

ESTIMATED REVENUE EFFECTS OF H.R. 5662,
THE "COMMUNITY RENEWAL TAX RELIEF ACT OF 2000"

Fiscal Years 2001 - 2010

[Millions of Dollars]

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
I. Community Revitalization Provisions													
A. Tax Incentives for Renewal Communities and Empowerment Zones													
1. Designate 40 renewal communities, 12 of which are in rural areas, to receive the following tax benefits: a wage credit of 15% on first \$10,000 of qualified wages; an additional \$35,000 of section 179 expensing; deduction for qualified revitalization expenditures, capped at \$12 million per community; and 0% capital gains tax rate on qualifying assets held more than 5 years	DOE [1]	---	-364	-591	-564	-579	-624	-701	-910	-950	-369	-2,099	-5,654
2. Designate 9 new empowerment zones, extend present-law empowerment zone designations through 12/31/09, expand the 20% wage credit to all empowerment zones, increase the additional section 179 expensing to \$35,000 for all empowerment zones including D.C. in 2002 and 2003, and extend the more favorable round II tax exempt financing rules to all existing and new empowerment zones excluding D.C.	DOE [2]	---	-243	-470	-470	-537	-592	-599	-615	-783	-239	-1,721	-4,548
3. Capital gain rollover of empowerment zone assets and increased exclusion of gain on sale of certain empowerment zone investments	ima DOE	[3]	-3	-15	-32	-52	-71	-93	-118	-152	-202	-102	-738
B. New Markets Tax Credit - provide new markets tax credit with allocation authority of \$1.0 billion in 2001, \$1.5 billion in 2002 and 2003, \$2.0 billion in 2004 and 2005, and \$3.5 billion in 2006 and 2007	ima 12/31/00	-2	-18	-115	-246	-365	-531	-725	-813	-828	-747	-747	-4,391
C. Increase the Low-Income Housing Tax Credit and Make Other Modifications - increase per capita credit to \$1.50 in 2001, \$1.75 in 2002, and indexed for inflation thereafter; \$2 million small State minimum in 2001 and 2002 and index for inflation thereafter; modify stacking rules and credit allocation rules; certain Native American housing assistance disregarded in determining whether building is Federally subsidized for purposes of the low-income housing credit	generally cyba 12/31/00	-9	-52	-148	-282	-433	-598	-779	-976	-1188	-1416	-924	-5,880

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D. Private Activity Bond State Volume Limits - increase annual State volume cap to the greater of: \$62.50 per resident or \$187.5 million in 2001, and \$75 per resident or \$225 million in 2002; index for inflation thereafter	cyba 12/31/00	-16	-95	-195	-284	-361	-425	-473	-513	-557	-600	-951	-3,519
E. Expensing of Environmental Remediation Expenditures and Expansion of Qualifying Sites - for expenditures incurred before 2004 ("Brownfields")	DOE & epoa DOE	-13	-97	-225	-165	-39	-1	5	17	17	12	-538	-489
F. Extend the D.C. Homebuyer Credit Through 12/31/03	DOE	[4]	-7	-25	-14	[3]	[3]	[3]	[3]	[3]	[3]	-46	-46
G. Extend the D.C. Enterprise Zone Through 12/31/03	DOE	---	---	-42	-26	-15	-15	-16	-19	-34	-36	-83	-203
H. Extend Present-Law Section 170(e)(6) Relating to Corporate Contributions of Computer Equipment Through 12/31/03; Expand List of Eligible Donees to Include Public Libraries; Expand to Include 3-Year Property; Include Reacquired Computers	cma 12/31/00	-63	-118	-126	-63	-3	---	---	---	---	---	-373	-373
I. Treatment of Indian tribes as Non-Profit Organizations and State or Local Governments for Purposes of the Federal Unemployment Tax [5]	[6]	-20	-10	-9	25	2	2	[3]	2	1	[4]	-14	-9
Total of Community Revitalization Provisions		-123	-1,007	-1,961	-2,121	-2,382	-2,855	-3,381	-3,945	-4,474	-3,597	-7,598	-25,850
II. Two-Year Extension of Availability of Medical Savings Accounts	DOE	[1]	-3	-4	-4	-4	-4	-4	-3	-3	-3	-16	-33
III. Administrative and Technical Provisions													
A. Administrative Provisions													
1. Exempt certain reports from elimination under the Federal Reports Elimination And Sunset Act of 1995	DOE	----- <i>No Revenue Effect</i> -----											
2. Extension of deadlines for IRS compliance with certain notice requirements	DOE	----- <i>No Revenue Effect</i> -----											
3. 5-year extension of authority for IRS undercover operations	1/1/01	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[8]	[9]
4. Confidentiality of certain documents relating to closing and similar agreements and to agreements with foreign governments	DOE	----- <i>Negligible Revenue Effect</i> -----											
5. Increase in Joint Committee on Taxation refund review threshold	DOE	----- <i>Negligible Revenue Effect</i> -----											
6. Clarify dependency deduction for kidnapped children	tyea DOE	----- <i>Negligible Revenue Effect</i> -----											
7. Conforming changes to accommodate reduced issuances of certain treasury securities	DOE	----- <i>Negligible Revenue Effect</i> -----											
8. Authorization to Use Corrected Consumer Price Index [5]:													
a. Tax revenues [10]	DOE	-9	-20	---	---	---	---	---	---	---	---	-29	-29
b. Outlays [11] [12]	DOE	-970	-570	-560	-550	-550	-540	-520	-520	-510	-500	-3,200	-5,790
9. Prevent duplication or acceleration of loss through assumption of certain liabilities	aolo/a 10/19/99	13	15	17	19	21	23	25	27	29	31	85	220

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10. Disclosure of certain return information to the Congressional Budget Office	DOE	----- <i>No Revenue Effect</i> -----											
B. Technical Correction Provisions	---	----- <i>No Revenue Effect</i> -----											
Total of Administrative and Technical Provisions		-966	-575	-543	-531	-529	-517	-495	-493	-481	-469	-3,142	-5,594
IV. Tax Treatment of Securities Futures Contracts	DOE	----- <i>Negligible Revenue Effect</i> -----											
NET TOTAL		-1,089	-1,585	-2,508	-2,656	-2,915	-3,376	-3,880	-4,441	-4,958	-4,069	-10,756	-31,477

Joint Committee on Taxation

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

Legend for "Effective" column:

aolo/a = assumption of liabilities on or after
 cma = contributions made after
 cyba = calendar years beginning after
 DOE = date of enactment

epoia = expenditures paid or incurred after
 ima = investments made after
 tyea = taxable years ending after

- [1] The Secretary of Housing and Urban Development must prescribe regulations for the nomination process no later than 4 months after the date of enactment. The tax benefits for the designated communities generally are effective beginning on 1/1/02, and terminating on 12/31/09.
- [2] Area may be designated as an empowerment zone any time after the date of enactment and before 1/1/02. The tax benefits generally become effective after 12/31/01 and terminate on 12/31/09.
- [3] Loss of less than \$500,000.
- [4] Gain of less than \$500,000.
- [5] Estimate provided by the Congressional Budget Office.
- [6] The proposal generally would be effective with respect to service performed beginning on or after the date of enactment. Under a transition rule, service performed in the employ of an Indian tribe would not be treated as employment for FUTA purposes if: (1) it is service which is performed before the date of enactment and with respect to which FUTA tax has not been paid; and (2) such Indian tribe reimburses a State unemployment fund for unemployment benefits paid for service attributable to such tribe for such period.
- [7] Gain of less than \$1 million.
- [8] Gain of less than \$5 million.
- [9] Gain of less than \$10 million.
- [10] Estimate for fiscal year 2002 includes an increase in EIC outlays of \$17 million.
- [11] Negative numbers indicate a increase in Federal outlays.
- [12] Estimate includes a loss of \$4,100 million over the Federal fiscal year period 2001 - 2010 to the Social Security trust fund.