

- Ways and Means Committee -
ESTIMATED BUDGET EFFECTS OF CHAIRMAN'S MARK

Fiscal Years 1992-1997

[Billions of Dollars]

Item	Effective	1992	1993	1994	1995	1996	1997	1992-97
I. PROVISIONS RELATING TO URBAN- AND RURAL-DISTRESSED AREAS								
A. Enterprise Zones								
1. Create 50 enterprise zones (25 urban, 25 rural) for phased in over years.....	DoE	--	-0.132	-0.283	-0.495	-0.714	-0.874	-2.498
B. Permanent Extensions								
1. Low-income housing tax credit (House version of H.R. 4210).....	7/1/92	-0.011	-0.064	-0.201	-0.429	-0.696	-0.976	-2.377
2. Targeted jobs tax credit (include 23- and 24-year olds in definition of economically disadvantaged youth).....	7/1/92	-0.053	-0.184	-0.326	-0.425	-0.498	-0.560	-2.046
3. Mortgage revenue bonds and mortgage credit certificates (House version of H.R. 4210).....	7/1/92	-0.002	-0.040	-0.113	-0.202	-0.297	-0.356	-1.011
4. Qualified small-issue bonds.....	7/1/92	-0.002	-0.030	-0.070	-0.121	-0.176	-0.234	-0.633
5. Interaction between items (3.) and (4.).....	7/1/92	0.001	0.010	0.025	0.044	0.061	0.079	0.220
C. Human Resources Subcommittee Items								
1. Enhanced Federal match for JOBS program.....	*	--	-0.340	-0.190	0.040	0.050	0.050	-0.390
2. Welfare reform (modified version of Administration proposal).....	*	--	-0.011	-0.032	-0.061	-0.062	-0.084	-0.250
Totals: URBAN AND RURAL PROVISIONS.....		-0.067	-0.791	-1.190	-1.649	-2.332	-2.955	-8.985
II. EXTENSION OF CERTAIN EXPIRING TAX PROVISIONS								
1. R&D tax credit (18 months) (1).....	7/1/92	-0.184	-0.823	-0.498	-0.135	-0.070	-0.034	-1.744
2. Employer-provided educational assistance (18 months).....	7/1/92	-0.062	-0.244	-0.239	--	--	--	-0.545
3. Minimum tax exemption for gifts of all appreciated property (tangible and intangible) (18 months).....	7/1/92	-0.006	-0.040	-0.057	0.022	-0.008	-0.006	-0.095
4. Employer-provided group legal services (18 months).....	7/1/92	-0.027	-0.110	-0.032	--	--	--	-0.169
5. Excise tax on certain vaccines for the Vaccine Injury Compensation Fund (2 years).....	1/1/93	(2)	(2)	(2)	(2)	(2)	(2)	(2)
6. Transfers to Railroad Retirement Tier II Fund (permanent).....	10/1/92	--	--	--	--	--	--	--
7. Self-employed health insurance deduction (6 months).....	7/1/92	-0.058	-0.117	--	--	--	--	-0.175
Totals: CERTAIN EXPIRING PROVISIONS.....		-0.337	-1.334	-0.826	-0.113	-0.078	-0.040	-2.728

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III. ITEMS PREVIOUSLY PASSED BY THE HOUSE								
A. Simplification Provisions Generally Contained in the House-Passed Version of H.R. 4210	--	-0.070	-0.143	-0.196	-0.205	-0.178	0.073	-0.748
B. Intangibles								
1. Amortization of intangibles (prospective as in H.R. 4210 Conference Agreement; provide retroactive election for 19-year life)	DoE	1.909	4.435	-0.369	-1.034	-1.761	-2.606	0.573
C. Real Estate (H.R. 4210 Conference Agreement, with Modifications)								
1. Modify passive loss rules for real estate	tyba 12/31/91	-0.104	-0.345	-0.354	-0.396	-0.419	-0.427	-2.045
2. Extend depreciation period for certain real estate (3)	6/23/92	0.007	0.063	0.235	0.449	0.738	1.006	2.498
3. Encourage pension plan investment in real estate	6/24/92	-0.010	-0.052	-0.056	-0.056	-0.060	-0.062	-0.296
Subtotals: Real Estate		-0.107	-0.334	-0.175	-0.003	0.259	0.517	0.157
D. Luxury Tax; Diesel Tax								
1. Repeal luxury excise tax; index automobiles (H.R. 4210 Conference Agreement)	1/1/92; 7/1/92	-0.015	-0.065	-0.087	-0.102	-0.119	-0.135	-0.523
2. Impose diesel excise tax on boats	10/1/92	--	0.028	0.030	0.030	0.028	0.028	0.144
Subtotals: Luxury/Diesel Taxes		-0.015	-0.037	-0.057	-0.072	-0.091	-0.107	-0.379
E. Corporate Alternative Minimum Tax (AMT)								
1. Modify corporate AMT depreciation (H.R. 4210 Conference Agreement)	tyba DoE	-0.003	-0.226	-0.401	-0.350	-0.269	-0.132	-1.381
F. Other Provisions (H.R. 4210 Conference Agreement)								
1. Tax credit for employers equal to FICA paid on cash tips	DoE	-0.025	-0.255	-0.271	-0.288	-0.306	-0.325	-1.468
2. Deny deductibility for club dues	DoE	0.031	0.268	0.280	0.293	0.306	0.320	1.498
G. Taxpayer Bill of Rights (H.R. 4210 Conference Agreement)	DoE	-0.008	-0.104	-0.204	-0.224	-0.236	-0.249	-1.025
H. Technical Corrections (H.R. 1555) (Including Veterans reemployment provisions and without Health Subcommittee technicals)								
	--	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Totals: ITEMS PREVIOUSLY PASSED BY HOUSE		1.712	3.605	-1.393	-1.883	-2.276	-2.509	-2.773
IV. SUBCOMMITTEE LEGISLATION								
A. Human Resources								
1. Effect of failure to carry out State plan (Suter vs. Artist M decision)	*	--	(5)	(5)	(5)	(5)	(5)	(5)
2. Other	*	--	-0.011	--	-0.006	-0.005	-0.006	-0.029
B. Social Security	*	--	-0.008	0.005	0.015	0.030	0.040	0.082
C. Oversight	*	--	--	--	--	--	--	--
Totals: SUBCOMMITTEE LEGISLATION		--	-0.019	0.005	--	0.025	0.034	0.053

Item	Effective	1992	1993	1994	1995	1996	1997	1992-97
V. OTHER REVENUE RAISERS								
A. Administration Proposals								
1. Mark-to-market for securities dealers.....	tyeo/a 12/31/92	0.072	0.218	0.548	0.558	0.568	0.578	2.542
2. Individual estimated tax: 115% safe harbor, permanent extension...	1/1/92	-1.400	1.800	--	--	--	2.600	3.000
3. Taxable years of partnerships, etc.	tyba 12/31/92	--	0.482	-0.021	-0.292	0.004	0.002	0.175
4. Tax treatment of certain FSLIC financial assistance (6).....	3/4/91	0.227	0.115	0.080	0.083	0.004	-0.088	0.421
B. Previously Passed by the Congress								
1. Corporate estimated tax: Modify and extend permanently.....	(7)	--	0.143	0.022	--	--	3.024	3.189
C. Previously Passed by the House								
1. Tax pre-contribution gain on partnership redemptions.....	d/DoCA	0.005	0.030	0.040	0.045	0.052	0.057	0.229
D. Other Provisions								
1. Extend 53% and 55% estate tax rate on large estates.....	1/1/93	--	--	0.311	0.334	0.359	0.386	1.390
2. Impose \$5,000 cap on deduction for moving expenses.....	1/1/93	--	0.071	0.714	0.800	0.907	1.004	3.496
Totals: OTHER REVENUE RAISERS.....		-1.096	2.859	1.694	1.528	1.894	7.563	14.442
GRAND TOTALS.....		0.212	4.320	-1.710	-2.117	-2.767	2.093	0.010

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

Legend for "Effective" column: tyba = taxable years beginning after
tyeo/a = taxable years ending on or after
DoE = date of enactment
d/DoCA = distributions after date of Committee Action

* Estimates for these provisions were supplied by the staff of the Ways & Means Committee.

- (1) The legislative explanation of this bill would urge the Secretary of the Treasury to issue regulations under section 861, consistent with an allocation system for research and development expenses that provides incentives to increase U.S.-based research activities. Because this is a recommendation rather than a statutory requirement, it has no revenue effect.
- (2) Extension of the vaccine excise taxes and vaccine injury compensation payments are assumed in the Congressional Budget Office (CBO) baseline; therefore, an extension of the Vaccine Injury Compensation Fund has no revenue effect.
- (3) Nonresidential structures: 31.5 to 38 years; residential rental property: 27.5 years (present law).
- (4) Negligible amount.
- (5) This amendment could influence the way States administer certain program, including the Medicaid, AFDC, and Foster Care programs, and consequently could affect State and Federal spending. It is difficult to estimate the magnitude of the potential effects.
- (6) Because the provision to prohibit double dipping by thrifts receiving Federal financial assistance affects both Federal revenues and outlays, the net budget effects of this proposal are included in this table.
- (7) Effective dates: Modifications = tyba 12/31/92; Extension = tyba 12/31/96.