



Joint Committee on Taxation
October 12, 2001
JCX-71-01

**DESCRIPTION OF AN AMENDMENT IN THE NATURE OF
A SUBSTITUTE TO THE PROVISIONS OF THE ECONOMIC SECURITY AND
RECOVERY ACT OF 2001**

The amendment in the nature of a substitute would make the following changes to the provisions of the Economic Security and Recovery Act of 2001:

1. The proposal to provide 30 percent expensing of the adjusted basis of certain qualified property would be available for 36 months, rather than 24 months.
2. With respect to the proposal to extend permanently the present-law temporary exceptions from subpart F foreign personal holding company income, foreign base company services income, and insurance income for certain income that is derived in the active conduct of a banking, financing or similar business, or in the conduct of an insurance business, the amendment would add statutory language described in the proposal with respect to the determination of an insurance company's reserve for a life insurance or annuity contract under these exceptions.