

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MODIFICATION TO
THE "CARE ACT OF 2003,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON FEBRUARY 5, 2003

Fiscal Years 2003 - 2013

[Millions of Dollars]

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
I. Charitable Giving Incentive Provisions														
1. Provide charitable contribution deduction for non-itemizers with cash contributions in excess of \$250 for individuals and \$500 for joint returns; cap on deduction of \$250 for individuals and \$500 for joint returns	tyba 12/31/02 & tybb 1/1/05	-204	-1,368	-1,218	---	---	---	---	---	---	---	---	-2,790	-2,790
2. Tax-free distributions from IRAs for charitable purposes - taxpayer must have attained age 70-1/2 for contributions made directly to a charitable organization and age 59-1/2 for contributions to a split-interest entity	DOE & tyba 12/31/03	-48	-156	-248	-270	-258	-244	-231	-247	-352	-450	-471	-1,223	-2,974
3. Extend present-law section 170(e)(3) deduction for food inventory to all businesses and provide special basis rule for certain taxpayers; modify the enhanced deduction for charitable contributions of donations of food inventory to equal the lesser of the item's fair market value or twice basis	cma DOE	-59	-154	-173	-185	-193	-201	-209	-217	-225	-234	-246	-965	-2,094
4. Enhanced charitable deduction for contributions of book inventories, with special fair market value rule	cma DOE	-8	-17	-19	-21	-23	-25	-28	-31	-33	-37	-41	-113	-283
5. Expand charitable contribution allowed for scientific property used for research and for computer technology and equipment; and temporary extension of enhanced deduction for qualified computer contributions (through 12/31/05)	generally tyba 12/31/02	-1	-67	-133	-147	-65	-1	-1	-1	-1	-1	-1	-414	-420
6. Encourage contributions of capital gain real property made for conservation purposes	cma DOE	-3	-5	-9	-13	-16	-23	-32	-41	-51	-62	-75	-70	-332
7. 25% capital gain exclusion for sales or exchanges of land or interest in land or water to eligible entities for conservation purposes	soeoa DOE	-7	-56	-60	-67	-70	-74	-78	-82	-86	-91	-95	-334	-766
8. Exclusion for government payments under Partners for Fish and Wildlife Program	pra DOE	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-12	-26
9. Adjustment to basis of S corporation stock for certain charitable contributions	cma DOE	-8	-22	-30	-33	-37	-41	-45	-50	-55	-62	-68	-172	-453
10. Enhanced deduction for charitable contributions of literary, musical, artistic, and scholarly compositions	cma DOE	-2	-4	-4	-5	-5	-6	-6	-6	-7	-7	-7	-26	-59
11. Certain mileage reimbursements to charitable volunteers excluded from gross income	tyba DOE	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-3
Total of Charitable Giving Incentive Provisions		-341	-1,851	-1,896	-744	-670	-618	-633	-678	-813	-947	-1,007	-6,120	-10,200

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
12. Provide an equal enhanced deduction for qualified corporate contributions of inventory to public schools as currently allowed for contributions to private schools; computer technology and equipment are not eligible property	cma 12/31/03	---	-17	-28	-31	-34	-38	-41	-46	-50	-55	-59	-148	-399
13. Matching grants to low-income taxpayer clinics for return preparation.....	DOE	----- <i>No Revenue Effect</i> -----												
Total of Other Charitable and Exempt Organization Provisions		-33	-48	-71	-79	-85	-93	-99	-109	-117	-128	-138	-410	-1,001
IV. Restoration of Social Services Block Grant Funding (outlays) [4]	[5]	-238	-946	-278	23	16	27	20	---	---	---	---	-1,395	-1,375
V. Individual Development Accounts - provide a tax credit to eligible entities with respect to the first 300,000 individual development accounts established for low-income workers	tyea 12/31/04 & tybb 1/1/12	---	---	-24	-44	-39	-61	-76	-90	-104	-48	[1]	-169	-487
VI. Authorization of Appropriations	---	----- <i>No Revenue Effect</i> -----												
VII. Revenue Raising Proposals														
A. Provisions to Curtail Tax Shelters														
1. Clarification of the economic substance doctrine and related penalty provisions	ta 2/15/04	-258	552	1,119	1,042	927	965	1,079	1,213	1,395	1,607	1,848	4,347	11,490
2. Provisions relating to reportable transactions and tax shelters	various dates after DOE [6]	35	92	115	119	120	124	131	139	150	164	179	604	1,366
3. Modification to the substantial understatement penalty [7]	ta DOE	---	---	4	11	19	23	26	30	34	38	38	57	223
4. Actions to enjoin conduct with respect to tax shelters	DOE	----- <i>Negligible Revenue Effect</i> -----												
5. Understatement of taxpayer's liability by income tax return preparer	dpa DOE	----- <i>Negligible Revenue Effect</i> -----												
6. Impose a civil penalty (of up to \$5,000) on failure to report interest in foreign financial accounts	DOE	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	1	3
7. Frivolous tax submissions	[9]	1	3	3	3	3	3	3	3	3	3	3	16	31
8. Regulation of individuals practicing before the Department of Treasury	ata DOE	----- <i>No Revenue Effect</i> -----												
9. Amend Code section 6501 to provide for 6-year statute of limitations for undisclosed listed transactions	tyba DOE	---	---	---	1	1	1	1	1	1	1	1	3	8
10. Amend Code section 163 to disallow a deduction for deficiency interest paid to the IRS on underpayments involving tax motivated transactions	tyba DOE	---	---	---	1	1	3	4	4	4	4	4	5	25
11. Additional \$300 million tax law enforcement authorization for the IRS [4]	DOE	----- <i>No Revenue Effect</i> -----												

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B. Other Provisions														
1. Affirmation of consolidated return regulation authority	[10]	----- Negligible Revenue Effect -----												
Total of Revenue Raising Proposals		-222	647	1,241	1,177	1,071	1,119	1,244	1,390	1,587	1,817	2,073	5,033	13,146
NET TOTAL		-834	-2,198	-1,028	333	293	374	456	513	553	694	928	-3,061	83

Joint Committee on Taxation

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

Legend for "Effective" column:

afa = applications filed after
 ata = actions taken after
 bia = bonds issued after
 cma = contributions made after
 dma = determinations made after
 DOE = date of enactment
 dpa = documents prepared after
 fapba = for annual periods beginning after

gma = grants made after
 iia = indebtedness incurred after
 pma = payments made after
 pmb = payments made before
 pra = payments received after
 pomiora = publications or materials issued or revised after
 proaa = payments received or accrued after

rfa = returns filed after
 soeoa = sales or exchanges occurring after
 ta = transactions after
 tyba = taxable years beginning after
 tybb = taxable years beginning before
 tyea = taxable years ending after
 wdia = written determinations issued after

- [1] Loss of less than \$500,000.
- [2] Effective for organizations that are designated or identified as a terrorist organization prior to, on, or after the date of enactment.
- [3] Effective for astronauts killed in the line of duty and payments made since January 1, 2003.
- [4] Estimate provided by the Congressional Budget Office.
- [5] Effective for amounts made available for fiscal year 2003 and for amounts made available each fiscal year thereafter. The proposal requiring annual reports would be with respect to fiscal year 2002 and each fiscal year thereafter.
- [6] Effective dates for provisions relating to reportable transactions and tax shelters: the penalty for failure to disclose reportable transactions is effective for returns and statements the due date of which is after the date of enactment; the modification to the accuracy-related penalty for listed or reportable transactions is effective for taxable years ending after the date of enactment; the tax shelter exception to confidentiality privileges is effective for communications made on or after the date of enactment; the material advisor disclosure provision applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment; the investor list provision applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment, and the penalty on promoters of tax shelters is effective for activities after the date of enactment.
- [7] Failure or substantial delay of forthcoming regulations for section 6011 of the Internal Revenue Code and other administrative actions to be taken by the Treasury Department or the Internal Revenue Service would reduce the estimated revenue effects of these provisions.
- [8] Gain of less than \$1 million.
- [9] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).
- [10] Effective for all taxable years, whether beginning before, with, or after the date of enactment.