

COMPARISON OF ESTIMATED BUDGET EFFECTS OF H.R. 3090,
AS PASSED BY THE HOUSE OF REPRESENTATIVES AND SCHEDULED FOR CONSIDERATION ON THE SENATE FLOOR

Fiscal Years 2002 - 2011

[Millions of Dollars]

Provision	Effective	H.R. 3090, as Passed by the House							H.R. 3090, as Scheduled for Consideration on the Senate Floor							
		2002	2003	2004	2005	2006	2002-06	2002-11	2002	2003	2004	2005	2006	2002-06	2002-11	
Cost Recovery Provisions																
1. Special depreciation allowance for certain property - {H} 30%; {S} 10% expensing of the value of capital assets with MACRS lives of 20 years or less {H} and software (sunset after 36 months); {S} software, leasehold improvements, and property eligible for the income forecast method (sunset after 12 months) [1]	H = ppiso/a 9/11/01 S = ppisa 9/10/01	-39,301	-36,125	-30,295	6,904	22,299	-76,518	-17,889	-14,010	-1,596	3,507	2,585	2,241	-7,274	-2,177	
2. Increase in section 179 expensing to \$35,000, and increase beginning point for phaseout to \$325,000 for {H} 24 months; {S} 12 months	tyba 12/31/01	-852	-1,406	-142	682	466	-1,251	-264	-852	-592	424	277	202	-541	-123	
3. 15-year life for leasehold improvements [2]	lipiso/a 9/11/01	-78	-202	-369	-533	-684	-1,865	-7,118	----- No Provision -----							
Total of Cost Recovery Provisions		-40,231	-37,733	-30,806	7,053	22,081	-79,634	-25,271	-14,862	-2,188	3,931	2,862	2,443	-7,815	-2,300	
Net Operating Loss Provision - 5-Year Carryback of Net Operating Losses and Waive the AMT 90% Limitation on the Allowance of Losses (sunset after {H} 36 months; {S} 12 months)																
	H = NOLs gi tyeo/a 9/11/01 S = NOLs gi tyei 2001	-4,704	-3,528	-1,910	3,418	3,026	-3,699	-452	-4,587	1,147	1,147	1,147	764	-382	-115	
Alternative Minimum Tax Provision - Repeal the corporate AMT and fully refund AMT credits [3]	tyba 12/31/00	-25,397	822	1,209	736	189	-22,441	-24,074	----- No Provision -----							
Deferral of Multinational Business Income Provision - Extend exceptions under subpart F for active financing income ({H} permanently; {S} sunset 12/31/02)	tyba 12/31/01	-260	-1,252	-1,441	-1,659	-1,911	-6,523	-21,346	-260	-781	---	---	---	-1,041	-1,041	
Provisions Affecting Individual Taxpayers																
1. Supplemental Rebate - Provide a rebate (\$300 individual, \$600 married filing jointly, and \$500 head-of-household) for individuals who filed a tax return in 2000 ({S} including insular areas) other than dependents and nonresident aliens; rebate amount reduced by amount of rebate individual received under H.R. 1836 {H} [4]; {S} [5]	DOE	-13,733	---	---	---	---	-13,733	-13,733	-14,173	---	---	---	---	-14,173	-14,173	
2. Accelerate the 25% individual income tax rate scheduled to go into effect in 2006 to 2002	tyba 12/31/01	-12,816	-18,862	-12,196	-7,685	-2,106	-53,665	-53,665	----- No Provision -----							
3. Increase AMT exemption by \$1,600 non-joint/\$3,200 joint for 2002 and 2003, and \$850 non-joint/\$1,700 joint for 2004	tyba 12/31/01	-717	-2,063	-2,315	-1,250	---	-6,345	-6,345	----- No Provision -----							
4. Increase deduction of capital losses of individuals against ordinary income from \$3,000 to \$4,000 for taxable year 2001 only and \$5,000 for taxable year 2002 only	tyba 12/31/00	-840	-1,224	83	54	25	-1,903	-1,903	----- No Provision -----							

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		2002	2003	2004	2005	2006	2002-06	2002-11	2002	2003	2004	2005	2006	2002-06	2002-11	
5. Simplify individual capital gains - repeal mark-to-market and the 5-year holding period and allow adjusted net capital gains to qualify for the 18%/8% capital gains rates	soeo/a 10/12/01	-535	1,451	-1,033	-2,420	-2,385	-4,922	-10,413	----- No Provision -----							
6. Expand the exemption from the early withdrawal tax for health insurance expenses for unemployed individuals	[6]	-13	-59	-33	1	1	-103	-99	----- No Provision -----							
Total of Provisions Affecting Individual Taxpayers		-28,654	-20,757	-15,494	-11,300	-4,465	-80,671	-86,158	-14,173	---	---	---	---	-14,173	-14,173	
Extension of Expiring Provisions and Technical Amendments																
1. Extension of provisions expiring in 2001																
a. Treatment of nonrefundable personal credits under the individual alternative minimum tax ((H) sunset 12/31/03; (S) sunset 12/31/02) [7]	tyba 12/31/01	-123	-664	-695	---	---	-1,482	-1,482	-123	-490	---	---	---	-613	-613	
b. Work opportunity tax credit ((H) sunset 12/31/03; (S) sunset 12/31/02)	wpoifibwa 12/31/01	-92	-246	-247	-130	-51	-766	-786	-92	-153	-92	-36	-14	-387	-390	
c. Welfare-to-work tax credit ((H) sunset 12/31/03; (S) sunset 12/31/02)	wpoifibwa 12/31/01	-27	-79	-90	-54	-23	-272	-283	-27	-52	-38	-16	-7	-140	-141	
d. Tax credit for electricity production from wind, closed-loop biomass, and poultry litter -- facilities placed in service date ((H) sunset 12/31/03; (S) sunset 12/31/02)	DOE	-9	-26	-33	-34	-34	-136	-322	-9	-17	-19	-20	-20	-85	-193	
e. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells ((H) sunset 12/31/03; (S) sunset 12/31/02)	tyba 12/31/01	-27	-41	-14	---	---	-82	-82	-27	-14	---	---	---	-41	-41	
f. Qualified zone academy bonds ((H) sunset 12/31/03; (S) sunset 12/31/02)	H = tyba 12/31/01 S = DOE	[8]	-2	-7	-14	-20	-43	-147	[8]	-2	-5	-9	-11	-27	-79	
g. Temporary increase in limit on cover over of rum excise tax revenues (from \$10.50 to \$13.25 per proof gallon) to Puerto Rico and the Virgin Islands ((H) sunset 12/31/03; (S) sunset 12/31/02 [9]	DOE	-65	-61	-14	---	---	-140	-140	-56	-14	---	---	---	-70	-70	
h. Suspension of requirement that terminals selling diesel fuel and kerosene must sell both dyed and undyed fuel ((H) sunset 12/31/03; (S) sunset 12/31/02)	DOE	----- Negligible Revenue Effect -----								----- Negligible Revenue Effect -----						
i. Deductions for clean-fuel vehicles and refueling property ((H) sunset after 24 months; (S) sunset after 12 months)	DOE (H) [10]; (S) [11]	-9	-19	-18	-13	2	-57	-1	-9	-10	-7	-5	7	-24	---	
j. Tax credit for electric vehicles ((H) sunset after 24 months; (S) sunset after 12 months)	DOE (H) [12]; (S) [13]	-25	-43	-41	-34	-20	-163	-150	-25	-33	-25	-17	-1	-102	-92	
k. Tax on failure to comply with mental health parity requirements applicable to group health plans ((H) sunset 9/30/03; (S) sunset 9/30/02) [14]	pybo/a 1/1/02	----- Negligible Revenue Effect -----								----- Negligible Revenue Effect -----						
l. Combined employment tax reporting demonstration project (sunset 12/31/02)	8/6/02	----- No Provision -----								----- No Revenue Effect -----						
2. One-year extension of provision expiring in 2002 - Archer medical savings accounts ("MSAs")	DOE	---	[8]	-2	-2	-2	-7	-15	----- No Provision -----							
3. Technical Amendments:																
a. Limit use of non-accrual experience method of accounting to amounts to be received for the performance of qualified professional services	tyea DOE	14	62	33	29	16	154	212	----- No Provision -----							

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		2002	2003	2004	2005	2006	2002-06	2002-11	2002	2003	2004	2005	2006	2002-06	2002-11	
b. Reverse the Supreme Court's decision in <i>Gitlitz v. Commissioner</i> (relating to subchapter S corporations)	da 10/11/01	58	85	89	93	97	423	978	----- <i>No Provision</i> -----							
Total of Extension of Expiring Provisions and Technical Amendments		-305	-1,034	-1,039	-159	-35	-2,571	-2,218	-368	-785	-186	-103	-46	-1,489	-1,619	
Extension of Additional Provisions Expiring in 2001																
1. Generalized System of Preferences (sunset 12/31/02) [9]	10/1/01	----- <i>No Provision</i> -----							-332	-87	---	---	---	-419	-419	
2. Andean Trade Preference Initiative (sunset 6/30/02) [9]	12/5/01	----- <i>No Provision</i> -----							-12	---	---	---	---	-12	-12	
3. Trade Adjustment Assistance Program (sunset 12/31/02) [9]	DOE	----- <i>No Provision</i> -----							----- <i>No Revenue Effect</i> -----							
Total of Extension of Additional Provisions Expiring in 2001		---	---	---	---	---	---	---	-344	-87	---	---	---	-431	-431	
Tax Incentives for New York City and Distressed Areas [15]:																
1. Expansion of Work Opportunity Tax Credit targeted categories to include certain employees in New York City - add individuals working in or relocated from the Recovery Zone as a targeted group eligible for a modified WOTC (40% on first \$12,000; allow against the AMT) (sunset 12/31/02)	wpoifwpa 9/10/01	----- <i>No Provision</i> -----							-1,199	-558	-165	-61	-18	-2,000	-2,000	
2. Authorize issuance of tax-exempt private activity bonds for rebuilding the portion of New York City damaged in the September 11, 2001, terrorist attack - tax-exempt reconstruction bonds capped at \$15 billion for calendar year 2002 with 3-year carryforward of unused amount; exempt from AMT	bia DOE	----- <i>No Provision</i> -----							-21	-82	-145	-199	-245	-693	-1,986	
3. Bank carrying cost exception for tax-exempt reconstruction bonds	bia DOE	----- <i>No Provision</i> -----							-17	-51	-58	-80	-82	-288	-698	
4. Incentive for reinvestment of insurance proceeds received for property damaged in New York City in the September 11, 2001, terrorist attack to the extent reinvested in eligible property in New York City before January 1, 2007	[16]	----- <i>No Provision</i> -----							-584	-358	-122	-8	98	-973	-432	
5. Re-enact exceptions for qualified mortgage bond financed loans to victims of Presidentially-declared disasters for calendar year 2002	[17]	----- <i>No Provision</i> -----							-3	-7	-8	-8	-8	-33	-73	
6. One-year expansion of authority for Indian tribes to issue tax-exempt private activity bonds - authorize issuance of up to \$10 million tax-exempt private activity bonds for qualified Indian tribal governments for calendar year 2002 with 3-year carryforward; exempt from AMT	DOE	----- <i>No Provision</i> -----							-1	-4	-8	-13	-16	-41	-121	
Total of Tax Incentives for New York City and Distressed Areas		---	---	---	---	---	---	---	-1,825	-1,060	-506	-369	-271	-4,028	-5,310	
Additional Provisions																
1. Tax credit bonds for the National Railroad Passenger Corporation ("Amtrak") - allow \$9 billion of Amtrak tax credit bonds for one year	bia DOE	----- <i>No Provision</i> -----							-39	-136	-329	-516	-569	-1,589	-4,393	
2. Provide a broadband internet access tax credit (sunset 12/31/02)	[18]	----- <i>No Provision</i> -----							-413	-211	15	13	11	-585	-540	

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		2002	2003	2004	2005	2006	2002-06	2002-11	2002	2003	2004	2005	2006	2002-06	2002-11	
3. Expansion of period for reinvestment of converted citrus tree property and ratable income inclusion for citrus canker tree payments	tybbo/a DOE	----- No Provision -----							-10	1	1	1	1	-7	-3	
4. Allow Form 1099 to be provided electronically with respect to taxable years 2001 and 2002	DOE	----- No Provision -----							----- No Revenue Effect -----							
5. Expand exemption from aviation fuels excise taxes for aerial applicators (one year only)	1/1/02	----- No Provision -----							-4	-1	---	---	---	-5	-5	
6. Recovery period for certain wireless telecommunications equipment (sunset after 12 months)	[19]	----- No Provision -----							-19	-22	-11	-2	-3	-57	-5	
7. One-year suspension of section 809 related to the reduction in policyholder dividends for mutual life insurance companies	tyba 12/31/00	----- No Provision -----							-44	-29	---	---	---	-73	-73	
8. One-year suspension of section 815 related to distributions from policyholder surplus accounts	tyba 12/31/01	----- No Provision -----							-31	-45	-45	-43	-44	-208	-385	
Total of Additional Provisions		---	---	---	---	---	---	---	-560	-443	-369	-547	-604	-2,524	-5,404	
Victims of Terrorism Tax Relief Provisions		----- Contained in a Separate Bill -----							----- Contained in a Separate Bill -----							
Health Insurance and Medicaid Provisions [9]:																
1. {H} Increase in Social Services block grants to States to provide health insurance	---	-1,000	-2,000	---	---	---	-3,000	-3,000	----- No Provision -----							
2. {S} Premium assistance for COBRA continuation coverage for individuals and their families	---	----- No Provision -----							-4,800	-2,200	---	---	---	-7,000	-7,000	
3. {S} State option to provide temporary Medicaid coverage for certain uninsured individuals	---	----- No Provision -----							-250	-150	---	---	---	-400	-400	
4. {S} State option to provide temporary coverage under Medicaid for the unsubsidized portion of COBRA continuation premiums	---	----- No Provision -----							-1,800	-1,000	---	---	---	-2,800	-2,800	
5. {S} Temporary increases of Medicaid FMAP for fiscal year 2002	---	----- No Provision -----							-4,700	-400	---	---	---	-5,100	-5,100	
6. {S} Include Indian women with breast or cervical cancer in optional Medicaid eligibility category	---	----- No Provision -----							-1	---	---	---	---	-1	-1	
7. {S} Increase in floor for treatment as an extremely low DSH State to 3% in fiscal year 2002	---	----- No Provision -----							-235	-20	---	---	---	-255	-255	
8. {S} Moratorium on changes to certain upper payment limits under Medicaid	---	----- No Provision -----							-10	---	---	---	---	-10	-10	
9. {S} Revision and simplification of the Transitional Medical Assistance Program	---	----- No Provision -----							-25	-115	-40	---	---	-180	-180	
10. {S} State Children's Health Insurance Program - revision and simplification of transitional Medicaid	---	----- No Provision -----							5	5	---	---	---	10	10	
Total of Health Insurance and Medicaid Provisions		-1,000	-2,000	---	---	---	-3,000	-3,000	-11,816	-3,880	-40	---	---	-15,736	-15,736	
Unemployment Insurance Outlay Provisions [9]:																
1. {H} Accelerate transfers from the Federal unemployment accounts to the state accounts in the unemployment trust fund	---	-700	-700	---	---	---	-1,400	-1,400	----- No Provision -----							
2. {S} Part-time work	---	----- No Provision -----							-290	-100	---	---	---	-390	-390	
3. {S} Alternative base period	---	----- No Provision -----							-460	-160	---	---	---	-620	-620	
4. {S} Weekly benefit increase (15%/\$25)	---	----- No Provision -----							-4,730	-1,620	---	---	---	-6,350	-6,350	
5. {S} Additional 13 weeks of benefits	---	----- No Provision -----							-8,120	-2,900	---	---	---	-11,020	-11,020	
6. {S} Administrative expenses	---	----- No Provision -----							-400	-100	---	---	---	-500	-500	
7. {S} Reduced spending from Reed Act transfers	---	----- No Provision -----							---	447	456	465	---	1,368	1,368	
8. {S} Interaction - UI effects of COBRA extension	---	----- No Provision -----							-790	-280	---	---	---	-1,070	-1,070	

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		2002	2003	2004	2005	2006	2002-06	2002-11	2002	2003	2004	2005	2006	2002-06	2002-11	
9. {S} Interaction - additional costs for related programs	---	----- No Provision -----							-110	-30	---	---	---	-140	-140	
Total of Unemployment Insurance Outlay Provisions [9]		-700	-700	---	---	---	-1,400	-1,400	-14,900	-4,743	456	465	---	-18,722	-18,722	
Unemployment Insurance Revenues [9]		---	100	300	300	300	1,000	1,500	---	670	1,690	2,510	3,080	7,950	19,300	
Total of Unemployment Insurance Outlay Provisions and Revenues [9]		-700	-600	300	300	300	-400	---	-14,900	-4,073	2,146	2,975	3,080	-10,772	578	
Emergency Agriculture Assistance Provisions [9] [20]:																
1. Crop disaster payments	---	----- No Provision -----							-1,710	-90	---	---	---	-1,800	-1,800	
2. Livestock programs	---	----- No Provision -----							-485	-15	---	---	---	-500	-500	
3. Commodity purchases	---	----- No Provision -----							-209	-11	---	---	---	-220	-220	
4. FSA S&E for emergency programs	---	----- No Provision -----							-48	-2	---	---	---	-50	-50	
5. Environmental quality incentive payments	---	----- No Provision -----							-273	-359	-305	-85	-83	-1,105	-1,400	
6. Farmland protection program	---	----- No Provision -----							-6	-33	-67	-30	-14	-150	-150	
7. Rural telecommunications loans	---	----- No Provision -----							-2	-6	-10	-10	-6	-34	-40	
8. Rural community assistance program	---	----- No Provision -----							-38	-229	-344	-318	-204	-1,133	-1,273	
9. Distance learning/telemed/broadband	---	----- No Provision -----							-2	-2	-1	---	---	-5	-5	
10. Rural development S&E for emergency programs	---	----- No Provision -----							-52	-3	---	---	---	-55	-55	
Total of Emergency Agriculture Assistance Provisions		---	---	---	---	---	---	---	-2,825	-750	-727	-443	-307	-5,052	-5,493	
Homeland Defense [9]	---	----- No Provision -----							----- Estimate Will Be Provided by CBO -----							
NET TOTAL		-101,251	-66,082	-49,181	-1,611	19,185	-198,939	-162,519	-66,520	-12,900	5,396	5,522	5,059	-63,443	-51,044	

Joint Committee on Taxation

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

Legend: {H} = H.R. 3090, as Passed by the House
 {S} = H.R. 3090, as Scheduled for Consideration on the Senate Floor

Legend for "Effective" column:

- bia = bonds issued after
- da = discharges after
- DOE = date of enactment
- gi = generated in
- lipiso/a = leasehold improvements placed in service on or after
- NOLs = net operating losses
- ppisa = property placed in service after
- ppiso/a = property placed in service on or after
- pybo/a = plan years beginning on or after

- soeo/a = sales or exchanges on or after
- tyba = taxable years beginning after
- tybbo/a = taxable years beginning before on or after
- tyea = taxable years ending after
- tyei = taxable years ending in
- tyeo/a = taxable years ending on or after
- wpoifbwa = wages paid or incurred for individuals beginning work after
- wpoifwpa = wages paid or incurred for work performed after

[1] A binding contract placed-in-service extension would apply in certain cases.

[2] Provision is not eligible for the 30% expensing provision.

[3] Includes outlay effect of \$16,068 million in fiscal year 2002.

[4] Includes outlay effect of \$13,733 million in fiscal year 2002.

[5] Includes outlay effect of \$14,173 million in fiscal year 2002.

[6] Effective for distributions made after the date of enactment to individuals who receive unemployment compensation for four consecutive weeks during the period from September 11, 2001, to December 31, 2002.

[7] The "Economic Growth and Tax Relief Reconciliation Act of 2001" provides that the child tax credit and adoption tax credit are allowed for purposes of the alternative minimum tax for 2002 through 2010.

Footnotes for JCX-85-01 continued:

- [8] Loss of less than \$500,000.
- [9] Estimate provided by the Congressional Budget Office.
- [10] The deduction phases down for vehicles placed in service after 12/31/03. The deductible amount is reduced by 25 percent in 2004, 50 percent in 2005, and 75 percent in 2006. No expensing is available after 2006.
- [11] The deduction phases down for vehicles placed in service after 12/31/02. The credit is reduced by 25 percent in 2003, 50 percent in 2004, and 75 percent in 2005. No expensing is available after 2005.
- [12] The credit phases down for vehicles placed in service after 12/31/03. The credit is reduced by 25 percent in 2004, 50 percent in 2005, and 75 percent in 2006. No credit is available after 2006.
- [13] The credit phases down for vehicles placed in service after 12/31/02. The credit is reduced by 25 percent in 2003, 50 percent in 2004, and 75 percent in 2005. No credit is available after 2005.
- [14] This provision will have a negligible effect on penalty excise taxes; however it could have an indirect effect on receipts through employer health deductions. This effect will be scored by the Congressional Budget Office.
- [15] The New York City Recovery Zone is defined as all business addresses located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan, New York, NY.
- [16] Effective with respect to involuntary conversions in the New York City Recovery Zone on or after September 11, 2001, as a consequence of the terrorists acts, in the taxable year that includes such date.
- [17] Effective for bonds issued during calendar year 2002 and for qualified mortgage bonds issued during calendar year 2002.
- [18] Effective for qualified expenditures made after December 31, 2001, and before January 1, 2003.
- [19] Effective for wireless telecommunications equipment placed in service after September 10, 2001, and before September 11, 2002.
- [20] The money allocated for the emergency agriculture section includes \$50 million to offset additional USDA Farm Service Agency expenses for administering the programs.