

ESTIMATED REVENUE EFFECTS OF THE "CARE ACT OF 2002,"
AS MODIFIED BY THE CHAIRMAN'S MODIFICATION,
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON JUNE 13, 2002

Fiscal Years 2002 - 2012

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
Charitable and Tax Exempt Organization Provisions, and SSBG Funding														
Charitable Giving Incentive Provisions														
1. Provide charitable contribution deduction for non-itemizers with cash contributions in excess of \$250 for individuals and \$500 for joint returns; cap on deduction of \$250 for individuals and \$500 for joint returns	tyba 12/31/01 & tybb 1/1/04	-185	-1,247	-1,131	---	---	---	---	---	---	---	---	-2,563	-2,563
2. Tax-free distributions from IRAs for charitable purposes - taxpayer must have attained age 70-1/2 for contributions made directly to a charitable organization and age 59.5 for contributions to a split-interest entity	tyba 12/31/02	---	-115	-250	-269	-272	-269	-268	-269	-281	-383	-505	-1,175	-2,880
3. Extend present-law section 170(e)(3) deduction for food inventory to all businesses	tyba 12/31/02	---	-29	-55	-61	-66	-69	-71	-74	-77	-80	-83	-280	-665
4. Enhanced charitable deduction for contributions of book inventories, with special basis rule	tyba 12/31/02	---	-16	-26	-29	-32	-36	-40	-44	-48	-52	-56	-139	-379
5. Expand charitable contribution allowed for scientific property used for research and for computer technology and equipment	tyba 12/31/01	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11
6. Encourage contributions of capital gain real property made for conservation purposes	tyba 12/31/02	---	-4	-6	-10	-14	-18	-26	-36	-46	-57	-69	-52	-285
7. 25% capital gain exclusion for sales of land or interest in land or water to eligible entities for conservation purposes	sma 12/31/03	---	-2	-18	-50	-76	-80	-85	-89	-94	-99	-105	-226	-698
8. Exclusion for government payments under Partners for Fish and Wildlife Program	tyba 12/31/02	---	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-9	-23
9. Adjustment to basis of S corporation stock for certain charitable contributions	tyba 12/31/02	---	-12	-26	-30	-33	-36	-40	-45	-49	-55	-62	-137	-388
10. Enhanced deduction for charitable contribution of literary, musical, artistic, and scholarly compositions	cma 12/31/02	---	-2	-4	-4	-5	-5	-6	-6	-6	-7	-7	-20	-52
Total of Charitable Giving Incentive Provisions		-186	-1,429	-1,519	-456	-502	-517	-540	-567	-605	-737	-891	-4,606	-7,944
Disclosure of Information Relating to Tax-Exempt Organizations														
1. Disclosure of written determinations	dia 12/31/02	----- Negligible Revenue Effect -----												

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
2. Disclosure of name under which an organization does business and its Internet Web site	rfa 12/31/02	----- Negligible Revenue Effect -----												
3. Modification to reporting of capital transactions	rfa 12/31/02	----- Negligible Revenue Effect -----												
4. Disclosure that Form 990 is publicly available	fopiora DOE	----- Negligible Revenue Effect -----												
5. Disclosure to State officials of proposed actions related to certain section 501(c)(3) organizations	DOE	----- Negligible Revenue Effect -----												
Total of Disclosure of Information Relating to Tax-Exempt Organizations		----- Negligible Revenue Effect -----												
Other Charitable and Exempt Organization Provisions														
1. Modify tax on unrelated business taxable income of charitable remainder trusts	tyba 12/31/01	[1]	-4	-4	-4	-5	-5	-5	-5	-6	-6	-6	-22	-51
2. Modify section 512(b)(13) for tax exempt organizations and their subsidiaries with regard to certain specified payments	pra 12/31/00	-4	-25	-11	-11	-11	-12	-12	-13	-13	-13	-14	-74	-139
3. Simplification of lobbying expenditure limitation	tyba 12/31/01	[2]	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-5	-15
4. Expedited review process for certain tax-exemption applications	ara 12/31/02	----- Negligible Revenue Effect -----												
5. Clarification of definition of church tax inquiry	DOE	----- No Revenue Effect -----												
6. Expansion of declaratory judgment procedures to non-501(c)(3) tax-exempt organizations	dma 12/31/01	----- Negligible Revenue Effect -----												
7. Definition of convention or association of churches	DOE	----- Negligible Revenue Effect -----												
8. Provide a charitable deduction for certain expenses incurred in support of Native Alaskan subsistence whaling	cma 12/31/02	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-3
9. Provide that certain payments by charitable organizations made by reason of the death, injury, wounding, or illness of military personnel incurred as a result of the war on terrorism are consistent with exempt purposes	pma DOE & pmb 9/11/03	----- Negligible Revenue Effect -----												
10. Provide tax exemption for organizations created by a State to provide property and casualty insurance coverage for property for which such coverage is otherwise unavailable	tyba 12/31/01	-2	-4	-4	-5	-6	-6	-7	-8	-8	-9	-9	-27	-68
11. Conform provisions relating to arbitrage treatment of certain university fund to State constitutional amendments	DOE	---	-1	[2]	[3]	[2]	-1	[2]	[2]	[2]	[2]	[2]	-3	-4
12. Modify rules governing tax-exempt bonds for section 501(c)(3) organizations as applied to organizations engaged in timber conservation activities (cap at \$2.0 billion)	bia 9/30/02 & bib 1/1/06	---	-7	-20	-30	-32	-31	-29	-27	-27	-27	-27	-120	-255
13. Authorization for Appropriation - Low-Income Taxpayer Clinics [4]	DOE	----- No Revenue Effect -----												
Total of Other Charitable and Exempt Organization Provisions		-6	-42	-40	-51	-55	-56	-54	-55	-56	-57	-58	-252	-535
Restoration of Social Services Block Grant Funding (outlays) [4]	[5]	---	-345	-908	-323	52	49	59	41	---	---	---	-1,475	-1,375
Total of Charitable and Tax Exempt Organization Provisions, and SSBG Funding		-192	-1,816	-2,467	-830	-505	-524	-535	-581	-661	-794	-949	-6,333	-9,854

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
Revenue Raising Provisions														
1. The "Tax Shelter Transparency Act":														
a. Provisions relating to reportable transactions and tax shelters (sections 101, 102, 104, 201 through 203, and 215) [6]	various dates after DOE [7]	17	56	99	123	126	125	129	134	141	150	162	547	1,262
b. Modification to the substantial understatement penalty (section 103) [6]	tyba DOE	---	---	---	8	11	19	23	26	30	34	38	38	188
c. Actions to enjoin conduct with respect to tax shelters (section 204)	DOE	----- Negligible Revenue Effect -----												
d. Understatement of taxpayer's liability by income tax return preparer (section 211)	dpa DOE	----- Negligible Revenue Effect -----												
e. Impose a civil penalty (of up to \$5,000) on failure to report interest in foreign financial accounts (section 212)	DOE	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	1	3
f. Frivolous tax submissions (section 213)	[9]	---	3	3	3	3	3	3	3	3	3	3	15	30
g. Regulation of individuals practicing before the Department of Treasury (section 214)	ata DOE	----- No Revenue Effect -----												
Total of the "Tax Shelter Transparency Act"	---	17	59	102	134	140	147	155	163	174	187	203	601	1,483
2. Tax treatment of inversion transactions; reinsurance agreements; require inverting entities to provide information to shareholders/partners and the IRS with respect to the tax treatment of the inversion														
	[10]	25	81	97	117	140	168	202	242	290	348	418	628	2,128
3. Extend IRS user fees through 12/31/07 [4]	DOE	---	---	33	34	35	36	9	---	---	---	---	138	147
4. Extend customs user fees through 12/31/07:														
a. Merchandise processing fee [4]	DOE	---	---	1,026	1,078	1,132	1,188	312	---	---	---	---	4,424	4,736
b. COBRA fee [4]	DOE	---	---	248	347	365	383	101	---	---	---	---	1,343	1,444
5. Modification with respect to Rite Aid case	[11]	----- Negligible Revenue Effect -----												
Total of Revenue Raising Provisions		42	140	1,506	1,710	1,812	1,922	779	405	464	535	621	7,134	9,938
NET TOTAL		-150	-1,676	-961	880	1,307	1,398	244	-176	-197	-259	-328	801	84

Joint Committee on Taxation

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

Legend for "Effective" column:

ara = applications received after
 ata = actions taken after
 bia = bonds issued after
 bib = bonds issued before
 cma = contributions made after
 dia = determinations issued after

dma = determinations made after
 DOE = date of enactment
 dpa = documents prepared after
 fopiora = forms or publications issued or revised after
 pma = payments made after
 pmb = payments made before

pra = payments received after
 rfa = returns filed after
 sma = sales made after
 tyba = taxable years beginning after
 tybb = taxable years beginning before

[1] Loss of less than \$1 million.

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

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

[4] Estimate provided by the Congressional Budget Office.

[5] Effective for amounts made available for fiscal year 2003 and for amounts made available each fiscal year thereafter. The proposal requiring annual reports would be with respect to fiscal year 2002 and each fiscal year thereafter.

Footnotes for JCX-64-02 continued:

- [6] Failure or substantial delay of forthcoming regulations for section 6011 of the Internal Revenue Code and other administrative actions to be taken by the Treasury Department or the Internal Revenue Service would reduce the estimated revenue effects of these provisions.
- [7] Effective dates for provisions relating to reportable transactions and tax shelters: section 101 is effective for returns and statements the due date of which is after the date of enactment; section 102 is effective for taxable years ending after the date of enactment; section 104 is effective for communications made on or after the date of enactment; section 201 is effective for transactions with respect to which material aid, assistance or advice is provided after the section 202 is effective for returns the due date for which is after the date of enactment; section 203 is effective for requests made after the date of enactment; and section 215 is effective for activities after the date of enactment.
- [8] Gain of less than \$1 million.
- [9] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).
- [10] Effective for certain transactions completed after March 20, 2002, and would also affect certain taxpayers who completed transactions before March 21, 2002, and certain insurance risks reinsured after April 11, 2002.
- [11] Effective for all taxable years, whether beginning before, with, or after the date of enactment.