## JOINT COMMITTEE ON TAXATION February 8, 2018 JCX-4-18

## ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN THE "BIPARTISAN BUDGET ACT OF 2018"

## Fiscal Years 2018 - 2027

[Millions of Dollars]

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
DIVISION B - FURTHER ADDITIONAL SUPPLEMENTAL AI FOR DISASTER RELIEF REQUIREMENTS ACT, 2018	PPROPRIATIONS												
Subdivision 2 - Tax Relief and Medicaid Changes Relating to Cer	rtain Disasters												
I. Tax Relief for California Wildfires [1]													
1. Special disaster-related rules for use of retirement funds	DOE					Ne	gligible Re	venue Effe	ct				
2. Employee retention credit for employers affected by	wpoif 10/8/17												
California wildfires	through 1/1/18	-2	-3	-1	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-6	-7
3. Additional disaster-related tax relief provisions:													
a. Temporary suspension of limitations on charitable													
contributions	[3]	-259	120	44	24	17	10					-54	-45
b. Special rules for qualified disaster-related personal													
casualty losses	lao/a 10/8/17	-202	-21									-223	-223
c. Special rule for determining earned income [4]	tyba 12/31/16	-131	-33									-164	-164
Total of Tax Relief for California Wildfires		-594	63	43	24	17	10	[2]	[2]	[2]	[2]	-447	-439
II. Tax Relief for Hurricanes Harvey, Irma, and Maria [5]													
1. Special disaster-related rules for use of retirement funds	[6]					Ne	gligihle Re	venue Effe	ct				
2. Employee retention credit for employers	wpoif 8/23/17						00						
affected by Hurricane Harvey and	or 9/4/17												
Hurricane Irma	through 1/1/18	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
3. Additional disaster-related tax relief provisions:						C J							
a. Temporary suspension of limitations on charitable													
contributions	[7]					Ne	gligible Re	venue Effe	ct				
b. Special rules for qualified disaster-related personal	lao/a 8/23/17						0.0	55					
casualty losses	or 9/4/17	-7	-1									-8	-8
c. Special rule for determining earned income [4]	tyba 12/31/16	-7	-2									-9	-9
Total of Tax Relief for Additional Disaster Declarations													
With Respect to Hurricanes Harvey and Irma		-14	-3	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-17	-17
TOTAL OF DIVISION B		-608	60	43	24	17	10	[2]	[2]	[2]	[2]	-464	-456

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
DIVISION D - REVENUE MEASURES													
I. Extension of Expiring Provisions													
A. Tax Relief for Families and Individuals													
1. Extension of exclusion from gross income of													
discharge of indebtedness on qualified principal													
residence indebtedness (sunset 12/31/17)	doia 12/31/16	-2,400										-2,400	-2,400
2. Extension of mortgage insurance premiums treated as													
qualified residence interest (sunset 12/31/17)	apoaa 12/31/16	-1,079										-1,079	-1,079
3. Extension of above-the-line deduction for qualified	-												
tuition and related expenses (sunset 12/31/17)	tyba 12/31/16	-357										-357	-357
B. Incentives for Growth, Jobs, Investment, and Innovation													
1. Extension of Indian employment tax credit (sunset													
12/31/17)	tyba 12/31/16	-49	-9									-57	-57
2. Extension of railroad track maintenance credit (sunset													
12/31/17)	epoii tyba 12/31/16	-194	-22									-215	-215
3. Extension of mine rescue team training credit (sunset													
12/31/17)	tyba 12/31/16	-1	[2]	[2]	[2]	[2]	[2]	[2]				-2	-2
4. Extension of classification of certain race horses as													
3-year property (sunset 12/31/17)	ppisa 12/31/16	-37	-10	5	8	11	11	8	3			-24	-2
5. Extension of 7-year recovery period for motorsports													
entertainment complexes (sunset 12/31/17)	ppisa 12/31/16	-13	-10	-7	-4	-3	-3	-2	[8]	1	1	-38	-40
6. Extension of accelerated depreciation for business													
property on an Indian reservation (sunset 12/31/17)	ppisa 12/31/16	-164	-42	4	23	39	31	14	-2	-8	-6	-141	-112
7. Extension of election to expense mine safety	**												
equipment (sunset 12/31/17)	ppisa 12/31/16	-6	2	1	1	1	1	1	1	[8]	[8]	-2	
8. Extension of special expensing rules for certain film,													
television, and live theatrical productions (sunset													
12/31/17)	pca 12/31/16	-1,339	282	317	176	123	106	88	70	70	70	-441	-37
9. Extension of deduction allowable with respect to	•												
income attributable to domestic production activities													
in Puerto Rico (sunset 12/31/17)	tyba 12/31/16	-67										-67	-67
10. Extension of special rate for certain timber gain													
(sunset 12/31/17)	tyba 12/31/16	-32										-32	-32
11. Extension of empowerment zone tax incentives (sunset													
12/31/17)	tyba 12/31/16	-205	-26	1	[8]	-1	-2	-3	-4	-5	-5	-231	-252
12. Extension of American Samoa economic development	•												
credit (sunset 12/31/17)	tyba 12/31/16	-11										-11	-11
C. Incentives for Energy Production and Conservation													
1. Extension of credit for section 25C nonbusiness													
energy property (sunset 12/31/17)	ppisa 12/31/16	-533	-5	-4								-542	-542
2. Extension and modification of credit for residential													
energy efficient property (sunset 12/31/21)	ppisa 12/31/16	-1,132	-155	-208	-478	-458	-420	-179	-105	-40		-2,431	-3,174
3. Extension of alternative motor vehicle credit for													
qualified fuel cell motor vehicles (sunset 12/31/17)	ppa 12/31/16	-4										-4	-4
<ol> <li>Extension of credit for section 25C nonbusiness energy property (sunset 12/31/17)</li> <li>Extension and modification of credit for residential energy efficient property (sunset 12/31/21)</li> <li>Extension of alternative motor vehicle credit for</li> </ol>	ppisa 12/31/16	-1,132				 -458 	 -420 	 -179 	-105	 -40 		-2,431	-3,17

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
4. Extension of credit for alternative fuel vehicle		40	4	2	2	2	2	2	[2]	101	101	(2)	(7
refueling property (sunset 12/31/17) 5. Extension of credit for two-wheeled plug-in electric	ppisa 12/31/16	-49	-4	-3	-3	-3	-3	-2	[2]	[8]	[8]	-63	-67
1 0	vaa 12/31/16	[2]	[2]	[2]	[2]	[2]						-1	-1
vehicles (sunset 12/31/17) 6. Extension of second generation biofuel producer	vaa 12/51/10	[2]	[2]	[2]	[2]	[2]						-1	-1
credit (sunset 12/31/17)	fpa 12/31/16	-11										-11	-11
7. Extension of biodiesel and renewable diesel incentives -	1pa 12/51/10	-11										-11	-11
extend present-law income tax credits, excise tax													
credit, and outlay payments (sunset 12/31/17)	fsoua 12/31/16	-3,250										-3,250	-3,250
8. Extension of production credit for Indian coal	15000 12/51/10	3,230										3,230	3,230
facilities (sunset 12/31/17)	cpa 12/31/16	-22	-4	-3	-3	-3	-3	-1	[2]			-34	-38
9. Extension of beginning-of-construction date for	· · · · · · · · · · · · · · · · · · ·								r=1				
non-wind renewable power facilities eligible to claim													
the electricity production credit or investment credit													
in lieu of the production credit (sunset 12/31/17)	1/1/17	-123	-24	-1	-12	-20	-25	-30	-35	-39	-21	-180	-330
10. Extension of credit for construction of energy-efficient													
new homes (sunset 12/31/17)	haa 12/31/16	-173	-29	-21	-21	-21	-21	-11	-2			-265	-299
11. Extension and phaseout of the section 48 energy													
investment tax credit (sunset 12/31/21)	ppisa 12/31/16	-145	-137	-212	-226	-237	-152	-73	-58	-46	-38	-956	-1,323
12. Five-year cost recovery for certain energy property													
(sunset 12/31/21)	ppisa 12/31/16	-13	-15	-19	-22	-21	-14	-7	-3	1	3	-91	-110
13. Extension of special depreciation allowance for second													
generation biofuel plant property (sunset 12/31/17)	ppisa 12/31/16	-10	3	2	1	1	1	1	[8]	[8]	[8]	-2	[2]
14. Extension of energy efficient commercial buildings													
deduction (sunset 12/31/17)	ppisa 12/31/16	-79	2	2	1	1	1	1	1	1	1	-73	-69
15. Extension of special rule for sales or dispositions to													
implement Federal Energy Regulatory Commission													
("FERC") or State electric restructuring policy for													
qualified electric utilities (sunset 12/31/17)	da 12/31/16	-150	24	24	24	24	24	24	8			-56	
16. Extension of excise tax credits and outlay payments													
for alternative fuel, and excise tax credits for													
alternative fuel mixtures (sunset 12/31/17)	fsoua 12/31/16	-555										-555	-555
17. Extension of Oil Spill Liability Trust Fund financing								-					
rate (sunset 12/31/18)	fcmba DOE						No Reven	ue Effect -					
D. Modifications of Energy Incentives													
1. Modifications of credit for production from	DOE &		[0]	1	1	1	1	01	100	100	100	2	(27
advanced nuclear power facilities	tyba DOE		[2]	-1	-1	-1	-1	-91	-180	-180	-180	-3	-637
Total of Extension of Expiring Provisions		-12,203	-179	-123	-536	-568	-469	-262	-306	-245	-175	-13,614	-15,073
II. Miscellaneous Provisions													
1. Extension of 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 (sunset 12/31/21) [4][9]	dsbiUSa 12/31/16	-273	-143	-143	-97	-20						-676	-676

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Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
2. Extend the limitations period with respect to excluding													
amounts received by wrongfully incarcerated individuals	DOE	[2]	[2]									[2]	[2]
3. Individuals held harmless on improper levy on	1							<b>T</b> (C					
retirement plans	laaitrtia 12/31/17					Ne	gligible Re	evenue Effe	ct				
4. Modification of user fee requirements for installment		101	2	2	4	5	6	6	6	7	7	14	47
agreements	aeiooatdti 60da DOE	[8]	2	3	4	5	6	6	6	/	7	14	47
5. Simplified filing requirements for individuals 65 years	tyba DOE						No Douor	us Effect					
of age and older 6. Unify the tax treatment of awards to whistleblowers	tyba 12/31/17		14	14	15	-15	No Reven -16	-16	14	-11		-67	-135
<ol> <li>Only the tax treatment of awards to whisteblowers</li></ol>	[10]	-9 -1	-14 -3	-14 -4	-15 -4	-13	-10 -4	-10 -6	-16 -7	-11 -9	-9 -10	-07 -16	-155
8. Excise tax on investment income of private colleges and	[10]	-1	-3	-4	-4	-4	-4	-0	- /	-9	-10	-10	-32
universities limited to institutions with at least 500 tuition													
paying students	tyba 12/31/17	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-11	-22
9. Exception to private foundation excess business	tyba 12/31/17	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-11	-22
holding tax for independently-operated philanthropic													
business holdings	tyba 12/31/17	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]
10. State beverage alcohol regulation (sunset 12/31/19)	•	[0]	[0]	[0]	[0]		No Reven		[0]	[0]	[0]	[0]	[0]
11. Simplification of rules regarding records, statements,	generally 1/1/18						NO Reven	ие Цјест -					
and returns (sunset 12/31/19)	cqba DOE					No.	aliaihla Ra	wanua Effa	ct				
12. Modification of rules relating to hardship withdrawals							giigibie Re	лепие Цује					
from cash or deferred arrangements	pyba 12/31/18		37	80	95	92	83	70	53	30	6	304	546
13. Modification of rules governing hardship distributions	pyba 12/31/18					Estim							540
15. All Puerto Rico low-income communities treated as	pyou 12/51/10					LStin	are menua	u in nem i	1.12.				
qualified opportunity zone	[11]	-106	-145	-143	-147	-136	-132	-132	-140	709	236	-678	-137
16. Treatment of citizens or residents of the United States	[**]	100	110	110	1.7	100	102	102	110	105	200	0/0	107
living abroad in support of Armed Forces in combat zone	tyba 12/31/17	-93	-93	-92	-90	-85	-79	-72	-65	-58	-51	-453	-779
17. Treatment of foreign persons for returns relating to	tybu 12/51/17	75	20	2	20	05	.,	12	05	50	51	155	,
payments made in settlement of payment card and													
third party network transactions	rf cyba 12/31/17	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-10
18. Repeal the eight percent increase in the amount of any	11 oyou 12,01,11,		•	•	•	-	-	•	-	-	-		10
required installment of corporate estimated tax otherwise													
due in July, August, or September of 2020 for corporations													
with assets of at least \$1 billion	DOE			-3,355	3,355								
19. Enhancement of carbon dioxide sequestration credit	tyba 12/31/17	-9	-11	-19	-33	-55	-85	-102	-113	-124	-137	-127	-689
Total of Miscellaneous Provisions	-	-494	-373	-3,690	3,065	-221	-230	-255	-285	541	39	-1,714	-1,907
TOTAL OF DIVISION D		-12,697	-552	-3,813	2,529	-789	-699	-517	-591	296	-136	-15,328	-16,980
NET TOTAL		-13,305	-491	-3,769	2,553	-772	-689	-517	-591	296	-136	-15,791	-17,436

Joint Committee on Taxation

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

[Legend and Footnotes for JCX-4-18 appear on the following page]

Legend for "Effective" column:

aeiooatdti = agreements entered into on or after the date that is	doia = discharge of indebtedness after	ppa = property purchased after
apoaa = amounts paid or accrued after	epoii = expenditures paid or incurred in	ppisa = property placed in service after
cpa = coal produced after	fcmba = first calendar month beginning after	pyba = plan years beginning after
cyba = calendar years beginning after	fpa = fuel produced after	rf = returns for
cqba = calendar quarter beginning after	fsoua = fuel sold or used after	tyba = taxable years beginning after
da = dispositions after	lao/a = losses arising on or after	vaa = vehicles acquired after
dsbiUSa = distilled spirits brought into the United States after	haa = homes acquired after	wpoif = wages paid or incurred from
DOE = date of enactment	pca = productions commencing after	60 da = 60 days after

The term "California wildfire disaster zone" means that portion of the California wildfire disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of wildfires in California. The term "California wildfire disaster area" means an area with respect to which between January 1, 2017, through January 18, 2018, a major disaster has been declared by the President under section 401 of such Act by reason of wildfires in California.
 Loss of less than \$500,000.

[3] Effective for contributions made during the period beginning on October 8, 2017, and ending on December 31, 2018.

	0												
[4] Estimate includes the following outlay effects:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	<u>2018-22</u>	2018-27	
Special rule for determining earned income (CA wildfires)	94	23									117	117	
Special rule for determining earned income (Hurricanes Harvey and Irma)	5	1									6	6	
Extension of temporary increase in limit on cover over of													
rum excise tax revenues	273	143	143	97	20						676	676	
Clarification of IRS whistleblower awards	1	3	4	4	4	4	6	7	9	10	16	52	

[5] a. The term "Hurricane Harvey disaster zone" means that portion of Hurricane Harvey disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by reason of Hurricane Harvey. The term "Hurricane Harvey disaster area" means an area with respect to which a major disaster has been declared by the President before October 17, 2017, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by reason of Hurricane Harvey.

b. The term "Hurricane Irma disaster zone" means that portion of the Hurricane Irma disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by reason of Hurricane Irma. The term "Hurricane Irma disaster area" means an area with respect to which a major disaster has been declared by the President before October 17, 2017, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by reason of Hurricane Irma.

[6] Effective as if included in the 'Disaster Tax Relief and Airport and Airway Extension Act of 2017,' which was enacted September 29, 2017.

[7] Effective for contributions made during the period beginning on August 23, 2017, and ending on December 31, 2017.

[8] Gain of less than \$500,000.

[9] Estimate provided by the Congressional Budget Office.

[10] Effective for information provided before, on, or after the date of enactment with respect to which a final determination has not been made before such date.

[11] Effective as if included in enactment of Public Law 115-97.