

- Senate Finance Committee -
ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK

Fiscal Years 1992-1997

[Billions of Dollars]

Item	Effective	1992	1993	1994	1995	1996	1997	1992-97
I. ECONOMIC DEVELOPMENT IN DISTRESSED AREAS -								
ENTERPRISE ZONES (1).....	--	--	-0.122	-0.334	-0.530	-0.698	-0.825	-2.509
II. INCOME SECURITY								
A. Foster Care; Substance Abuse Prevention and Treatment:								
1. Revenues.....	--	--	-0.001	-0.011	-0.011	-0.011	-0.011	-0.045
2. Direct spending.....	--	--	-0.227	-0.369	-0.463	-0.476	-0.517	-2.053
B. Provisions Relating to AFDC.....	--	--	-0.002	-0.008	-0.025	-0.040	-0.050	-0.125
C. Job Opportunities and Basic Skills Training Program.....	--	--	-0.240	-0.175	-0.020	0.030	0.030	-0.375
D. Community Works Progress Demonstrations.....	--	--	0.000	-0.050	-0.100	-0.100	-0.100	-0.350
E. Social Security (OASDI).....	--	--	0.000	0.000	0.000	0.000	0.000	0.000
F. Supplemental Security Income.....	--	--	0.003	0.004	0.004	0.004	0.004	0.019
G. Other Income Security Provisions.....	--	--	-0.004	-0.004	-0.004	-0.004	-0.004	-0.020
TOTALS: Section II.....		--	-0.471	-0.613	-0.619	-0.597	-0.648	-2.949
III. SAVINGS INCENTIVES -- BENTSEN/ROTH IRA, WITH MODIFICATIONS								
A. Restore fully-deductible IRAs and create Special IRAs.....	1/1/94 (2)	--	(3)	1.801	-1.307	-2.144	-4.182	-5.832
B. Allow penalty-free withdrawals for home ownership, education and medical expenses, and long-term unemployed.....	1/1/93	--	-0.244	-0.589	-0.469	-0.373	-0.250	-1.925
TOTALS: Section III.....		--	-0.244	1.212	-1.776	-2.517	-4.432	-7.757

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IV. ECONOMIC GROWTH								
A. Special depreciation allowance for certain equipment acquired in 1992.	pa/a 7/31/92	-1.374	-3.794	1.027	1.078	0.755	0.565	-1.743
B. Elimination of ACE depreciation adjustment.....	tyba DoE	-0.003	-0.226	-0.401	-0.350	-0.269	-0.132	-1.381
C. Tax credit for first-time homebuyers.....	7/28/92	-0.013	-0.711	-0.595	-0.010	--	--	-1.329
D. Promote pension plan investment in real estate.....	7/28/92	-0.011	-0.054	-0.061	-0.062	-0.066	-0.071	-0.325
E. Modification of passive loss rules for active real estate persons.....	tyba 12/31/91	-0.128	-0.423	-0.412	-0.400	-0.397	-0.403	-2.163
F. Increase recovery period for depreciation of certain real property (4)....	7/28/92	0.007	0.071	0.273	0.540	0.890	1.229	3.010
G. Section 108 relief, for individuals only, for discharge of indebtedness on qualified real property.....	tyea 12/31/91	-0.008	-0.125	-0.105	-0.055	-0.035	-0.015	-0.343
TOTALS: Section IV.....		-1.530	-5.262	-0.274	0.741	0.878	1.173	-4.274

V. OTHER ITEMS FROM H.R. 3040**(AS REPORTED ON JUNE 19, 1992), WITH MODIFICATIONS**

A. 18-Month Extension of Certain Expiring Tax Provisions								
1. Employer-provided educational assistance.....	7/1/92	-0.062	-0.244	-0.239	--	--	--	-0.545
2. Group legal services.....	7/1/92	-0.027	-0.110	-0.032	--	--	--	-0.169
3. Health insurance for self-employed.....	7/1/92	-0.058	-0.247	-0.263	--	--	--	-0.568
4. Mortgage revenue bonds and mortgage credit certificates, with modifications.....	7/1/92	-0.003	-0.041	-0.082	-0.092	-0.087	-0.083	-0.388
5. Qualified small-issue bonds (5).....	7/1/92	-0.001	-0.025	-0.049	-0.054	-0.048	-0.045	-0.223
6. Research and experimentation tax credit.....	7/1/92	-0.184	-0.823	-0.498	-0.135	-0.070	-0.034	-1.744
7. Low-income housing tax credit, with modifications.....	7/1/92	-0.022	-0.083	-0.184	-0.287	-0.355	-0.389	-1.320
8. Extend and expand targeted jobs tax credit, with modifications.....	7/1/92	-0.050	-0.159	-0.189	-0.111	-0.053	-0.026	-0.587
9. Orphan drug tax credit.....	7/1/92	-0.001	-0.006	-0.004	--	--	--	-0.011
10. Excise tax on certain vaccines for the Vaccine Injury Compensation Fund.....	1/1/93	(6)	(6)	(6)	(6)	(6)	(6)	(6)
11. Permanent extension of Railroad Retirement Tier II transfers.....	--	--	--	--	--	--	--	--
B. Luxury Excise Tax Repeal; Diesel Fuel Tax on Motorboats								
1. Repeal tax on boats, airplanes, jewelry, furs; index automobiles....	(7)	-0.015	-0.065	-0.087	-0.102	-0.119	-0.135	-0.523
2. Repeal diesel fuel tax exemption for noncommercial motorboats...	10/1/92	--	0.028	0.030	0.030	0.028	0.028	0.144
C. Revenue-Raising Provisions								
1. Permanently extend 5% increase in corporate estimated tax payment safe-harbor rate.....	tyba 12/31/96	--	--	--	--	--	2.990	2.990
2. Amortization of intangibles (including retroactive election for 75% of return position in all open years).....	--	0.920	5.390	-0.183	-0.615	-1.165	-1.881	2.464

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3. Require information reporting for seller-financed mortgage transactions.....	tyba 12/31/91	0.023	0.091	0.107	0.114	0.122	0.131	0.588
4. Increase excise tax on certain ozone-depleting chemicals (8).....	10/1/92	--	0.039	0.069	0.071	0.060	0.052	0.291
TOTALS: Section V.....		0.520	3.745	-1.604	-1.181	-1.687	0.608	0.399
VI. TAXPAYER BILL OF RIGHTS.....	DoE	-0.014	-0.054	-0.054	-0.055	-0.057	-0.057	-0.288
VII. PROVISIONS RELATING TO CONTRIBUTIONS TO CHARITIES								
1. Repeal application of minimum tax to gifts of all appreciated property.....	7/1/92	-0.006	-0.034	-0.063	-0.073	-0.075	-0.077	-0.328
2. U.S. sourcing of charitable contribution deductions.....	7/1/93	--	-0.027	-0.069	-0.087	-0.091	-0.096	-0.370
3. Substantiation requirement for charitable contributions.....	1/1/93	--	0.021	0.132	0.141	0.152	0.161	0.607
4. Corporate sponsorships of charitable events.....	DoE	(9)	-0.004	-0.006	-0.006	-0.008	-0.009	-0.033
TOTALS: Section VII.....		-0.006	-0.044	-0.006	-0.025	-0.022	-0.021	-0.124
VIII. SIMPLIFICATION PROVISIONS.....	--	-0.092	0.011	-0.397	-0.472	-0.522	-0.543	-2.016
IX. OTHER ITEMS								
A. Education savings bond modifications.....	1/1/93	--	-0.001	-0.002	-0.003	-0.003	-0.004	-0.015
B. Modify rules governing taxation of accelerated death benefits.....	1/1/90	-0.010	-0.049	-0.051	-0.037	-0.039	-0.041	-0.227
C. Rollover of loss on sale of principal residence.....	s/ea 12/31/93	--	--	-0.008	-0.022	-0.034	-0.048	-0.112
D. Prohibit States from taxing retirement income.....	1/1/93	(10)	(10)	(10)	(10)	(10)	(10)	(10)
E. Credit for FICA paid on cash tips.....	8/15/92	-0.012	-0.255	-0.271	-0.288	-0.306	-0.325	-1.457
F. Tax exemption of veterans' benefits.....	--	--	--	--	--	--	--	--
G. Technical corrections to other legislation:	Reemployment							
1. Veterans' reemployment bill.....	after 7/31/90	--	--	--	--	--	--	--
2. Lump sum withholding provisions in unemployment bill.....	1/1/93	--	-0.178	0.115	(9)	(9)	(9)	-0.064
TOTALS: Section IX.....		-0.022	-0.483	-0.217	-0.350	-0.382	-0.418	-1.875
X. ADDITIONAL REVENUE SOURCES								
A. Administration Proposals								
1. Mark-to-market for securities dealers, with modifications.....	tyeo/a 12/31/92	0.092	0.306	0.496	0.503	0.510	0.517	2.423
2. Individual estimated tax: 120% safe harbor, permanent extension.....	1/1/93	--	1.300	--	--	--	2.600	3.900

Item	Effective	1992	1993	1994	1995	1996	1997	1992-97
3. Increase corporate estimated tax percentage to 100%.....	tyba 12/31/92	--	1.525	0.313	0.046	0.047	0.633	2.564
4. Extend 45-day interest-free rule to all returns, as modified.....	10/1/92	--	0.050	0.050	0.050	0.050	0.050	0.250
5. Repeal sec. 280A(g) (rent on residence if two weeks or less).....	tyba DoE	0.004	0.041	0.077	0.081	0.082	0.085	0.369
6. Tax treatment of FSLIC financial assistance (11).....	--	0.227	0.115	0.080	0.083	0.004	-0.088	0.421
7. Require property tax reporting on sales of residence.....	1/1/93	--	0.003	0.025	0.026	0.028	0.030	0.112
B. Extensions of Existing Provisions								
1. Extend 53% and 55% estate tax rate on large estates through 1997.....	1/1/93	--	--	0.311	0.334	0.359	0.386	1.390
2. Extend personal exemption phaseout (PEP) (permanent).....	tyba 12/31/96	--	--	--	--	--	1.239	1.239
3. Extend limitation on itemized deductions (permanent).....	tyba 12/31/95	--	--	--	--	1.994	4.474	6.468
C. Other Items								
1. Tax pre-contribution gain on partnership redemptions.....	d/DoCa	0.005	0.030	0.040	0.045	0.052	0.057	0.229
2. Taxable year election for partnerships, S corporations, and personal service corporations.....	tyba 12/31/92	--	0.482	-0.021	-0.292	0.004	0.002	0.175
3. Modifications to moving expense deductions.....	1/1/93	--	0.041	0.409	0.440	0.473	0.508	1.870
4. Increase withholding rate on bonuses to 28%.....	1/1/93	--	0.127	0.007	0.007	0.007	0.007	0.155
5. Increase withholding rate on gambling winnings to 28%.....	1/1/93	--	0.088	0.004	0.005	0.005	0.005	0.107
6. Information reporting on State and local property taxes.....	p/a 12/31/93	--	--	0.020	0.042	0.044	0.049	0.155
TOTALS: Section X.....		0.328	4.108	1.811	1.370	3.659	10.554	21.827
XI. TECHNICAL CORRECTIONS - S. 750, WITH MODIFICATIONS.....	--	(10)	(10)	(10)	(10)	(10)	(10)	(10)
GRAND TOTALS.....		-0.815	1.184	-0.475	-2.897	-1.945	5.391	0.434

Joint Committee on Taxation

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

Legend for "Effective" column: d/DoCA = distributions after date of Committee Action

DoE = date of enactment

p/a = payments after

pa/a = property acquired after

s/ea = sales and exchanges after

tyba = taxable years beginning after

tyeo/a = taxable years ending on or after

[Footnotes appear on the following page.]

Footnotes for JCX-29-92:

- (1) Estimate includes an outlay of \$164 million over the period for refundable portion of wage credit.
- (2) The provision permitting rollovers to Special IRAs is effective 1/1/93.
- (3) Gain of less than \$500,000.
- (4) Nonresidential structures: 31.5 to 40 years; residential rental property: 27.5 years (present law).
- (5) Estimate includes interaction with mortgage revenue bond extension.
- (6) Extension of the vaccine excise taxes is assumed in the CBO baseline; therefore, an extension of the Vaccine Injury Compensation Fund has no revenue effect.
- (7) Effective dates: 1/1/92 = Repeal tax on boats, planes, furs, jewelry; 7/1/92 = Index automobiles.
- (8) The energy bill, previously passed by the Senate Finance Committee, increased the base tax rate per pound for originally listed chemicals by \$0.18 for 1992, \$0.10 for 1993, \$1.00 for 1994, \$1.45 for 1995 and for each year thereafter; and increased the base tax rate per pound for newly listed chemicals by \$0.48 for 1992, \$1.08 for 1993, \$0.65 for 1994, \$1.45 for 1995 and for each year thereafter. For this bill, increase the base tax rate per pound for originally listed chemicals by \$0.15 for 1992, \$0.25 for 1993, \$0.35 for 1994, \$0.45 for 1995 and for each year thereafter; and increase the base tax rate per pound for newly listed chemicals by \$0.15 for 1992, \$0.25 for 1993, \$0.35 for 1994, \$0.45 for 1995 and for each year thereafter. Resulting tax rates, from this bill and the energy bill, for all listed chemicals will be \$2.00 per pound for 1992, \$3.00 per pound for 1993, \$4.00 per pound for 1994, \$5.00 per pound for 1995, and increase by \$0.45 per pound per year thereafter.
- (9) Loss of less than \$500,000.
- (10) Negligible amount.
- (11) Estimate includes an outlay of \$248 million over the period.