurrent passage of legislation to allow Virgin Island financing on parity basis.
- [12] Effective for constructive sales occurring either (1) after date of enactment; or (2) after 1/12/96, and before the date of enactment if the position giving rise to the constructive sales remains outstanding 30 days after the date of enactment.
- [13] This proposal may also have outlay effects through interaction with Federal farm programs.
- [14] 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. 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.
- [15] Proposal may have outlay effects.
- [16] Gain of less than \$1 million.