

COMPARISON OF THE ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS OF H.R. 2646,
 AS PASSED BY THE HOUSE AND THE SENATE

Fiscal Years 1998 - 2007

[Millions of Dollars]

Provision	Effective	House Bill									Senate Amendment									
		1998	1999	2000	2001	2002	1998-02	2003-07	1998-07	1998	1999	2000	2001	2002	1998-02	2003-07	1998-07			
I. SIMILAR PROVISIONS																				
A. Tax Incentives for Education																				
1. Education IRAs - increase the annual contribution limit to (H) \$2,500; (S) \$2,000; expand the definition of qualified education expenses to include qualified elementary and secondary education expenses (S) (including after-school programs); allow education IRA contributions for special needs beneficiaries above the age of 18; allow corporations and other entities to contribute to education IRAs; and (S) various technical corrections;	1/1/98 = H																			
(sunset 12/31/02) [1].....	tyba 12/31/98 = S	-57	-188	-279	-366	-402	-1,292	-1,487	-2,779	---	-33	-110	-164	-216	-523	-1,001	-1,524			
B. Revenue Offset																				
1. (H) Overrule Schmidt Baking with respect to vacation and severance pay;	tyea 10/8/97 = H																			
(S) Overrule Schmidt Baking with respect to vacation pay.....	tyea DOE = S	827	1,388	608	141	148	3,112	860	3,972	513	970	986	120	126	2,715	731	3,446			
SUBTOTAL: SIMILAR PROVISIONS.....		770	1,200	329	-225	-254	1,820	-627	1,193	513	937	876	-44	-90	2,192	-270	1,922			
II. ADDITIONAL PROVISIONS IN SENATE AMENDMENT																				
A. Tax Incentives for Education																				
1. Qualified State tuition programs.....	dmi tyba 12/31/98	----- No Provision -----										---	-12	-47	-68	-92	-219	-997	-1,216	
2. Expand the section 127 exclusion for employer-provided educational assistance to include graduate-level courses; extend the exclusion for undergraduate-level courses (both provisions sunset 12/31/02).....	[2]	----- No Provision -----										-107	-291	-378	-603	-760	-2,139	-488	-2,627	
3. Raise the small issuer arbitrage rebate exception to \$15 million (for school construction only).....	1/1/99	----- No Provision -----										---	[3]	-3	-7	-11	-21	-136	-157	
4. Create new category of exempt facility bonds for privately owned (publicly operated) elementary and secondary school construction in high growth areas; allow separate \$10 per capita volume cap; with \$5 million minimum per State.....	1/1/99	----- No Provision -----										---	-1	-10	-19	-27	-58	-256	-314	
5. National Health Corps Scholarship exclusion.....	tyba 12/31/93	----- No Provision -----										----- Negligible Revenue Effect -----								
B. Revenue Offset																				
1. Allow taxpayers to use foreign tax credits to reduce income for 1 year back and carryforward 7 years.....	ftpoi tyba 12/31/00	----- No Provision -----										---	---	---	90	579	669	2,154	2,823	
SUBTOTAL: ADDITIONAL PROVISIONS IN SENATE AMENDMENT		---	---	---	---	---	---	---	---	---	---	---	-107	-304	-438	-607	-311	-1,768	277	-1,491
TOTAL OF H.R. 2646		770	1,200	329	-225	-254	1,820	-627	1,193	406	633	438	-651	-401	424	7	431			

Joint Committee on Taxation

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

[Legend and Footnotes for JCX-34-98 appear on the following page]

Legend and Footnotes for JCX-34-98:

Legend: [H] = House bill
[S] = Senate amendment

Legend for "Effective" column: dmi = distributions made in
DOE = date of enactment
fpcal = foreign taxes paid or accrued in
tyba = taxable years beginning after
tyea = taxable years ending after

[1] House estimate updated to reflect updated data sources and current Congressional Budget Office assumptions.

[2] Effective for expenses paid with respect to courses beginning during the period 1/1/98 through 12/31/02 for graduate-level education and extends the exclusion for undergraduate education with respect to courses beginning during the period 6/1/00 through 12/31/02.

[3] Loss of less than \$500,000.