

ESTIMATED BUDGET EFFECTS OF THE "TAXPAYER RELIEF ACT OF 1997"
 SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES ON JUNE 26, 1997

Fiscal Years 1997 - 2007

[Millions of Dollars]

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
I. CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN														
1. Tax credit for children under age 17 (\$400 in 1998 and \$500 thereafter); \$75,000/\$110,000 AGI phaseout for credit [1].....	1/1/98	---	-2,282	-15,340	-18,117	-17,417	-17,253	-16,741	-16,463	-15,879	-15,497	-14,779	-70,410	-149,770
2. Index dependent care tax credit expense limit; \$75,000/\$110,000 AGI phaseout.....	1/1/98	---	8	47	19	-38	-69	-124	-164	-214	-285	-370	-33	-1,189
3. Expand State high-risk pools to include children of high-risk individuals.....	tyba 12/31/97	---	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
SUBTOTAL OF CHILD AND DEPENDENT CARE TAX CREDITS; HEALTH CARE FOR CHILDREN.....		---	-2,274	-15,294	-18,099	-17,456	-17,323	-16,866	-16,628	-16,094	-15,783	-15,150	-70,446	-150,966
II. EDUCATION TAX INCENTIVES														
A. Tax Benefits Relating to Education Expenses														
1. Administration's HOPE scholarship tax credit as modified - drop B average requirement; credit is 50% of up to \$3,000 out-of-pocket tuition expenses and books required for attendance (phaseout \$40,000 - \$50,000 singles/ \$80,000 - \$100,000 joint).....	tyba 12/31/97	---	-1,745	-5,012	-5,091	-5,173	-5,258	-5,338	-5,404	-5,471	-5,540	-5,610	-22,278	-49,640
2. Deduction for undergraduate tuition, room, and board expenses paid through State-sponsored prepaid tuition programs; limit deduction to \$10,000 per student per year, with aggregate maximum deduction of \$40,000 per student.....	tyba 12/31/97	---	-60	-179	-196	-216	-238	-261	-288	-316	-348	-383	-889	-2,485
3. Penalty-free withdrawals from all IRAs for undergraduate, post-secondary vocational, and graduate education expenses.....	1/1/98	---	-72	-213	-200	-149	-125	-114	-98	-93	-92	-91	-758	-1,246

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
B. Expanded Education Investment Savings Opportunities														
1. Permit contributions to an education investment account for a child under age 18 (annual contributions limited to \$5,000); create private prepaid tuition programs; provide deduction for undergraduate and post-secondary vocational tuition, room, and board expenses paid through education investment accounts or private prepaid tuition programs; limit deductions to \$10,000 per student per year with aggregate maximum deduction of \$40,000 per student [3].....	tyba 12/31/97	---	-339	-1,087	-1,568	-1,879	-1,793	-1,852	-2,445	-2,978	-3,487	-3,998	-6,665	-21,423
C. Other Education Tax Provisions														
1. Extend employer-provided education assistance for undergraduates through 12/31/97 [1].....	tyba 12/31/96	---	-171	---	---	---	---	---	---	---	---	---	-171	-171
2. Raise \$150 million volume cap on 501(c)(3) bonds (other than hospital bonds) by \$10 million per year until it reaches \$200 million.....	1/1/98	---	-2	-14	-27	-37	-46	-50	-51	-54	-59	-70	-126	-410
3. Enhanced deduction for corporate contributions of computer technology and equipment for grades K - 12.....	tyba 12/31/97	---	-46	-48	-53	-58	-63	-69	-76	-83	-91	-100	-268	-688
4. Phase out qualified tuition reduction provided to employees of educational institutions (section 117(d)); phaseout benefits - 80% in 1998, 60% in 1999, 40% in 2000, 20% in 2001, and repealed in 2002 (HOPE scholarship applies to balance).....	1/1/98	---	12	46	83	124	169	203	213	224	235	247	433	1,556
5. Administration's student loan repayment forgiveness proposal, with public service.....	aiiia DOE	[4]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[5]	[5]
6. \$150 credit for tutoring expenses.....	tyba 12/31/97	---	-20	-57	-58	-58	-59	-59	-60	-60	-61	-61	-252	-553
SUBTOTAL OF EDUCATION TAX INCENTIVES.....		[4]	-2,443	-6,564	-7,110	-7,446	-7,413	-7,540	-8,209	-8,831	-9,443	-10,066	-30,974	-75,060
III. SAVINGS AND INVESTMENT TAX INCENTIVES														
A. Retirement Savings														
1. Create American Dream IRAs; allow penalty-free rollovers from IRAs; allow special purpose withdrawals from AD IRAs for first-time home purchase [6].....	1/1/98	---	-184	534	435	-534	-286	-519	-1,683	-2,524	-3,576	-4,633	-33	-12,968

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
B. Capital Gains Provisions														
1. Capital gains: (a) 20/10% rate structure; (b) collectibles get 28%; (c) section 1250 recapture at maximum of 26%; (d) symmetric AMT treatment; (e) indexing starting in 2001, 3-year post-2000 holding period requirement, with mark-to-market; (f) exemption for gain on principal residence including remainder interests (\$250,000 single/\$500,000 joint returns); (g) 32% rate in 1998, 31% in 1999, and 30% thereafter for corporate gains with 8-year holding period (effective 1/1/98); and (h) allow ordinary losses to offset capital gains of corporations (effective 1/1/98).....	generally 5/7/97	1,659	6,288	-456	-3,673	-3,635	2,505	-4,939	-5,874	-7,118	-8,871	-10,741	2,688	-34,855
SUBTOTAL OF SAVINGS AND INVESTMENT TAX INCENTIVES.....		1,659	6,104	78	-3,238	-4,169	2,219	-5,458	-7,557	-9,642	-12,447	-15,374	2,655	-47,823
IV. ALTERNATIVE MINIMUM TAX PROVISIONS														
1. AMT - Increase individual exemption amount by \$1,000 every other year 1999 through 2007, index thereafter.....	tyba 12/31/98	---	---	-53	-219	-352	-672	-1,023	-1,705	-2,440	-3,755	-5,138	-1,296	-15,357
2. Exemption from alternative minimum tax for small corporations.....	tyba 12/31/97	---	-97	-171	-131	-100	-77	-59	-45	-34	-26	-20	-577	-762
3. Prospective repeal of AMT depreciation adjustment.....	ppisa 1/1/99	---	---	-1,265	-3,312	-3,901	-3,296	-2,693	-2,251	-1,912	-1,790	-1,770	-11,774	-22,190
4. Reverse IRS position on AMT treatment of certain installment sales by farmers.....	tyba 12/31/87	-8	-157	-158	-167	-164	-157	-148	22	22	21	21	-811	-872
SUBTOTAL OF ALTERNATIVE MINIMUM TAX PROVISIONS.....		-8	-254	-1,647	-3,829	-4,517	-4,202	-3,923	-3,979	-4,364	-5,550	-6,907	-14,458	-39,181
V. ESTATE, GIFT AND GENERATION-SKIPPING TAX PROVISIONS														
A. Estate and Gift Tax Provisions														
1. Increase unified estate and gift tax credit to \$650,000 in 1998; \$750,000 in 1999; \$765,000 in 2000; \$775,000 in 2001 through 2004, \$800,000 in 2005, \$825,000 in 2006; and \$1 million in 2007; and index other provisions beginning in 1999.....	dda 12/31/97	---	---	-650	-2,004	-2,303	-2,588	-2,788	-3,463	-3,688	-4,200	-5,317	-7,545	-27,001
2. 20-year installment payment where estate consists largely of interest in closely held business.....	dda 12/31/97	---	---	---	---	---	---	-14	-10	-7	-5	-2	---	-38
3. Reduced rate on all, and no interest on certain portion of, estate tax extended under section 6166.....	dda 12/31/97	---	---	-10	-20	-32	-45	-59	-73	-88	-103	-119	-107	-549

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
4. Clarification of judicial review of eligibility for extension of time for payment of estate tax.....	dda DOE	---	---	-15	-15	-15	-15	-15	-15	-14	-12	-11	-60	-127
5. Extension of treatment of certain rents under section 2032A to lineal descendants.....	roa 12/31/76	---	-25	-2	-2	-2	-2	-2	-2	-2	-2	-2	-33	-43
6. Gifts may not be revalued for estate tax purposes after expiration of statute of limitations.....	gma DOE	---	---	-16	-18	-21	-26	-32	-38	-45	-53	-61	-81	-310
7. Repeal certain throwback rules applicable to domestic trusts.....	tyba 12/31/97	---	---	-20	-20	-20	-20	-20	-20	-20	-20	-20	-80	-180
8. Unified credit of decedent increased by unified credit of spouse used on split gift included in decedent's gross estate.....	gma DOE	---	-9	-10	-10	-11	-11	-12	-12	-13	-13	-14	-51	-115
9. Reformation of defective bequests, etc. to spouse of decedent.....	dda DOE	---	-11	-12	-13	-13	-14	-15	-15	-16	-17	-18	-63	-144
B. Generation-Skipping Tax Provisions														
1. Severing of trusts holding property having an inclusion ratio of greater than zero.....	sa DOE	---	---	-6	-6	-6	-7	-7	-7	-7	-7	-7	-25	-60
2. Expansion of exception from generation-skipping transfer tax for transfers to individuals with deceased parents.....	gsta DOE	---	---	-4	-4	-4	-4	-4	-5	-5	-5	-6	-16	-41
SUBTOTAL OF ESTATE, GIFT AND GENERATION-SKIPPING TAX PROVISIONS.....		---	-45	-745	-2,112	-2,427	-2,732	-2,968	-3,660	-3,905	-4,437	-5,577	-8,061	-28,608
VI. EXPIRING TAX PROVISIONS														
1. Research tax credit (through 12/31/98).....	6/1/97	-161	-1,062	-1,091	-470	-314	-211	-66	---	---	---	---	-3,309	-3,375
2. Contributions of appreciated stock to private foundations (through 12/31/98).....	6/1/97	---	-80	-61	-9	-2	---	---	---	---	---	---	-151	-151
3. Extend a modified work opportunity tax credit for one year (through 9/30/98); make the WOTC an exception to the calculation of the AMT (effective taxable years beginning after 12/31/97) [7].....	wpoifhma 9/30/97	---	-243	-179	-76	-18	-1	3	2	---	---	---	-519	-512
4. Orphan drug tax credit (permanent).....	6/1/97	---	-29	-28	-30	-32	-34	-35	-37	-39	-40	-42	-152	-346
SUBTOTAL OF EXPIRING TAX PROVISIONS.....		-161	-1,414	-1,359	-585	-366	-246	-98	-35	-39	-40	-42	-4,131	-4,384
VII. DISTRICT OF COLUMBIA TAX INCENTIVES [8]														
1. Designate existing D.C. enterprise community and census tracts with greater than 35% poverty as the D.C. Enterprise Zone, eligible for modified present-law empowerment zone incentives (20% wage credit; increased 179 expensing), and expanded tax-exempt financing; sunset 12/31/02.....	1/1/98	---	-12	-20	-21	-23	-25	-12	-3	-3	-3	-3	-101	-124
2. Provide 0% capital gains rate on enterprise zone business property in the D.C. Enterprise Zone held for at least 5 years; sunset 12/31/02.....	1/1/98	---	[2]	-1	-2	-3	-4	-5	-5	-6	-6	-8	-9	-40
3. \$75 million in tax credits to taxpayers that provide equity and loans to certain D.C. businesses.....	1/1/98	---	-5	-10	-20	-25	-10	-2	-2	-1	[2]	[2]	-70	-75

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
4. Reduce 15% income tax bracket to 10% for residents of new D.C. Enterprise Zone.....	1/1/98	--	-18	-28	-30	-31	-33	-35	-36	-38	-40	-42	-141	-332
SUBTOTAL OF DISTRICT OF COLUMBIA TAX INCENTIVES.....		--	-35	-59	-73	-82	-72	-54	-46	-48	-49	-53	-321	-571
VIII. WELFARE-TO-WORK TAX CREDIT														
1. Administration's welfare-to-work credit, as modified: (a) wage credit is 35% on first \$10,000 of wages in the first year of employment, and 50% on \$10,000 of wages in the second year of employment; (b) effective for hires made before 4/30/99.....	wpoifhma 12/31/97	--	-13	-31	-29	-15	-10	-4	-2	-1	--	--	-99	-106
SUBTOTAL OF WELFARE-TO-WORK TAX CREDIT.....		--	-13	-31	-29	-15	-10	-4	-2	-1	--	--	-99	-106
IX. MISCELLANEOUS PROVISIONS														
A. Provisions Relating to Excise Taxes														
1. Repeal excise tax on recreational motorboat diesel fuel.....	1/1/98	--	-4	-5	-5	-1	-1	-1	-1	-1	-1	-1	-16	-22
2. Modify excise tax on imported halons.....	DOE	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	1	1
B. Provisions Relating to Disasters														
1. Disaster losses: postponement of IRS deadlines and loss valuation.....	aoty	----- <i>Negligible Revenue Effect</i> -----												
2. Modify tax treatment of livestock sold on account of certain weather-related conditions.....	sea 12/31/96	--	-12	-2	-2	-2	-1	-1	-1	-1	-1	-1	-18	-23
3. Loosen mortgage revenue bond requirements in disaster areas for 1997 through 1999.....	bia 12/31/96	--	-1	-5	-8	-8	-8	-7	-6	-6	-5	-4	-31	-59
C. Provisions Relating to Employment Taxes														
1. Independent contractor for bakery drivers.....	spa 12/31/97	--	-13	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-15	-18
2. Independent contractor for securities brokers.....	spi tyba 12/31/97	----- <i>Negligible Revenue Effect</i> -----												
3. SECA for insurance agents.....	pa 12/31/97	----- <i>Negligible Revenue Effect</i> -----												
4. Safe harbor for independent contractors [11].....	pa 12/31/97	--	-191	-203	-202	-206	-210	-214	-224	-233	-239	-283	-1,012	-2,205
D. Provisions Relating to Small Businesses														
1. Delay imposition of penalties for failure to make payments electronically through EFTPS until after 12/31/98.....	7/1/97	--	-904	904	--	--	--	--	--	--	--	--	--	--
2. Definition of principal place of business for home office deduction.....	tyba 12/31/97	--	-114	-234	-244	-253	-263	-274	-285	-295	-306	-318	-1,109	-2,587
E. Provisions Relating to Pensions														
1. Water districts made eligible for 401(k) plans even if State or local entity.....	1/1/98	--	[10]	-1	-1	-1	-2	-2	-2	-2	-2	-3	-6	-15
2. Modify section 415 limits for certain State and local plans.....	tyba 12/31/97	--	-9	-25	-25	-26	-26	-26	-27	-27	-27	-28	-111	-246
3. Extend moratorium on nondiscrimination rules for public pension plans (permanent).....	DOE	----- <i>Negligible Revenue Effect</i> -----												
4. Treatment of certain disability benefits received by former police officers or firefighters.....	DOE	--	-11	--	--	--	--	--	--	--	--	--	-11	-11

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
5. Estate tax relief for money going to ESOPs in existence on 8/1/96 and decedents dying before 1/1/99.....	DOE	---	-8	-15	---	---	---	---	---	---	---	---	-23	-23
6. ESOP technicals.....	tyba 12/31/97	----- <i>Negligible Revenue Effect</i> -----												
7. Increase the amount from \$3,500 to \$5,000 on involuntary cash out from pension plans.....	dma DOE	[9]	2	6	7	7	7	8	8	9	9	10	29	73
8. Noncommercial aircraft flight fringe benefit.....	tyba 12/31/97	---	-3	-4	-4	-4	-4	-4	-4	-4	-4	-4	-19	-39
F. Trade Provision: 2-year GSP														
Extension [12].....	6/1/97	---	-464	-216	---	---	---	---	---	---	---	---	-680	-680
G. Extend CBI Parity Through 12/31/98 [12].....	1/1/98	---	-160	-57	---	---	---	---	---	---	---	---	-217	-217
H. Other Provisions														
1. Shrinkage allowance for inventory accounting.....	---	---	-7	-21	-23	-25	-27	-29	-31	-33	-35	-37	-103	-268
2. Include liability to pay compensation under workmen's compensation acts within rules relating to certain personal liability assignments.....	cfa DOE	---	-1	-2	-5	-8	-12	-17	-23	-29	-32	-36	-27	-164
3. Grandfather publicly traded partnerships with tax on gross receipts to make revenue neutral.....	tyba 12/31/97	----- <i>Revenue Neutral</i> -----												
4. Exclusion from UBTI for certain corporate sponsorship payments.....	pra 12/31/97	----- <i>Negligible Revenue Effect</i> -----												
5. Allow timeshare associations to elect to be taxed as homeowner associations at 32%.....	tyba 12/31/96	----- <i>Negligible Revenue Effect</i> -----												
6. Allow refunding of certain tax-exempt Virgin Islands bonds [13].....	bia DOE	---	-2	-4	-5	-5	-5	-3	-1	-3	-4	-4	-21	-37
7. Restore the business meals deduction to 80% in 5% increments every other year for persons subject to Federal hours of service limitation.....	tyba 12/31/97	---	-8	-17	-27	-37	-49	-62	-76	-91	-108	-125	-138	-600
8. Clarify tax-exempt status of certain State workmen's compensation funds.....	tyba 12/31/97	---	[2]	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-2	-6
9. Deferral of gain on sales of stock in farm product refining firms to farm coops which supply the firm with raw farm products for refining.....	sea 12/31/97	---	-2	-5	-5	-5	-4	-4	-4	-4	-4	-4	-21	-41
10. Treatment of consolidation of certain mutual savings bank life insurance departments.....	12/31/91	---	-25	-9	-9	-9	-9	-9	-8	-6	-6	-6	-61	-96
11. Modification to the OECD Shipbuilding Trade Agreement - extend 1 year from DOE [12].....	---	---	-8	---	---	---	---	---	---	---	---	---	-8	-8
12. 109% prior year safe harbor for 1997 and 105% prior year safe harbor for 1998.....	---	-481	-2,619	3,100	---	---	---	---	---	---	---	---	---	---
13. Exempt from income taxation income earned by law enforcement officers killed in the line of duty during the year of their death.....	tyba 12/31/96	---	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-11
14. Optional withholding adjustment.....	---	---	-5583	5583	---	---	---	---	---	---	---	---	---	---
15. Exemption for incremental cost of clean-fuel vehicle from luxury tax and limits on depreciation.....	DOE	[2]	-1	-1	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-2	-2
16. Repeal 65% net income limitation with respect to percentage depletion related to marginal production.....	tyba DOE	---	-64	-77	-23	---	---	---	---	---	---	---	-164	-164

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17. Treat certain gasoline retailers as wholesale distributors under gasoline tax refund rules.....	DOE	----- Negligible Revenue Effect -----												
SUBTOTAL OF MISCELLANEOUS PROVISIONS.....		-481	-10,214	8,689	-583	-585	-616	-647	-687	-728	-767	-846	-3,791	-7,468
X. REVENUE PROVISIONS														
A. Financial Products														
1. Constructive sales treatment for appreciated financial positions.....	cseia 6/8/97	---	367	121	68	73	79	85	91	98	105	112	708	1,199
2. Disallowance of interest on indebtedness allocable to tax-exempt obligations (\$1 million de minimis).....	tyba DOE oaa dofca	---	8	18	24	29	35	41	47	52	57	62	113	372
3. Gains or losses from certain terminations with respect to property.....	30da DOE	---	15	27	25	25	25	25	25	25	25	25	117	242
4. Determination of original issue discount where pooled debt obligations subject to acceleration.....	tyba DOE	---	76	275	358	319	283	100	105	109	114	118	1,311	1,857
5. Denial of interest deduction on certain debt instruments.....	iaa 6/8/97	---	5	16	29	43	55	62	63	64	65	67	148	469
B. Corporate Organizations and Reorganizations														
1. Tax treatment of certain extraordinary dividends.....	da 5/3/95 or da 9/13/95	---	440	-90	-51	-7	42	71	77	82	89	95	334	748
2. Recognition of gain in certain section 355 transactions.....	da 4/16/97	---	567	330	289	248	206	165	124	83	41	3	1,640	2,056
3. Tax treatment of redemptions involving related corporations.....	da/a 6/8/97	---	10	10	5	5	5	5	5	5	5	5	35	60
4. Modify holding period for dividends-received deduction.....	droaa 30da DOE	---	12	15	15	16	16	16	17	17	17	18	74	159
C. Other Corporate Provisions														
1. Registration and other provisions relating to confidential corporate tax shelters.....	tsoaiTg	---	15	37	38	39	41	42	43	44	46	47	170	392
2. Certain preferred stock treated as "boot".....	ta 6/8/97	---	35	37	39	41	43	10	10	11	11	12	194	248
D. Administrative Provisions														
1. Reporting of certain payments made to attorneys.....	pma 12/31/97	---	---	3	3	3	3	3	4	4	4	4	12	31
2. Decrease of threshold for reporting payments to corporations performing services for Federal agencies.....	rd 90da DOE	---	---	7	8	9	10	11	11	12	12	13	34	93
3. Disclosure of return information for administration of certain Veterans' programs [12].....	dma 9/30/98	---	---	22	27	31	36	36	37	38	38	39	116	304
4. Modify levy exemption and provide continuous levy on certain payments.....	lia DOE	---	332	327	256	213	157	117	102	86	82	78	1,285	1,750
5. Consistency requirement for returns of beneficiaries of estates and trusts.....	rfa DOE	---	3	3	3	3	3	3	4	4	4	4	15	34
6. No information reporting on sales of principal residences less than \$250,000 or \$500,000 (married filing joint return).....	DOE	----- Negligible Revenue Effect -----												

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7. Delay change to foreign tax credit limitation for dividends from 10/50 companies.....	tyba 12/31/01	---	---	---	---	---	-32	-89	-91	-93	-95	-97	-32	-497
B. General Provisions Affecting Treatment of Controlled Foreign Corporations.....	various	---	-2	-5	-7	-9	-10	-10	-11	-12	-13	-14	-33	-93
C. Modification of Passive Foreign Investment Company Provisions to Eliminate Overlap With Subpart F and to Allow Mark-to-Market Election.....	tyba 12/31/97	---	-23	-21	-22	-24	-25	-26	-27	-29	-31	-33	-115	-261
D. Simplify Formation and Operation of International Joint Ventures.....	various	---	[2]	[2]	-1	-1	-1	-1	-1	-1	-1	-2	-3	-9
E. Modification of Reporting Threshold for Stock Ownership of a Foreign Corporation.....	1/1/98	---	[10]	-1	-2	-2	-2	-2	-2	-3	-3	-3	-7	-20
F. Other Foreign Simplification Provisions														
1. Transition rule for certain trusts.....	aiii SBJPA	---	-1	-3	-5	-5	-5	-5	-5	-5	-5	-5	-19	-44
2. Simplify application of the stock and securities trading safe harbor.....	tyba 12/31/97	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
G. Other Foreign Provisions														
1. Inclusion of income from notional principal contracts and stock lending transactions under subpart F.....	tyba DOE	---	9	20	21	21	21	21	22	22	22	23	92	202
2. Further restrict like-kind exchanges involving foreign personal property.....	Ta dofca	---	4	8	11	13	15	17	19	21	23	25	51	156
3. Impose holding period requirement for claiming foreign tax credits with respect to dividends.....	dpoaa 30da DOE	---	23	48	50	53	56	58	61	64	68	71	230	552
4. Penalties for failure to file disclosure of exemption for income from the international operation of ships or aircraft by foreign persons.....	tyba 12/31/97	---	2	6	12	15	15	14	13	12	11	10	50	110
5. Limitation on treaty benefits for payments to hybrid entities.....	DOE	---	1	1	1	1	1	1	1	1	1	1	5	10
6. Clarification of determination of foreign taxes deemed paid.....	DOE	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
7. Clarification of foreign tax credit limitation for financial services income.....	DOE	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
8. Interest on underpayment reduced by foreign tax credit carryback.....	ftpoa tyba DOE	---	8	10	2	1	1	1	1	1	1	1	22	27
9. Determination of period of limitations relating to foreign tax credits.....	ftpoa tyba DOE	---	1	2	1	1	1	1	1	1	1	1	6	11
SUBTOTAL OF FOREIGN SIMPLIFICATION AND OTHER FOREIGN-RELATED PROVISIONS.....		---	-11	4	-102	-175	-226	-307	-323	-358	-391	-425	-512	-2,318

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
XII. SIMPLIFICATION PROVISIONS RELATING TO INDIVIDUALS AND BUSINESSES														
A. Provisions Relating to Individuals														
1. Deduction attributable to unearned income of dependent filers: greater of (a) present law; or (b) earned income plus \$250; delink dependent AMT from parent's AMT position.....	1/1/98	---	-2	-38	-35	-35	-35	-35	-35	-38	-37	-36	-146	-327
2. Increase de minimis threshold for estimated tax to \$1,000.....	tyba 12/31/97	---	-134	-17	-18	-19	-20	-21	-22	-24	-25	-26	-208	-326
3. Optional methods for computing SECA combined; increase dollar amount to provide four quarters of coverage [15].....	tyba 12/31/97	---	1	1	1	2	2	2	2	2	2	2	8	16
4. Treatment of certain reimbursed expenses of rural mail carriers.....	tyba 12/31/97	---	[2]	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11
5. Treatment of travel expenses of certain Federal employees engaged in criminal investigations.....	eii tyea DOE	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-2
6. Permit payment of taxes by any commercially acceptable means.....	DOE	----- Negligible Revenue Effect -----												
B. Provisions Relating to Businesses Generally														
1. Modify look-back method for long-term contracts.....	cci tyea DOE	---	-1	-2	-3	-4	-4	-4	-4	-5	-5	-5	-14	-37
2. Minimum tax treatment of certain property and casualty insurance companies.....	tyba 12/31/97	---	-1	-2	-3	-3	-3	-3	-3	-3	-3	-3	-12	-27
3. Provide for exclusion for construction allowances provided to lessees.....	leia DOE	----- Negligible Revenue Effect -----												
C. Provisions Relating to Partnerships														
1. Simplified reporting to partners.....	tyba 12/31/97	---	6	8	8	8	8	9	9	9	9	9	38	83
2. Simplified audit procedure for large partnerships.....	tyba 12/31/97	---	[9]	[9]	[9]	1	1	1	1	1	1	1	2	8
3. Due date for furnishing information to partners of large partnerships.....	tyba 12/31/97	----- No Revenue Effect -----												
4. Returns required on magnetic media for partnerships with 100 partners or more.....	tyba 12/31/97	----- Negligible Revenue Effect -----												
5. Treatment for partnership items of individual retirement accounts.....	tyba 12/31/97	----- No Revenue Effect -----												
6. Other partnership audit rules.....	tyba 12/31/97	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-3
7. Closing partnership taxable year with respect to deceased partner.....	tyba 12/31/97	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1
D. Provisions Relating to Real Estate Investment Trusts														
1. Clarification of limitation on maximum number of shareholders.....	tyba DOE	----- Negligible Revenue Effect -----												
2. De minimis rule for tenant services income.....	tyba DOE	----- Negligible Revenue Effect -----												
3. Attribution rules applicable to tenant ownership.....	tyba DOE	----- Negligible Revenue Effect -----												
4. Credit for tax paid by REIT on retain capital gains.....	tyba DOE	----- Negligible Revenue Effect -----												
5. Repeal 30% gross income requirement.....	tyba DOE	---	-4	-5	-5	-6	-7	-7	-8	-9	-10	-11	-26	-72
6. Modification of earnings and profits rules for determining whether REIT has earnings and profits from non-REIT year.....	tyba DOE	----- Negligible Revenue Effect -----												

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
12. Treatment of funeral trusts.....	tyba DOE	---	2	2	2	2	2	2	2	2	2	2	10	20
13. Adjustments for certain gifts within 3 years of decedent's death.....	dda DOE	----- No Revenue Effect -----												
14. Clarification of treatment of survivor annuities under qualified terminable interest rules.....	dda DOE	----- Negligible Revenue Effect -----												
15. Treatment under qualified domestic trust rules of forms of ownership which are not trusts.....	dda DOE	----- Negligible Revenue Effect -----												
16. Opportunity to correct certain failures under section 2032A.....	DOE	----- Negligible Revenue Effect -----												
17. Authority to waive requirement of United States trustee for qualified domestic trusts.....	dda DOE	----- No Revenue Effect -----												
SUBTOTAL OF SIMPLIFICATION PROVISIONS RELATING TO ESTATE AND GIFT TAXES.....		---	-5	-8	-8	-8	-8	-8	-9	-9	-9	-9	-37	-81

XIV. SIMPLIFICATION PROVISIONS RELATING TO EXCISE TAXES, TAX EXEMPT BONDS, AND OTHER MATTERS

A. Excise Tax Simplification

1. Increase de minimis limit for after-market alterations for heavy truck and luxury car excises.....	DOE	----- Negligible Revenue Effect -----												
2. Credit or refund for imported bottled distilled spirits returned to distilled spirits plant.....	fcq DOE + 90 days	----- Negligible Revenue Effect -----												
3. Authority to cancel or credit export bonds without submission of records.....	fcq DOE + 90 days	----- No Revenue Effect -----												
4. Repeal of required maintenance of records on premises of distilled spirits plant.....	fcq DOE + 90 days	----- No Revenue Effect -----												
5. Fermented material from any brewery may be received at a distilled spirits plant.....	fcq DOE + 90 days	----- Negligible Revenue Effect -----												
6. Repeal of requirement for wholesale dealers in liquors to post sign.....	DOE	----- No Revenue Effect -----												
7. Refund of tax to wine returned to bond not limited to unmerchantable wine.....	fcq DOE + 90 days	----- Negligible Revenue Effect -----												
8. Use of additional ameliorating material in certain wines.....	fcq DOE + 90 days	----- No Revenue Effect -----												
9. Domestically produced beer may be withdrawn free of tax for use of foreign embassies, legations, etc.....	fcq DOE + 90 days	----- Negligible Revenue Effect -----												
10. Beer may be withdrawn free of tax for destruction.....	fcq DOE + 90 days	----- Negligible Revenue Effect -----												
11. Authority to allow drawback on exported beer without submission of records.....	fcq DOE + 90 days	----- No Revenue Effect -----												
12. Imported beer or wine transferred in bulk to brewery or winery without payment of tax.....	fcq DOE + 90 days	----- Negligible Revenue Effect -----												
13. Authority for IRS to grant exemption from excise tax registration requirements.....	DOE	----- No Revenue Effect -----												
14. Repeal of excise tax "deadwood" provisions (including ozone depleting).....	DOE	----- No Revenue Effect -----												

Provision	Effective	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-02	1997-07
15. Replace truck excise tax deduction for tire value with tax credit for excise tax paid on tires.....	1/1/98	---	66	94	96	97	99	101	102	105	108	110	452	979
B. Tax-Exempt Bond Provisions														
1. Repeal \$100,000 limitation on unspent proceeds from tax-exempt bond issues under year exception from rebate.....	bia DOE	---	[2]	-2	-3	-5	-6	-8	-9	-10	-11	-12	-17	-65
2. Exclusion from arbitrage rebate for earnings on bona fide debt service fund under construction bond rules.....	bia DOE	---	[2]	-1	-2	-3	-3	-4	-5	-6	-6	-7	-9	-37
3. Repeal of debt service based limitation on investment in certain nonpurpose investments.....	bia DOE	----- Negligible Revenue Effect -----												
4. Repeal of expired student loan bond arbitrage rebate provisions.....	DOE	----- No Revenue Effect -----												
C. Administrative Provisions														
1. Clarify jurisdiction of Tax Court with respect to overpayment determinations.....	DOE	---	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
2. Clarify Tax Court jurisdiction over interest determinations.....	DOE	----- No Revenue Effect -----												
3. Clarify net worth requirements for awards of administrative or litigation costs.....	DOE	----- No Revenue Effect -----												
4. Clarify Tax Court jurisdiction for independent contractors.....	DOE	----- Negligible Revenue Effect -----												
D. Other Provisions														
1. Extend due date for first quarter estimated tax by private foundations.....	tyba DOE	---	-2	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-2	-3
2. Clarification of authority to withhold Puerto Rico income taxes from salaries of Federal employees.....	1/1/98	---	-2	-3	-1	-1	-1	-1	-1	-1	-1	-1	-8	-13
3. Certain notices disregarded under provision increasing interest rate on large corporate underpayments.....	1/1/98	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
4. Oklahoma technical on Indian wage credits and development incentives for property with 10-year lives or less.....	dwcorfpt 3/18/97	---	-145	-30	8	27	23	20	20	19	18	16	-117	-24
SUBTOTAL OF SIMPLIFICATION PROVISIONS RELATING TO EXCISE TAXES, TAX EXEMPT BONDS, AND OTHER MATTERS.....		---	-87	54	94	111	108	104	103	103	104	102	279	797
XV. TECHNICAL CORRECTIONS.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---
XVI. INCREASE IN PUBLIC DEBT LIMIT.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---
NET TOTAL.....		7	-4,409	-5,771	-26,653	-27,241	-20,018	-27,075	-29,721	-31,948	-36,114	-40,877	-84,087	-249,827

Source: Joint Committee on Taxation

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

[Legend and Footnotes for JCX-35-97 appear on the following page]

Legend and Footnotes for JCX-35-97:

Legend for "Effective" column:

aca = actions commenced after
 aiiia = amounts includible in income after
 aiii OBRA'90 = as if included in the Omnibus Budget Reconciliation Act of 1990
 aiii SBJPA = as if included in the Small Business Job Protection Act of 1996
 aoty = all open taxable years
 bia = bonds issued after
 cci = contracts completed in
 cfa = claims filed after
 cia = contracts issued after
 cseia = constructive sales entered into after
 da = distributions after
 da/a = distributions and acquisitions after
 dda = decedents dying after
 Dma = disclaimers made after
 dma = disclosures made after
 DOE = date of enactment
 dofca = date of first committee action
 dpoaa = dividends paid or accrued after
 droaa = dividends received or accrued after

dwcorcpt = depreciation and wages claimed on returns filed prior to
 eii = expenses incurred in
 fcq DOE + 90 days = first day of the calendar quarter that begins at least 90 days after date of enactment
 ftpoa = foreign taxes paid or accrued in
 gma = gifts made after
 gra = gross receipts after
 gsta = generation skipping transfers after
 icoa = involuntary conversions occurring after
 iia = instruments issued after
 leia = leases entered into after
 lia = levies issued after
 NOLgi = net operating losses generated in
 oaa = obligations acquired after
 pa = payments after
 pca = proceedings commenced after
 pcpa = property contributed to partnership after
 pda = partnership distributions after
 pma = payments made after
 ppisa = property placed in service after

pra = payments received after
 rd = returns due
 rda = returns due after
 rfa = returns filed after
 roa = rentals occurring after (for returns open on date of first committee action)
 sa = severances after
 sea = sales or exchanges after
 sepda = sales and exchanges, and certain partnership distributions after
 spi = services performed in
 ta = transactions after
 Ta = transfers after
 tyba = taxable years beginning after
 tyea = tax years ending after
 tybo/a = taxable years beginning on or after
 tsoaiTg = tax shelters offered after issuance of Treasury guidance
 voo/a = violations occurring on or after
 wpoifhma = wages paid or incurred for hires made after
 30da = 30 days after
 90da = 90 days after

- [1] Considers interaction with HOPE tax credit proposal.
 [2] Loss of less than \$500,000.
 [3] Considers interaction with AD IRA proposal.
 [4] Negligible revenue effect.
 [5] Loss of less than \$5 million.
 [6] Revenue estimate includes interactions with other educational savings provisions.
 [7] Estimate includes interaction with welfare-to-work tax credit.
 [8] All D.C. tax initiatives are contingent on the creation of an Economic Development Corporation in 1997; estimate assumes creation of such an economic development corporation and enactment of reforms to D.C. borrowing authority similar to that in the Administration's package.
 [9] Gain of less than \$500,000.
 [10] Loss of less than \$1 million.
 [11] Considers interaction with proposal to allow bakery drivers to be treated as independent contractor for employment tax purposes.
 [12] Estimate provided by the Congressional Budget Office.
 [13] Assumes prior or concurrent passage of legislation to allow Virgin Island financing on parity basis.
 [14] Provision would be effective for taxable years ending after the date of first committee action, for new suspense accounts, and taxable years beginning after that date for existing accounts. Balances in new accounts would be included in income over a 10-year period, and balances in existing accounts over a 20-year period. For existing accounts, the amounts included in income in any year would not exceed 50% of the taxable income of the taxpayer before the inclusion.
 [15] Proposal may have outlay effects.
 [16] Gain of less than \$1 million.