

ESTIMATED REVENUE EFFECTS OF A POSSIBLE AMENDMENT TO S. 1028
 BY SENATORS DOLE AND ROTH

Fiscal Years 1996-2005

[Millions of Dollars]

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	1996-02	1996-05
1. Increase the self-employed health insurance deduction (35% in 1997; 40% in 1998; 45% in 1999; 50% in 2000; 55% in 2001; 60% in 2002; 65% in 2003; 70% in 2004; 75% in 2005; and 80% in 2006 and thereafter).....	tyba 12/31/96	---	-32	-137	-267	-422	-601	-812	-1,052	-1,325	-1,630	-858	-2,271	-6,278
2. Treatment of long-term care insurance, delay effective date to allow exchanges of life insurance contracts for long-term care policies by one year.....	tyba 12/31/96	---	-275	-565	-740	-827	-934	-1,043	-1,165	-1,292	-1,400	-2,407	-4,384	-8,241
3. Tax treatment of accelerated death benefits under life insurance contracts.....	tyba 12/31/96	---	-10	-107	-166	-214	-265	-316	-376	-446	-527	-497	-1,078	-2,427
4. Medical savings accounts: (a) maximum contribution limit (\$2,000 single and \$4,000 family); (b) tax-free build up of earnings; (c) definition of qualified medical expenses; (d) post-death distribution rules; and (e) clarification relating to capitalization of policy acquisition costs.....	tyba 12/31/96	---	-134	-246	-290	-340	-369	-399	-430	-461	-493	-1,010	-1,778	-3,162
5. Exemption from income tax for State-sponsored organizations providing health coverage for high-risk individuals.....	tyba 12/31/96	---	-1	-1	-1	-2	-2	-2	-2	-2	-2	-5	-9	-15
6. Penalty free withdrawal from IRAs for medical expenses which exceed 7.5% of AGI and for insurance for unemployed individuals (for health insurance premiums only) without regard to 7.5% floor [1].....	1/1/97	---	-4	-10	-10	-10	-10	-11	-11	-11	-12	-34	-55	-89
7. Revision of expatriation tax rules.....	2/6/95	15	37	63	97	139	181	216	247	275	298	351	748	1,568
8. Disallow interest deduction for corporate-owned life insurance policy loans - BBA (phase out disallowance 90% in 1996, 80% in 1997, and 70% in 1998; cap borrowing at 20,000 lives; cap interest rate with special rules for grandfathered plans; exception for key person policies with 10 lives; limit borrowing in 1996 to policies purchased in 1994 and 1995).....	ipoaa 10/13/95	---	870	919	1,398	1,713	1,788	1,878	1,921	1,932	1,926	4,900	8,566	14,345

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1996-00	1996-02	1996-05
9. Repeal bad debt reserve deduction for thrift institutions, with residential loan test for 1996 and 1997.....	tyba 12/31/95	63	95	216	280	277	272	260	247	111	36	931	1,463	1,857
10. Earned income credit ("EIC") provisions														
a. Require Social Security numbers for primary and secondary taxpayers, treat omission of a correct Social Security number as a math error:														
Revenue.....	tyba 12/31/95	1	24	24	25	25	25	26	26	27	27	99	150	230
Outlay reduction.....	tyba 12/31/95	10	195	203	205	210	212	217	221	226	231	823	1,252	1,930
b. Treat omission of the proper self-employment tax by an EIC recipient with self-employment income as a math error:														
Revenue.....	tyba 12/31/95	[2]	4	4	5	5	5	5	5	6	7	18	28	46
Outlay reduction.....	tyba 12/31/95	1	28	30	31	32	33	35	36	37	39	122	190	302
TOTAL REVENUE EFFECT.....		90	797	393	567	586	335	54	-333	-923	-1,500	2,433	2,822	66

Joint Committee on Taxation

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

Legend for "Effective" column: ipoa = interest paid or accrued after
 tyba = taxable years beginning after

[1] Assumes no other provisions which expand the eligibility of IRAs are enacted.
 [2] Gain of less than \$500,000.