

**ESTIMATED BUDGET EFFECTS OF REVENUE RECONCILIATION AND TAX SIMPLIFICATION PROVISIONS OF H.R. 2491 (Title XI) [1]**  
(Estimated Relative to the December 1995 Congressional Budget Office Baseline)

Fiscal Years 1996-2002

[Millions of Dollars]

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
<b>CONTRACT WITH AMERICA PROVISIONS</b>										
<b>I. FAMILY TAX RELIEF PROVISIONS</b>										
1. \$500 tax credit for children under age 18 - Senate amendment (\$75,000/\$110,000 phaseout with no indexing).....	10/1/95	-4,501	-28,380	-22,782	-23,093	-23,493	-23,647	-23,802	-102,249	-149,698
2. Reduce the marriage penalty.....	tyba 12/31/95	---	-548	-651	-884	-1,449	-1,792	-2,147	-3,532	-7,471
3. \$5,000 credit for adoption expenses - Senate amendment, but phase out beginning at \$75,000 AGI; require finalized adoption only for foreign adoptions; special needs adoptions - House bill.....	tyba 12/31/95	-28	-285	-302	-320	-336	-337	-337	-1,271	-1,945
4. \$1,000 deduction (with residency and support tests) for custodial care of certain elderly dependents in taxpayer's home.....	tyba 12/31/95	-75	-116	-119	-121	-124	-127	-131	-555	-813
<b>II. SAVINGS AND INVESTMENT PROVISIONS</b>										
1. Provisions relating to Individual Retirement Arrangements - (a) deductible IRAs - Senate amendment, except increase phaseout range for joint filers in \$2,500 increments; Homemakers eligible for full IRA deduction - both House bill and Senate amendment; (b) back-end IRAs - House bill with coordination of contribution limits; (c) definition of special purpose withdrawals - Senate amendment; (d) penalty free withdrawals from deductible IRAs - Senate amendment.....	tyba 12/31/95	-221	-487	-100	-990	-1,817	-3,332	-4,807	-3,615	-11,755

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
2. Capital gains reforms: (a) individual capital gains - House bill; (b) small business stock - 14% maximum rate for individuals, reduced corporate rate; (c) indexing of capital gains - House bill, with 6-year delay of effective date; (d) corporate capital gains - Senate amendment; and (e) capital loss deduction for sale of principal residence - House bill:										
a. Corporate.....	tyea 12/31/94	-1,312	-1,101	-1,115	-1,260	-1,224	-1,316	-1,437	-6,012	-8,765
b. Individual.....	tyea 12/31/94	2,952	-2,772	-6,558	-7,050	-7,303	-6,972	1,134	-20,731	-26,569
3. Alternative minimum tax (AMT) Reform - Senate amendment, except conform depreciation lives and methods under AMT and, with respect to certain minimum tax credits, substitute 7 years for 5 years.....	ppisa & tyba 12/31/95	-1,292	-3,175	-3,929	-3,545	-2,246	-1,455	-1248	-14,187	-16,890
<b>III. HEALTH CARE PROVISIONS</b>										
1. Treatment of long-term care insurance - House bill, but adopt Senate provision providing no cap on indemnity policies, permit penalty-free (not tax-free) 401(k) and IRA withdrawals, \$175 per day cap on per diem benefits, and adopt Senate consumer protections.....	1/1/96	-860	-556	-659	-751	-846	-951	-1,061	-3,672	-5,684
2. Tax treatment of accelerated death benefits under life insurance contracts - House bill, but adopt Senate rule relating to NAIC guidelines.....	1/1/96	-6	-67	-107	-166	-214	-265	-316	-560	-1,141
3. Health insurance organizations eligible for benefits of section 833 - Senate amendment.....	tyea 10/13/95	-1	-1	-1	-1	-1	-1	-1	-5	-8
4. Increase tax-free death benefit limit on burial insurance policies - Senate amendment.....	ceia 12/31/95	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
<b>IV. ESTATE AND GIFT TAX PROVISIONS</b>										
1. Phase up unified credit to \$750,000 - House bill with 6-year phase in with indexing thereafter; index \$10,000 annual gift tax exclusion; \$750,000 special use valuation; generation-skipping tax; and indexing of \$1 million value of closely held businesses under section 6601j.....	dda/gma 12/31/95	---	-333	-663	-1,020	-1,401	-1,805	-2,154	-3,417	-7,376
2. Reduction in estate taxes for qualified businesses after unified credit increase - Senate amendment, but change thresholds to \$1 million/\$1.5 million and coordinate with section 2032A and section 6166.....	dda 12/31/95	---	-490	-579	-680	-798	-934	-1,081	-2,547	-4,562

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
3. Provide a 40% exclusion from estate taxes for property donated subject to a conservation easement (within 25 miles of a metropolitan statistical area or a national park or wilderness area; or within 10 miles of an Urban National Forest).....	dda 12/31/95	---	-42	-47	-51	-60	-67	-74	-200	-340
4. Clarify cash leases under section 2032A - Senate amendment.....	cla 12/31/95	---	-2	-2	-2	-2	-2	-2	-8	-12
<b>V. JOB CREATION AND WAGE ENHANCEMENT PROVISIONS</b>										
1. Leasehold improvements provision - House bill.....	lida 3/13/95	-34	-20	-17	-15	-12	-9	-6	-98	-114
2. Small business incentives - House bill, but modify increase in expensing limitation for small businesses to \$19,000 for 1996, \$20,000 for 1997, \$21,000 for 1998, \$22,000 for 1999, \$23,000 for 2000, \$24,000 for 2001, and \$25,000 for 2002 and thereafter.....	ppisa 12/31/95	-199	-404	-516	-623	-643	-643	-569	-2,385	-3,597
<b>SUBTOTAL: CONTRACT WITH AMERICA RELATED PROVISIONS.....</b>		<b>-5,577</b>	<b>-38,779</b>	<b>-38,147</b>	<b>-40,572</b>	<b>-41,969</b>	<b>-43,655</b>	<b>-38,039</b>	<b>-165,044</b>	<b>-246,740</b>

**VI. EXPIRING PROVISIONS**

1. Provisions extended through 12/31/96:										
a. Work opportunity tax credit - Senate amendment, with modifications [3].....	1/1/96	-64	-107	-65	-25	-10	-2	---	-271	-274
b. Employer-provided educational assistance; applies to undergraduate education only after 1995.....	1/1/95	-611	-288	---	---	---	---	---	-899	-899
c. R&E credit - House bill.....	7/1/95	-1,322	-842	-387	-275	-165	-42	---	-2,991	-3,033
d. Orphan drug tax credit - Senate amendment.....	1/1/95	-35	-10	-2	-1	-1	[2]	[2]	-49	-50
e. Contributions of appreciated stock to private foundations.....	1/1/95	-107	-18	-6	---	---	---	---	-130	-130
2. Commercial aviation fuel: extend 4.3 cents/gallon exemption through 9/30/97; but conditional on extension of Airport and Airway Trust Fund taxes.....	10/1/95	-417	-439	-6	---	---	---	---	-863	-863
3. Extend all Airport and Airway Trust Fund excise taxes through 9/30/96 - House bill [4].....	1/1/96	----- <i>No Revenue Effect</i> -----								
4. Extend IRS user fees through 9/30/02 [5] - Senate amendment.....	10/1/00	---	---	---	---	---	35	35	---	70
5. Sunset the low-income housing tax credit after 12/31/97; sunset national pool after 12/31/95 - House bill.....	DOE	-24	-29	64	333	674	1,046	1,431	1,018	3,494
6. Superfund and oil spill liability taxes:										
a. Extend Superfund excise taxes through 9/30/96; receipts go to general revenues after 7/31/96.....	DOE	509	26	---	---	---	---	---	535	535

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
b. Extend Superfund AMT through 12/31/96 [6].....	DOE	337	224	---	---	---	---	---	561	561
c. Extend oil spill tax through 9/30/02- Senate amendment.....	1/1/96	---	---	---	---	---	63	65	---	128
7. Extend excise tax refund authority for alcohol fuels blenders - Senate amendment.....	DOE	----- Negligible Revenue Effect -----								
8. Extend section 29 binding contract date 6 months from date of enactment and placed-in-service date to 12/31/97 for biomass and coal.....	DOE	---	-30	-81	-94	-88	-89	-91	-293	-473
9. Exempt from diesel dyeing requirement any States exempt from Clean Air Act dyeing requirement (permanent).....	fcqa DOE	[2]	-1	-1	-1	-1	-1	-1	-3	-4
10. Suspend tax on diesel fuel for recreational boats - Senate amendment (through 6/30/97).....	1/1/96	-24	-27	-4	-4	-1	---	---	-60	-61
11. Permanent extension of FUTA exemption for alien agricultural workers [5] - House bill.....	1/1/95	-5	-3	-3	-3	-3	-3	-3	-17	-23
12. Information Sharing Provision: Extension of disclosure of return information to Department of Veterans Affairs (outlay reduction) [5] - House bill, except extend through 9/30/02 only.....	DOE	---	---	---	14	28	42	56	42	140
<b>VII. MEDICAL SAVINGS ACCOUNTS</b>										
1. Medical Savings Accounts - House bill, except follow the Senate amendment with respect to (a) maximum contribution limit (\$2,000 single and \$4,000 family); (b) tax-free build up of earnings; (c) definition of qualified medical expenses; (d) post-death distribution rules; and (e) clarification relating to capitalization of policy acquisition costs.....	tyba 12/31/95	-122	-211	-258	-307	-362	-391	-421	-1,260	-2,072
<b>VIII. TAXPAYER BILL OF RIGHTS 2</b>										
1. Expansion of authority to abate interest.....	DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[8]
2. Extension of interest-free period for payment of tax - House bill.....	6/30/96	-2	-7	-8	-8	-8	-9	-9	-10	-51
3. Joint return may be made after separate returns without full payment of tax.....	tyba DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[8]
4. Increase levy exemption [9].....	lia 12/31/95	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[10]
5. Offers-in-compromise - Senate amendment.....	DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[8]
6. Increased limit on attorney fees - House bill.....	DOE	-1	-1	-1	-1	-1	-1	-1	-5	-7
7. Award of litigation costs permitted in declaratory judgment proceedings.....	pca DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[8]
8. Increase in limit on recovery of civil damages - House bill.....	DOE	-3	-3	-3	-3	-3	-3	-3	-15	-21
9. Enrolled agents included as third-party recordkeepers recordkeepers.....	sia DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[8]
10. Annual reminders to taxpayers with delinquent accounts.....	1/1/96	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[12]	[12]

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
<b>IX. CASUALTY AND INVOLUNTARY CONVERSION PROVISION</b>										
1. Change involuntary conversion rules for Presidentially declared disaster areas - Senate amendment.....	DDA 12/31/94	-6	-14	-10	-10	-10	-10	-10	-50	-70
<b>X. EXEMPT AND CHARITABLE ORGANIZATIONS PROVISIONS</b>										
1. Provide tax-exempt status to common investment funds - Senate amendment.....	tyea 12/31/95	-4	-6	-6	-7	-7	-7	-8	-30	-45
2. Exclusion from UBIT for certain corporate sponsorship payments - Senate amendment.....	pra 12/31/95	----- Negligible Revenue Effect -----								
3. Intermediate sanctions for certain tax-exempt organizations - House bill, with technical modifications.....	9/14/95/ 1/1/96	4	4	4	5	5	5	6	22	33
<b>XI. CORPORATE AND OTHER REFORMS</b>										
1. Reform the tax treatment of certain corporate stock redemptions - House bill.....	da 5/3/95	-83	-100	-17	84	209	343	437	93	873
2. Require corporate tax shelter reporting; modify recipient notice to 90 days.....	aiolRSg	[12]	[12]	[12]	[12]	[12]	[12]	[12]	[13]	[13]
3. Disallow interest deduction for corporate-owned life insurance policy loans - Senate amendment, but phase out disallowance (90% in 1996, 80% in 1997, and 70% in 1998; cap borrowing at 20,000 lives); cap interest rate (with special rules for grandfathered plans); exception for key person policies with 10 lives; limit borrowing in 1996 to policies purchased in 1994 and 1995.....	ipoaa 10/13/95	220	579	883	1,369	1,749	1,856	1,895	4,800	8,551
4. Phase out preferential tax deferral for certain large farm corporations required to use accrual accounting.....	[15]	26	37	38	39	40	41	42	179	261
5. Phased-in repeal of section 936: Wage credit companies - 6 years of present law and then House bill with modified base period; Income companies - 2 years of present law and then House bill with modified base period; QPSII - repealed 1/1/96.....	tyba 12/31/95	255	605	552	596	498	516	746	2,506	3,766
6. Corporate accounting - reform of income forecast method - Senate amendment.....	ppisa 9/13/95	32	69	29	13	14	16	19	157	192

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
7. Permit transfers of excess pension assets - House bill but (a) require asset cushion equal to the greater of (i) 125% of termination liability (using PBGC assumptions) and (ii) the plan's accrued liability; (b) permit withdrawals only for ERISA-covered benefits; (c) prohibit transfers when company in bankruptcy; (d) no excise tax; (e) extend for 1 additional year; and (f) conform present-law section 420 asset cushion.....	ta DOE	1,439	1,375	958	554	195	151	-19	4,521	4,651
8. Modify exclusion of damages received on account of personal injury or sickness - Senate amendment, with technical clarifications.....	ama 12/31/95	34	51	55	59	61	64	68	260	392
9. Require tax reporting for payments to attorneys; delay effective date for 1 year.....	pma 12/31/96	---	[12]	[12]	[12]	[12]	[12]	[12]	[13]	[13]
10. Expatriation tax provisions - House bill.....	2/6/95	64	97	146	199	254	289	304	760	1,353
11. Remove business exclusion for energy subsidies provided by public utilities - House bill, but modify effective date.....	ara 12/31/95	30	96	100	104	107	109	111	437	657
12. Modify basis adjustment rules under section 1033.....	ica 9/13/95	2	4	6	9	14	20	29	35	84
13. Modify the exception to the related party rule of section 1033 for individuals to only provide an exception for de minimis amounts (\$100,000).....	ica 9/13/95	1	2	4	6	8	11	13	21	45
14. Disallow rollover under section 1034 to extent of previously claimed depreciation for home office or other depreciable use of residence.....	tyea 12/31/95	1	3	4	5	6	8	9	19	35
15. Provide that rollover of gain on sale of a principal residence cannot be elected unless the replacement property purchased is located within the United States (limit to resident aliens who terminate residence within 2 years).....	sea 12/31/95	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]	[16]
16. Repeal exemption for withholding on gambling winnings from bingo and keno where proceeds exceed \$5,000.....	1/1/96	20	6	6	6	6	7	7	44	58
17. Repeal tax credit for contributions to special Community Development Corporations.....	DOE	1	1	2	2	2	2	2	8	12
18. Repeal advance refunds of diesel fuel tax for diesel cars and light trucks.....	1/1/96	8	19	19	19	19	19	19	84	122
19. Apply failure to pay penalty to substitute returns.....	DOE	1	3	29	30	32	33	35	95	163
20. Allow conversion of scholarship funding corporation to taxable corporation - House bill.....	DOE	3	4	6	8	10	10	9	31	48
21. Apply look-through rule for purposes of characterizing certain subpart F insurance income as UBIT - House bill.....	gira 12/31/95	7	23	24	27	30	32	34	111	177
22. Repeal 50% interest income exclusion for financial institution loans to ESOPs - Senate amendment.....	lma 10/13/95	27	69	109	149	187	224	261	541	1,026
23. Modify the ozone depleting chemicals tax for imported recycled halons - Senate amendment.....	DOE	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[10]	[17]

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
24. Modify two county tax-exempt bond rule for local furnishers of electricity or gas - Senate amendment.....	DOE	[16]	1	2	3	4	5	6	11	23
25. Provide tax-exempt bonds status for Alaska Power Administration sale - Senate amendment.....	bia DOE	[2]	-1	-1	-1	-1	-1	-1	-5	-7
26. Modify treatment of foreign trusts - Senate amendment.....	[18]	93	162	171	180	188	197	206	794	1,197
27. Provide for flow through treatment for Financial Asset Securitization Investment Trusts (FASITs) - Senate amendment.....	DOE	34	18	10	5	2	---	-2	69	67
28. Tax-free treatment of contributions in aid of construction for water utilities; change depreciation for water utilities - Senate amendment.....	[19]	-16	-26	-12	4	19	32	43	-31	43
29. Provide 3-year amortization of intrastate operating rights of truckers - Senate amendment.....	tyeo/a 1/1/95	-11	-14	-8	-4	---	---	---	-37	-37
30. A life insurance company may elect to treat 20% of capital losses as ordinary income, spread over 10 years; the taxpayer has the option to change the treatment of these losses in the future - Senate amendment, with modifications.....	tyba 12/31/94	1	[16]	[2]	-1	[2]	[16]	[16]	[16]	1
31. Clarify that newspaper carriers and distributors are independent contractors - Senate amendment.....	spa 12/31/95	----- Negligible Revenue Effect -----								
32. Allow for tax-free conversion of common trust funds to mutual funds - Senate amendment.....	ta 12/31/95	-4	-9	-8	-8	-8	-8	-8	-37	-52
33. Eliminate interest allocation exception for certain nonfinancial corporations - Senate amendment.....	tyba 12/31/95	41	93	107	123	141	163	187	505	855
34. Modify depreciation for small motor fuel/convenience store outlets - Senate amendment.....	ppiso/a/b DOE	-1	-4	-23	-26	-29	-16	-19	-83	-118
35. Repeal of section 593 with residential loan test for 1996 and 1997.....	tyba 12/31/95	63	95	216	280	277	272	260	931	1,462
36. Phase out and extend luxury automobile excise tax through 12/31/02.....	1/1/96	-41	-97	-159	-204	179	265	200	-322	143
<b>XII. TECHNICAL CORRECTION PROVISION: Luxury Excise Tax Indexing.....</b>	<b>DOE</b>	<b>14</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>14</b>	<b>14</b>
<b>XIII. SIMPLIFICATION PROVISIONS RELATING TO INDIVIDUALS</b>										
1. Rollover of gain on sale of principal residence:										
a. Multiple sales within rollover period - House bill.....	sa DOE	-1	-2	-2	-2	-2	-2	-3	-9	-14
b. Rules in case of divorce - House bill.....	sa DOE	-2	-2	-2	-2	-3	-3	-3	-11	-17

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
2. One-time exclusion on the sale of a principal residence by an individual who has attained age 55 (allow additional exclusion for married couples under certain conditions where one spouse has claimed an exclusion prior to their marriage) - House bill.....	sa 9/13/95	-10	-19	-20	-21	-22	-23	-24	-92	-139
3. Treatment of certain reimbursed expenses of rural mail carriers - House bill.....	tyba 12/31/95	[2]	-1	-1	-1	-1	-1	-1	-5	-6
4. Travel expenses of Federal employee participating in a Federal criminal investigation - House bill.....	tyea DOE	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1
5. Treatment of storage of product samples - House bill.....	tyba 12/31/95	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-2
<b>XIV. PENSION SIMPLIFICATION PROVISIONS</b>										
<b>A. Simplified Distribution Rules</b>										
1. Sunset of 5-year income averaging for lump-sum distributions - Senate amendment.....	tyba 12/31/98	24	74	63	109	80	42	17	350	409
2. Repeal of \$5,000 exclusion of employees' death benefits.....	tyba 12/31/95	16	46	49	52	54	55	55	217	328
3. Simplified method for taxing annuity distributions under certain employer plans - Senate amendment.....	asda 12/31/95	10	28	28	28	29	29	29	123	182
4. Minimum required distributions.....	yba 12/31/95	-1	-4	-4	-4	-4	-4	-4	-17	-25
<b>B. Increased Access to Pension Plans - Tax-exempt organizations eligible under section 401(k) - Senate amendment, but permit all tax exempts and Indian tribes to have 401(k) plans.....</b>										
	yba 12/31/96	---	-8	-22	-24	-25	-26	-28	-79	-133
<b>C. Nondiscrimination Provisions</b>										
1. Simplified definition of highly compensated employees - House bill, with modifications.....	yba 12/31/95	----- Considered in Other Provisions -----								
2. Repeal of family aggregation rules.....	yba 12/31/95	----- Considered in Other Provisions -----								
3. Modification of additional participation requirements.....	yba 12/31/95	----- Negligible Revenue Effect -----								
4. Safe-harbor nondiscrimination rules for qualified cash or deferred arrangements and matching contributions [20] - Senate amendment, with modification.....	yba 12/31/98	---	---	---	-42	-162	-167	-171	-204	-541
<b>D. Miscellaneous Pension Simplification</b>										
1. Treatment of leased employees - Senate amendment.....	yba 12/31/95	----- Negligible Revenue Effect -----								
2. Plans covering self-employed individuals.....	yba 12/31/95	----- Negligible Revenue Effect -----								
3. Elimination of special vesting rule for multiemployer plans.....	yba 12/31/95	[2]	-1	-1	-1	-1	-1	-1	-4	-6
4. Distributions under rural cooperative plans - Senate amendment, with modifications.....	DOE	----- Negligible Revenue Effect -----								
5. Treatment of governmental plans under section 415 - House bill, with Senate effective date.....	tybo/a DOE	----- Negligible Revenue Effect -----								
6. Uniform retirement age.....	1/1/96	----- Considered in Other Provisions -----								



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7. Contributions on behalf of disabled employees.....	yba 12/31/95	----- Negligible Revenue Effect -----								
8. Treatment of deferred compensation plans of State and local governments and tax-exempt organizations - House bill, with modification.....	tyba 12/31/95	[2]	-1	-1	-1	-1	-2	-2	-4	-8
9. Require Individual ownership of section 457 plan assets - House bill, with effective date change (i.e., to the end of the first legislative session after enactment).....	DOE	-6	-18	-21	-24	-25	-25	-26	-94	-145
10. Correction of GATT interest and mortality rate provisions in the Retirement Protection Act - House bill, with modifications.....	eaii GATT	-4	-4	-4	-4	---	---	---	-16	-16
11. Multiple salary reduction agreements permitted under section 403(b).....	tyba 12/31/95	----- Negligible Revenue Effect -----								
12. Repeal of combined plan limit - House bill, with Senate effective date.....	lyba 12/31/98	---	---	---	-70	-189	-195	-201	-259	-654
13. Modify notice required of right to qualified joint and survivor annuity - House bill.....	pyba 12/31/95	----- Negligible Revenue Effect -----								
14. 3-year waiver of excess distribution tax - Senate amendment.....	1/1/96	38	40	43	3	---	---	---	124	124
15. Definition of compensation for section 415 purposes - Senate amendment.....	yba 12/31/97	---	---	-1	-1	-2	-2	-2	-4	-8
16. Increase section 4975 excise tax on prohibited transactions from 5% to 10% - Senate amendment.....	ptoo/a 1/1/96	1	4	4	4	4	4	4	17	24
17. Treatment of Indian tribal governments under section 403(b) - Senate amendment provision and permit rollover to 401(k).....	pybb 1/1/95	----- Negligible Revenue Effect -----								
18. Application of elective deferral limit to section 403(b) plans - Senate amendment, with modifications.....	tyba 12/31/95	----- Negligible Revenue Effect -----								
19. Establish SIMPLE pension plan - Senate amendment, but repeal SEPs.....	yba 12/31/95	-45	-69	-71	-74	-76	-79	-82	-335	-497
20. Increase the self-employed health insurance deduction (35% in 1998 and 1999; 40% in 2000 and 2001; and 50% in 2002 and thereafter).....	tyba 12/31/97	---	---	-36	-113	-168	-272	-399	-317	-988
<b>XV. PARTNERSHIP SIMPLIFICATION PROVISIONS</b>										
1. Simplified reporting to partners - House bill, but elective.....	tyba 12/31/95	5	6	6	7	7	7	7	31	45
2. Returns required on magnetic media for partnerships with 100 partners or more - House bill.....	tyba 12/31/95	----- Negligible Revenue Effect -----								
<b>XVI. FOREIGN TAX SIMPLIFICATION PROVISIONS</b>										
A. Modification of Passive Foreign Investment Company Provisions to Eliminate Overlap with Subpart F and to Allow Mark-to-Market Election - House bill.....	tyba 12/31/95	-7	-18	-20	-21	-22	-24	-25	-88	-137

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
<b>B. Modifications to Provisions Affecting Controlled Foreign Corporations</b>										
1. General provisions - House bill.....	---	-1	-2	-2	-3	-3	-3	-3	-11	-17
2. Repeal of excess passive assets provision (section 956A) - House bill.....	tyba 9/30/95	-17	-26	-29	-35	-41	-45	-51	-148	-244
<b>XVII. OTHER INCOME TAX SIMPLIFICATION PROVISIONS</b>										
<b>A. Subchapter S Corporations</b>										
1. Increase number of eligible shareholders - House bill.....	tyba 12/31/95	-7	-12	-14	-16	-20	-22	-25	-69	-116
2. Permit certain trusts to hold stock in S corporations - House bill.....	tyba 12/31/95	-1	-2	-2	-2	-2	-2	-2	-9	-13
3. Extend holding period for certain trusts - House bill.....	tyba 12/31/95	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
4. Financial institutions permitted to hold safe-harbor debt - House bill.....	tyba 12/31/95	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
5. Authority to validate certain invalid elections - House bill.....	tyba 12/31/82	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
6. Allow interim closing of the books.....	tyba 12/31/95	----- Negligible Revenue Effect -----								
7. Expand post-termination period and amend subchapter S audit procedures - House bill.....	tyba 12/31/95	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
8. S corporations permitted to hold S or C subsidiaries - House bill.....	tyba 12/31/95	-3	-7	-9	-11	-13	-15	-17	-43	-75
9. Treatment of distributions during loss years - House bill.....	tyba 12/31/95	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
10. Treatment of S corporations as shareholders in C corporations - House bill.....	tyba 12/31/95	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
11. Elimination of certain earnings and profits of S corporations - House bill.....	tyba 12/31/95	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
12. Treatment of certain losses carried over under at-risk rules - House bill.....	tyba 12/31/95	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
13. Adjustments to basis of inherited S stock - House bill.....	dda DOE	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]
14. Treatment of certain real estate held by an S corporation - House bill.....	tyba 12/31/95	[2]	-1	-1	-2	-2	-2	-2	-6	-10
15. Transition rule for elections after termination - House bill.....	tyba 12/31/95	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]
16. Interaction of subchapter S changes - House bill.....	---	-3	-10	-26	-32	-37	-38	-39	-108	-185
<b>B. Regulated Investment Companies (RICs) - Repeal of 30% gross income limitation for RICs - House bill.....</b>										
	tyea DOE	-9	-17	-20	-24	-28	-32	-35	-98	-164
<b>C. Accounting Provisions</b>										
1. Modifications to look-back method for long-term contracts - House bill.....	cc/tyea/E	-2	-3	-3	-3	-4	-4	-4	-15	-23
2. Allow traders to adopt mark-to-market accounting for securities - House bill.....	DOE	----- Negligible Revenue Effect -----								
3. Modification of Treasury ruling requirement for nuclear decommissioning funds - House bill.....	tyba DOE	-4	-4	-5	-5	-5	-5	-5	-23	-33

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
4. Provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year - Senate amendment.....	pra/cdoa 12/31/92	2	-1	-1	-1	-1	-1	-1	-2	-4
D. Tax-Exempt Bond Provision - Repeal of debt service-based limitation on investment in certain non-purpose investments - House bill.....	bia DOE	----- Negligible Revenue Effect -----								
E. Insurance Provisions										
1. Treatment of certain insurance contracts on retired lives.....	tyba 12/31/95	6	-4	5	4	4	12	-7	15	21
2. Treatment of modified guaranteed contracts.....	tyba 12/31/95	-1	2	4	1	2	1	-1	8	8
F. Other Provisions										
1. Closing of partnership taxable year with respect to deceased partner - House bill.....	tyba 12/31/95	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1
2. Modifications to the FICA tip credit - House bill.....	eail OBRA'93	----- Negligible Revenue Effect -----								
3. Conform due date for first quarter estimated tax by private foundations - House bill.....	1/1/96	----- Negligible Revenue Effect -----								
4. Treatment of dues paid to agricultural or horticultural organizations.....	tyba 12/31/94	----- Negligible Revenue Effect -----								
5. Student loan interest deduction (\$2,500 above-the-line deduction; phaseout \$45,000 - \$65,000 singles/ \$65,000 - \$85,000 joint).....	poida 12/31/95	-52	-152	-157	-162	-168	-174	-180	-691	-1,046
<b>XVIII. ESTATE, GIFT, AND TRUST TAX PROVISIONS</b>										
A. Estate and Trust Income Tax Provisions										
1. Certain revocable trusts treated as part of estate - House bill.....	DOE	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[21]	[21]
2. Distributions during first 65 days of taxable year of estate - House bill.....	DOE	----- Negligible Revenue Effect -----								
3. Separate share rules available to estates - House bill.....	DOE	----- Negligible Revenue Effect -----								
4. Executor of estate and beneficiaries treated as related persons for disallowance of losses - House bill.....	DOE	----- Negligible Revenue Effect -----								
5. Limitation on taxable year of estates - House bill.....	DOE	----- Negligible Revenue Effect -----								
6. Simplified taxation of earnings of pre-need funeral trusts - House bill, with \$7,000 limit.....	tyba DOE	[11]	[11]	[11]	[11]	[12]	[12]	[12]	[12]	8
B. Estate and Gift Tax Provisions										
1. Clarification of waiver of certain rights of recovery - House bill.....	DOE	----- Negligible Revenue Effect -----								
2. Adjustments for gifts within 3 years of decedent's death - House bill.....	DOE	---	-6	-6	-7	-7	-7	-7	-26	-40
3. Clarification of qualified terminable interest rules - House bill.....	DOE	----- Negligible Revenue Effect -----								
4. Transitional rule under section 2056A - House bill.....	eail OBRA'90	----- Negligible Revenue Effect -----								
5. Opportunity to correct certain failures under section 2032A - House bill.....	DOE	----- Negligible Revenue Effect -----								



Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
XXI. INCREASE IN PUBLIC DEBT LIMIT.....	---	---	---	---	---	---	---	---	---	---
<b>TOTAL OF REVENUE PROVISIONS.....</b>		<b>-5,305</b>	<b>-37,630</b>	<b>-35,989</b>	<b>-37,882</b>	<b>-38,631</b>	<b>-39,474</b>	<b>-33,444</b>	<b>-155,368</b>	<b>-228,290</b>
<b>TOTAL OF OUTLAY PROVISIONS.....</b>		<b>---</b>	<b>---</b>	<b>---</b>	<b>14</b>	<b>28</b>	<b>42</b>	<b>56</b>	<b>42</b>	<b>140</b>

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

Legend for "Effective" column:

- ama = awards made after
- ara = amounts received after
- asda = annuity starting date after
- aiORSG = after issuance of Internal Revenue Service guidance
- bia DOE = bonds issued after date of enactment
- cc/tyea/E = contracts completed in taxable years ending after date of enactment
- ceia = contracts entered into after
- cla = cash leases after
- da = distributions after
- dda = decedents dying after
- DDA = disasters declared after
- dda DOE = decedents dying after date of enactment
- dda/gma = decedents dying after and gifts made after
- DOE = date of enactment
- eaii GATT = effective as if included in GATT
- eaii OBRA'90 = effective as if included in the Omnibus Budget Reconciliation Act of 1990
- eaii OBRA'93 = effective as if included in the Omnibus Budget Reconciliation Act of 1993
- fcqa DOE = first calendar quarter after date of enactment
- fcq DOE+180 days = beginning of first calendar quarter that starts at least 180 days after date of enactment
- ga DOE = gifts after date of enactment
- gira = gross income received after
- gsta = generation skipping transfers after
- ica = involuntary conversion after
- ipoaa = interest paid or accrued after

- lia = levies issued after
- lida = leasehold improvements disposed of after
- lma = loans made after
- lyba = limitation years beginning after
- pca DOE = proceeding commenced after date of enactment
- pma = payments made after
- poida = payments on interest due after
- ppisa = property placed in service after
- ppiso/a/b DOE = property placed in service on, after, or before date of enactment
- pra = payments received after
- pra/cdoa = payments received after, for crop damage occurring after
- ptoo/a = prohibited transactions occurring on or after
- pyba = plan years beginning after
- pybb = plan years beginning before
- sa = sales after
- sea = sales and exchanges after
- sia DOE = summonses issued after date of enactment
- spa = services performed after
- ta = transfers after
- ta DOE = transfers after date of enactment
- tyba = taxable years beginning after
- tyba DOE = taxable years beginning after date of enactment
- tybo/a DOE = taxable years beginning on or after date of enactment
- tyea = taxable years ending after
- tyea DOE = taxable years ending after date of enactment
- tyeo/a = taxable years ending on or after
- yba = years beginning after

**Footnotes for JCX-55-95:**

- [1] The Earned Income Credit provisions are included in Title XII of the conference agreement; the budget effects are shown in a separate table, JCX-56-95.
- [2] Loss of less than \$500,000.
- [3] Credit rate at 35% on first \$6,000 of income; eligible workers expanded to include welfare cash recipients and veteran foodstamp recipients; 500 hour work requirement.
- [4] Section 257(b)(2)(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Enforcement Act of 1990, indicates that "excise taxes dedicated to a trust fund, if expiring, are assumed to be extended at current rates". Since the revenues from these taxes are dedicated to the Airport and Airway Trust Fund, an extension of the taxes is scored as having no revenue effect.
- [5] Estimates provided by the Congressional Budget Office (CBO).
- [6] Estimates presented after interaction with Alternative Minimum Tax provisions and are shown net of offset with the corporate income tax.
- [7] Loss of less than \$1 million.
- [8] Loss of less than \$2 million.
- [9] Increase exemption for books and tools of trade to \$1,250.
- [10] Loss of less than \$5 million.
- [11] Gain of less than \$1 million.
- [12] Gain of less than \$5 million.
- [13] Gain of less than \$25 million.
- [14] Gain of less than \$30 million.
- [15] No new suspense accounts could be established in taxable years ending after 9/13/95. The income in existing suspense accounts would be recognized in equal installments over a 20-years period beginning with the first taxable year beginning after 9/13/95.
- [16] Gain of less than \$500,000.
- [17] Loss of less than \$10 million.
- [18] Various effective dates depending on provisions.
- [19] Effective for amounts received after date of enactment and property placed in service after date of enactment with the exception of certain property subject to a binding contract on the date of enactment.
- [20] This provision considers interaction effects of SIMPLE retirement plan provisions.
- [21] Loss of less than \$25 million.