

ESTIMATED BUDGET EFFECTS OF ITEMS CONTAINED IN AN AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 3103
 TO BE OFFERED BY CHAIRMAN ARCHER ON TUESDAY, MARCH 19, 1996
 (For Ways and Means Markup on Tuesday, March 19, 1996)

Fiscal Years 1996-2002

[Millions of Dollars]

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
1. 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	-1,010	-1,778
2. Increase the self-employed health insurance deduction (35% in 1998; 40% in 1999 through 2001; 45% in 2002; and 50% in 2003 and thereafter.....)	tyba 12/31/97	---	---	-36	-153	-250	-272	-347	-439	-1,058
3. Exemption from income tax for State-sponsored organizations providing health coverage for health-risk individuals.....	tyba 12/31/96	---	-1	-1	-1	-2	-2	-2	-5	-8
4. COBRA tax penalties.....	1/1/98	----- Negligible Revenue Effect -----								
5. Long-Term Care Provisions: (a) deduction for long-term care premiums; (b) exclude employer contributions for long-term care insurance from gross income; and (c) allow long-term care premiums to be deducted subject to the self-employed health care rules.....	tyba 12/31/96	---	-35	-227	-266	-305	-341	-377	-833	-1,551
6. Tax treatment of accelerated death benefits under life insurance contracts.....	tyba 12/31/96	---	-10	-107	-166	-214	-265	-316	-497	-1,077
7. Changes in Medicare spending (health-care fraud and abuse prevention) [1].....	10/1/97	---	-310	120	490	740	750	810	1,040	2,600

Provision	Effective	1996	1997	1998	1999	2000	2001	2002	1996-00	1996-02
8. Repeal of section 593 with residential loan test for 1996 and 1997.....	tyba 12/31/95	63	95	216	280	277	272	260	931	1,462
9. EIC compliance proposal [2].....	tyba 12/31/95	13	254	264	267	274	278	285	1,072	1,634
NET TOTAL		76	-141	-17	161	180	51	-86	259	224

Joint Committee on Taxation

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

Legend for "Effective" column: tyba = taxable years beginning after

[1] Estimated provided by the Congressional Budget Office.

[2] Included in this estimate are decreases in EIC outlays of \$11 million for FY 1996, \$224 million for FY 1997, \$233 million for FY 1998, \$237 million for FY 1999, \$243 million for FY 2000, \$246 million for FY 2001, and \$252 million for FY 2002.