

UPDATED ESTIMATED BUDGET EFFECTS OF S. 1637,
 THE "JUMPSTART OUR BUSINESS STRENGTH ('JOBS') ACT,"
 AS REPORTED BY THE COMMITTEE ON FINANCE

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
Provisions Relating to Repeal of Exclusion for Extraterritorial Income													
1. Repeal of exclusion for extraterritorial income [1]	toa DOE	2,783	4,541	5,093	5,312	5,508	5,727	5,993	6,258	6,518	6,789	23,237	54,522
2. Deduction relating to income attributable to United States production activities	tyea DOE	-370	-973	-1,968	-4,287	-5,377	-6,151	-7,806	-8,928	-10,110	-11,911	-12,975	-57,881
Total of Provisions Relating to Repeal of Exclusion for Extraterritorial Income		2,413	3,568	3,125	1,025	131	-424	-1,813	-2,670	-3,592	-5,122	10,262	-3,359
General Transition for Repeal of Exclusion for Extraterritorial Income	toa DOE & before 2007	-2,329	-3,072	-2,682	-765	---	---	---	---	---	---	-8,848	-8,848
International Tax Provisions													
A. International Tax Reform													
1. 20-year foreign tax credit carryover; 1-year foreign tax credit carryback	[2]	-165	-214	-271	-338	-500	-686	-858	-995	-1,166	-1,363	-1,488	-6,556
2. Apply look-through rules for dividends from noncontrolled section 902 corporations	tyba 12/31/02	-585	-77	-51	-23	-6	-1	[3]	[3]	[3]	[3]	-742	-743
3. Repeal the 90% limitation on the use of foreign tax credits against the AMT	tyba 12/31/04	---	-265	-395	-376	-361	-348	-338	-329	-249	-286	-1,397	-2,947
4. Recharacterize overall domestic loss	If tyba 12/31/06	---	---	---	-57	-680	-713	-756	-793	-829	-862	-737	-4,690
5. Interest expense allocation rules	tyba 12/31/08	---	---	---	---	---	-908	-2,487	-2,586	-2,689	-2,797	---	-11,467
6. Determination of foreign personal holding company income with respect to transactions in commodities	teia 12/31/04	---	-4	-10	-10	-10	-10	-11	-11	-11	-11	-34	-88
B. International Tax Simplification													
1. Repeal of rules applicable to foreign personal holding companies and foreign investment companies, personal holding company rules as they apply to foreign corporations, and include in subpart F personal service contract income, as defined under the foreign personal holding company rules	[4]	---	-25	-65	-73	-81	-91	-102	-114	-128	-143	-244	-822
2. Expand the subpart F de minimis rule to the lesser of 5% of gross income or \$5 million	[4]	---	-15	-143	-157	-173	-190	-209	-230	-253	-279	-488	-1,649
3. Attribution of stock ownership through partnerships in determining section 902 and 960 credits	tyba DOE	[3]	-1	-3	-3	-3	-3	-3	-3	-3	-3	-10	-25
4. Limit application of uniform capitalization rules in the case of foreign persons	tyba 12/31/04	---	-125	-278	-79	-27	-8	-12	-14	-16	-18	-509	-577

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
5. Eliminate secondary withholding tax with respect to dividends paid by certain foreign corporations	pma 12/31/04	---	-2	-3	-3	-3	-3	-3	-3	-3	-3	-11	-26
6. Eliminate 30% tax on certain U.S.-source capital gains of nonresident individuals	tyba 12/31/03	-1	-2	-2	-2	-3	-3	-3	-3	-3	-3	-10	-25
C. Additional International Tax Provisions													
1. Subpart F exception for active aircraft and vessel leasing income	[5]	---	---	---	-46	-187	-237	-289	-333	-382	-440	-233	-1,914
2. Look-through treatment of payments between related CFCs under foreign personal holding company income rules	[4]	---	-72	-203	-219	-239	-245	-272	-292	-314	-337	-733	-2,193
3. Look-through treatment under subpart F for sales of partnership interests	[4]	---	-39	-91	-96	-101	-106	-111	-116	-122	-129	-327	-911
4. Election not to use average exchange rate for foreign tax paid other than in functional currency	tyba 12/31/04	----- <i>Negligible Revenue Effect</i> -----											
5. Revision of foreign tax credit rules with respect to "base differences"	tyea DOE	-4	-14	-15	-17	-19	-21	-24	-27	-30	-34	-69	-205
6. Modification of exceptions under subpart F for active financing income	[4]	----- <i>Negligible Revenue Effect</i> -----											
7. United States property not to include certain assets of controlled foreign corporations	[4]	---	-3	-20	-21	-22	-23	-24	-25	-27	-29	-66	-194
8. Provide equal treatment for interest paid by foreign partnerships and foreign corporations doing business in the U.S.	tyba 12/31/03	-1	-2	-2	-2	-2	-2	-2	-2	-3	-3	-9	-21
9. Foreign tax credit treatment of deemed payments under section 367(d)	atar 8/5/97	-22	-4	-5	-5	-5	-5	-5	-5	-5	-5	-41	-66
10. Modify FIRPTA rules for REITs	tyba DOE	[3]	-2	-7	-10	-12	-14	-15	-17	-19	-21	-31	-117
11. Temporary rate deduction for certain dividends received from controlled foreign corporations	[6]	2,713	146	-2,511	-1,376	-903	-599	-413	-327	-288	-211	-1,931	-3,769
12. Exclusion of certain horse-racing and dog-racing gambling winnings from the income of nonresident alien individuals	wma DOE	-1	-2	-3	-3	-3	-3	-3	-3	-3	-3	-11	-25
13. Reduce withholding tax applicable to dividends paid to Puerto Rico companies to 10%	Dpa DOE	-1	-5	-7	-8	-9	-10	-10	-11	-12	-13	-30	-86
14. Require Commerce Department report on adverse decisions of the World Trade Organization	DOE	----- <i>No Revenue Effect</i> -----											
15. Study of impact of international tax law on taxpayers other than large corporations	DOE	----- <i>No Revenue Effect</i> -----											
16. Consultative role for the Committee on Finance in connection with the review of proposed tax treaties	DOE	----- <i>No Revenue Effect</i> -----											
Total of International Tax Provisions		1,933	-727	-4,085	-2,924	-3,349	-4,229	-5,950	-6,239	-6,555	-6,993	-9,151	-39,116
Interaction.....	---	13	14	16	17	19	21	245	620	646	674	79	2,285
Domestic Manufacturing and Business Provisions													
A. General Provisions													
1. Modifications to qualified small issue bonds - increase capital expenditure limit from \$10 to \$20 million (maximum bond limit remains at \$10 million)	bia DOE	-2	-7	-15	-23	-30	-38	-45	-52	-59	-66	-76	-336

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
5. Actions to enjoin conduct with respect to tax shelters	DOE	----- Negligible Revenue Effect -----											
6. Understatement of taxpayer's liability by income tax return preparer	dpa DOE	----- Negligible Revenue Effect -----											
7. Frivolous tax submissions	[12]	3	3	3	3	3	3	3	3	3	3	15	30
8. Regulation of individuals practicing before the Department of Treasury	ata DOE	----- No Revenue Effect -----											
9. Extend statute of limitations for undisclosed listed transactions	[13]	---	---	2	2	2	2	2	2	2	2	6	16
10. Deny deduction for interest paid to the IRS on underpayments involving certain tax motivated transactions	tyba DOE	---	---	1	1	3	4	4	4	4	4	5	25
11. Authorize additional \$300 million per year to the IRS to combat abusive tax avoidance transactions [14]	DOE	----- No Revenue Effect -----											
B. Other Corporate Governance Provisions													
1. Affirmation of consolidated return regulation authority	[15]	----- Negligible Revenue Effect -----											
2. Chief executive officer required to sign declaration as part of corporate income tax return	rfa DOE	----- Negligible Revenue Effect -----											
3. Denial of deduction for certain fines, penalties, and other amounts	generally apoia 4/27/03	176	10	10	10	10	10	10	10	10	10	216	266
4. Denial of deduction for punitive damages	dpoia DOE	10	29	30	31	32	33	34	35	36	37	132	307
5. Criminal tax fraud package	uaoataoa DOE	---	---	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	5
C. Enron-Related Tax Shelter Provisions													
1. Limitation on transfer or importation of built-in losses	ta 2/13/03	128	123	136	149	164	180	198	218	240	264	700	1,800
2. No reduction of basis under section 734 in stock held by partnership in corporate partner	da 2/13/03	12	16	24	29	33	35	33	32	33	34	114	281
3. Repeal of special rules for FASITs	on 2/13/03	----- Negligible Revenue Effect -----											
4. Expanded disallowance of deduction for interest on convertible debt	diia 2/13/03	6	88	90	94	96	98	101	103	106	109	374	891
5. Expanded authority to disallow tax benefits under section 269	aa 2/13/03	3	9	10	10	11	11	12	12	13	14	43	105
6. Modification of CFC-PFIC coordination rules	[16]	18	20	8	4	5	6	8	10	12	15	55	106
D. Provisions to Discourage Expatriation													
1. Tax treatment of inversion transactions	[17]	172	137	140	168	202	242	290	348	418	493	819	2,610
2. Impose mark-to-market on individuals who expatriate	[18]	42	84	80	74	71	67	61	57	54	51	351	641
3. Excise tax on stock compensation of insiders in inverted corporations	generally 7/11/02	16	7	7	7	7	7	7	7	7	7	42	75
4. Reinsurance agreements	rra 4/11/02	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	2	5
5. Reporting of taxable mergers and acquisitions	aa DOE	1	2	3	3	3	3	3	3	3	3	12	27
E. International Tax													
1. Clarification of banking business for determining investment of earnings in U.S. property	DOE	---	20	17	17	18	19	20	21	22	23	72	177
2. Prohibition on nonrecognition of gain through complete liquidation of holding company	doo/a DOE	[11]	13	15	17	19	21	23	25	27	29	64	189
3. Prevent mismatching of deductions and income inclusions in transactions with related foreign persons	pao/a DOE	8	41	84	79	33	35	37	39	41	43	245	440

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
4. Effectively connected income to include economic equivalents of certain categories of foreign-source income	tyba DOE	3	5	7	8	9	10	10	10	10	11	32	83
5. Recapture of overall foreign losses on sale of controlled foreign corporation stock	DA DOE	[11]	3	7	8	9	9	9	10	10	10	27	75
6. Minimum holding period for foreign tax credit on withholding tax on income other than dividends	apoamt30da DOE	[11]	3	3	3	3	4	4	4	4	5	12	33
F. Other Revenue Provisions													
1. Treatment of stripped bonds to apply to stripped interests in bond and preferred stock funds	padoa DOE	2	13	11	8	5	3	[11]	[11]	[11]	[11]	39	42
2. Apply earnings-stripping rules to partnerships and S corporations	tybo/a DOE	1	11	21	22	25	27	29	31	33	35	80	235
3. Recognize cancellation of indebtedness income realized on satisfaction of debt with partnership interest [19]	coio/a DOE	3	4	4	4	4	5	5	5	5	6	19	45
4. Modification of the straddle rules	peo/a DOE	5	17	19	21	24	26	28	29	30	31	86	230
5. Deny installment sale treatment for all readily tradable debt	soo/a DOE	8	51	57	8	11	12	13	15	17	18	135	210
6. Modify treatment of transfers to creditors in divisive reorganizations	to/a DOE	[11]	8	9	10	10	10	11	11	12	12	37	93
7. Clarify definition of nonqualified preferred stock	ta 5/14/03	[11]	5	8	8	8	8	8	8	7	7	29	67
8. Definition of controlled group of corporations	tyba DOE	1	3	5	4	3	2	2	2	1	1	16	24
9. Mandatory basis adjustment of partnership property in the case of partnership distributions and transfers of partnership interests except for transfers by reason of death	tada DOE	6	42	59	73	83	88	91	93	96	99	263	730
10. Extend present-law intangibles amortization provisions to acquisitions of sports franchises	aoa DOE	5	52	88	71	37	22	21	19	22	24	253	361
11. Lease term to include certain service contracts	laosaeia DOE	39	111	192	277	366	460	558	661	770	884	984	4,316
12. Establish specific class lives for utility grading costs	ppisa DOE	2	13	34	56	73	85	96	107	114	117	178	698
13. Expansion of limitation on depreciation of certain passenger automobiles	ppisa 2/2/04	42	112	40	-52	-45	-43	-20	---	---	---	97	34
14. Provide consistent amortization periods for intangibles	[20]	-87	-179	438	513	546	447	402	345	285	214	1,231	2,924
15. Limitation of tax benefits for leases to certain tax exempt entities	laosaeia DOE	51	131	216	305	398	497	599	708	821	940	1,101	4,666
16. Clarification of rules for payment of estimated tax for certain deemed asset sales	toa DOE	37	51	10	3	3	3	3	4	4	5	104	123
17. Extension of IRS user fees (through 9/30/13) [14]	rma DOE	---	25	33	35	38	39	41	43	45	47	131	346
18. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements	oyo/a DOE	2	1	1	[11]	[11]	[11]	[11]	[11]	[11]	[11]	4	6
19. Authorize IRS to enter into installment agreements that provide for partial payment	iaeio/a DOE	48	14	5	[21]	[21]	[21]	[21]	[21]	[21]	[21]	67	67
20. Extension of Customs User Fees													
a. Extend passenger and conveyance processing fee through 9/30/13 [14]	DOE	---	105	331	348	365	383	402	423	444	350	1,149	3,151
b. Extend merchandise processing fee through 9/30/13 [14]	DOE	---	679	1,234	1,308	1,386	1,470	1,558	1,651	1,750	1,391	4,607	12,427

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
21. Deposits to stop the running of interest on potential underpayments	dma DOE	55	96	-6	-6	-6	-6	-6	-7	-7	-7	133	100
22. Private debt collection (net of outlays) [22]	DOE	---	59	150	137	121	111	111	111	111	111	467	1,022
23. Add vaccines against Hepatitis A to the list of taxable vaccines [23]	[24]	2	9	9	9	9	9	9	9	9	9	36	81
24. Exclusion of like-kind exchange property from nonrecognition treatment on the sale or exchange of a principal residence	sopra DOE	[11]	11	13	15	17	19	21	23	25	27	56	171
25. Modify qualification rules for tax-exempt property and casualty insurance companies and definition of insurance company	tyba 12/31/03	54	120	134	136	138	140	143	147	152	158	582	1,323
26. Provide that deductions for charitable contributions of patents or similar property may not exceed the donor's basis; provide that donor may receive a right to certain payments by the donee	cma 10/1/03	300	307	320	333	347	361	376	392	408	425	1,606	3,570
27. Repeal the 10% rehabilitation credit for non-historic buildings	eii tyba 12/31/03	4	121	81	86	97	106	115	123	134	144	389	1,011
28. Increase age limit under section 1(g)	tyba 12/31/03	9	26	31	36	53	59	45	60	71	80	155	470
Total of Additional Provisions		1,473	3,871	5,632	5,777	6,193	6,622	7,171	7,822	8,522	8,684	22,943	61,777
NET TOTAL		-3,564	3,819	2,036	3,067	2,851	2,087	-14	-94	-715	-2,691	8,207	6,794

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be March 31, 2004.

Legend for "Effective" column:

aa = acquisitions after
 aoa = acquisitions occurring after
 apoamt30da = amounts paid or accrued more than 30 days after
 apoia = amounts paid or incurred after
 asbmpoia = articles sold by the manufacturer, producer, or importer after
 ata = actions taken after
 atar = amounts treated as received
 bia = bonds issued after
 cma = contributions made after
 coio/a = cancellations of indebtedness on or after
 da = distributions after
 DA = dispositions after
 diia = debt instrument issued after
 dma = deposits made after
 DOE = date of enactment
 doo/a = distributions occurring on or after
 dpa = documents prepared after

Dpa = dividends paid after
 dpoia = damages paid or incurred after
 eia = expenses incurred after
 eii = expenses incurred in
 epoia = expenditures paid or incurred after
 iaieio/a = installment agreements entered into on or after
 laosaeia = leases and other similar arrangements entered into after
 lf = losses for
 oyo/a = open years on or after
 padoa = purchases and dispositions occurring after
 pao/a = payments accrued on or after
 pca = productions commencing after
 peo/a = positions established on or after
 pfa = pleadings filed after
 pma = payments made after
 ppba = production periods beginning after
 ppisa = property placed in service after

rfa = returns filed after
 rma = requests made after
 rra = risk reinsured after
 sota = sales of timber after
 soo/a = sales occurring on or after
 sopra = sales of principal residences after
 tada = transfers and distributions after
 ta = transactions after
 teia = transactions entered into after
 toa = transactions occurring after
 to/a = transactions on or after
 tyba = taxable years beginning after
 tybo/a = taxable years beginning on or after
 tyea = taxable years ending after
 tyei = taxable years ending in
 uaoataoa = underpayments and overpayments attributable to actions occurring after
 wma = wagers made after

Footnotes for JCX-15-04:

- [1] Includes estimate for binding contract relief.
- [2] Effective for excess foreign taxes that may be carried forward to any taxable year ending after the date of enactment. Carryback period effective for credits arising in taxable years beginning after the date of enactment.
- [3] Loss of less than \$1 million.
- [4] Effective for taxable years of foreign corporations beginning after December 31, 2004, and for taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.
- [5] Effective for taxable years of foreign corporations beginning after December 31, 2006, and for taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.
- [6] Effective for the first taxable year of an electing taxpayer ending 120 days or more after the date of enactment.
- [7] Effective for debt incurred by a small business investment company after December 31, 2003, with respect to property acquired after such date.
- [8] Loss of less than \$500,000.
- [9] Proposal would result in a 10-year decrease in outlays of approximately \$9 million from the Federal Wildlife Restoration Fund.
- [10] 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 and investor list disclosure provisions applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment; the failure to register tax shelter penalty applies to returns the due date for which is after the date of enactment; the investor list penalty applies to requests made after the date of enactment; and the penalty on promoters of tax shelters is effective for activities after the date of enactment.
- [11] Gain of less than \$1 million.
- [12] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).
- [13] Effective for taxable years with respect to which the period for assessing deficiencies did not expire before October 1, 2003.
- [14] Estimate is subject to review by the Congressional Budget Office.
- [15] Effective for all taxable years, whether beginning before, on, or after the date of enactment.
- [16] Effective for taxable years of foreign corporations beginning after February 13, 2003, and for taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.
- [17] Effective for certain transactions completed after March 20, 2002, and would also affect certain taxpayers who completed transactions before March 21, 2002.
- [18] Generally effective for U.S. citizens who expatriate or long-term residents who terminate their residency on or after February 5, 2003.
- [19] Estimate is preliminary and subject to change pursuant to the receipt of additional information.
- [20] Generally effective for start-up and organizational expenditures incurred after the date of enactment.
- [21] Gain of less than \$500,000.
- [22] Breakout of Outlay effects Net of Offsetting Receipts:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2004-08</u>	<u>2004-13</u>
Private sector debt collection	---	---	-19	-50	-45	-40	-37	-37	-37	-37	-114	-302
- [23] Estimate contains outlay effects that will be provided by the Congressional Budget Office.
- [24] Effective for vaccines sold and used beginning on the first day of the first month beginning more than four weeks after the date of enactment.