

**ESTIMATED BUDGET EFFECTS OF
THE "TAX EXTENDERS AND ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2008"
SCHEDULED FOR CONSIDERATION ON THE SENATE FLOOR ON SEPTEMBER 23, 2008**

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Alternative Minimum Tax													
1. Extension of alternative minimum tax relief for nonrefundable personal credits and increased AMT exemption amount (sunset 12/31/08).....	tyba 12/31/07	-76,668	14,851	---	---	---	---	---	---	---	---	-61,817	-61,817
2. Increase of AMT refundable credit amount for individuals with long-term unused credits for prior year minimum tax liability:													
a. Remove AGI limits from refundable AMT credit and change usage rate of unused credit from 20% to 50%.....	tyba 12/31/07	-1,873	-262	200	276	191	120	106	99	91	84	-1,467	-966
b. Abatement of incentive stock option AMT liability, penalty, and interest.....	DOE	-348	-151	-151	-136	-114	-99	-91	-84	-76	-76	-900	-1,325
Total of Alternative Minimum Tax Provisions		-78,889	14,438	49	140	77	21	15	15	15	8	-64,184	-64,108
II. Extension of Individual Tax Provisions													
1. Deduction for State and local general sales taxes (sunset 12/31/09).....	tyba 12/31/07	-1,628	-1,461	-214	---	---	---	---	---	---	---	-3,303	-3,304
2. Deduction for qualified tuition and related expenses (sunset 12/31/09).....	tyba 12/31/07	-3,149	-2,184	---	---	---	---	---	---	---	---	-5,333	-5,333
3. Above-the-line deduction of up to \$250 for teacher classroom expenses (sunset 12/31/09).....	tyba 12/31/07	-214	-196	---	---	---	---	---	---	---	---	-410	-410
4. Additional standard deduction for property tax for 2009.....	tyba 12/31/08	-374	-1,121	---	---	---	---	---	---	---	---	-1,495	-1,495

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
5. Tax-free distributions from IRAs to certain public charities from age 70 1/2 or older, not to exceed \$100,000 per taxpayer per year (sunset 12/31/09)....	Da 12/31/07	-433	-157	-21	-23	-24	-25	-26	-27	-29	-30	-658	-795
6. Treatment of certain dividends of regulated investment companies (sunset 12/31/09).....	[1]	-71	-63	---	---	---	---	---	---	---	---	-134	-134
7. Estate tax look-through for certain RIC stock held by nonresidents (sunset 12/31/09).....	dda 12/31/07	----- <i>Negligible Revenue Effect</i> -----											
8. Extend the treatment of RICs as "qualified investment entities" under section 897 (FIRPTA) (sunset 12/31/09).....	1/1/08	-15	-5	---	---	---	---	---	---	---	---	-20	-20
Total of Extensions Primarily Affecting Individuals		-5,884	-5,187	-235	-23	-24	-25	-26	-27	-29	-30	-11,353	-11,491

III. Extensions of Business Tax Provisions

1. Extend and modify the tax credit for R&E expenses (repeal the AIRC and increase the alternative simplified credit to 14% for 2009) (sunset for amounts paid or incurred after 12/31/08 and before 12/31/09).....	tyba 12/31/08 & before 12/31/09	-8,378	-3,452	-1,744	-1,487	-1,271	-1,055	-775	-449	-257	-216	-16,332	-19,084
2. Extend and modify the new markets tax credit (sunset 12/31/09).....	ima 12/31/08	-106	-168	-170	-192	-205	-202	-202	-77	[2]	7	-841	-1,315
3. Exception under subpart F for active financing income (sunset 12/31/09).....	tyba 12/31/08	-960	-3,010	---	---	---	---	---	---	---	---	-3,970	-3,970
4. Look-through treatment of payments between related CFCs under foreign personal holding company income rules (sunset 12/31/09).....	tyba 2008	-143	-468	---	---	---	---	---	---	---	---	-611	-611
5. 15-year straight line cost recovery for qualified leasehold, restaurant and retail improvements and new restaurants (sunset 12/31/09).....	[3]	-1,931	-1,740	-755	-728	-639	-551	-596	-651	-645	-486	-5,793	-8,721
6. Modify tax treatment of certain payments under existing arrangements to controlling exempt organizations (sunset 12/31/09).....	proaa 12/31/07	-33	-13	-1	[4]	---	---	---	---	---	---	-47	-47
7. Basis adjustment to stock of S corporations making charitable contributions of property (sunset 12/31/09).....	tyba 12/31/07	-59	-27	-7	-6	-6	-6	-6	-6	-6	-5	-104	-132

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
8. Increase in Limit on Cover Over of Rum Excise Tax Revenues (from \$10.50 to \$13.25 per proof gallon) to Puerto Rico and the Virgin Islands (sunset 12/31/09) [5].....	abiUSa 12/31/07	-172	-20	---	---	---	---	---	---	---	---	-192	-192
9. Economic development credit for American Samoa (sunset 12/31/09).....	tyba 12/31/07	-22	-11	---	---	---	---	---	---	---	---	-33	-33
10. Extension of mine rescue team training credit (sunset 12/31/09).....	pca DOE	-1	-1	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	-2	-4
11. Extension of election to expense advanced mine safety equipment (sunset 12/31/09).....	ppisa DOE	-16	-3	6	4	3	3	2	1	[2]	---	-6	---
12. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico (sunset 12/31/09).....	tyba 12/31/07	-175	-68	---	---	---	---	---	---	---	---	-243	-243
13. Extension and modification of credit to holders of qualified zone academy bonds - allocations of bond authority (sunset 12/31/09).....	oia 12/31/07	-6	-19	-32	-43	-49	-48	-47	-46	-45	-44	-149	-379
14. Indian employment tax credit (sunset 12/31/09).....	tyba 12/31/07	-70	-38	-10	-1	---	---	---	---	---	---	-119	-119
15. Accelerated depreciation for business property on Indian reservations (sunset 12/31/09).....	ppisa 12/31/07	-486	-311	-66	80	159	176	122	48	-3	-13	-624	-295
16. 50% tax credit for certain expenditures for maintaining railroad tracks; permit credit against the AMT (sunset 12/31/09).....	epoid tyba 12/31/07	-231	-99	[4]	[4]	---	---	---	---	---	---	-331	-331
17. 7-year recovery period for certain motorsports racing track facilities (sunset 12/31/09).....	ppisa 12/31/07	-109	-18	-9	-3	-1	-2	2	10	15	15	-140	-100
18. Expensing of "Brownfields" environmental remediation costs (sunset 12/31/09).....	epoia 12/31/07	-572	-116	44	52	53	47	42	36	30	27	-539	-357
19. Work opportunity tax credit for Hurricane Katrina employees (sunset 08/28/09).....	8/28/07	-14	-8	-4	-2	-1	[4]	[4]	---	---	---	-28	-29
20. Extension of increased rehabilitation credit for structures in the GO Zone (sunset 12/31/09).....	1/1/08	-8	-21	-13	-3	-2	-2	-1	-1	-1	[4]	-46	-50
21. Enhanced charitable deduction for qualified computer contributions (sunset 12/31/09).....	cmd tyba 12/31/07	-267	-89	---	---	---	---	---	---	---	---	-356	-356
22. Tax Incentives for Investment in the District of Columbia (sunset 12/31/09).....	tyba 12/31/07	-78	-20	-12	-11	-11	-10	-10	-9	-9	-7	-132	-179

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
4. Tax treatment of certain income received in connection with the Exxon Valdez litigation (3-year income averaging with maximum retirement plan contribution of up to \$100,000).....	DOE	-27	-6	-2	-2	-2	-2	-2	-2	-2	-2	-38	-49
5. Reduce the recovery period for certain farming business machinery or equipment from seven to five years (sunset 12/31/09).....	ppisa 12/31/08	-146	-236	-174	-169	-165	81	397	328	82	[4]	-889	[4]
6. Modification of penalty on understatement of taxpayer's liability by tax return preparer.....	rpa 5/25/07	-1	-1	-2	-2	-2	-2	-2	-3	-3	-3	-9	-22
7. Parity in mental health and substance use disorder benefits [5] [7].....	1/1/09	---	-180	-335	-395	-420	-455	-465	-515	-550	-585	-1,330	-3,900
Total of Additional Tax Relief and Other Tax Provisions		-3,661	-507	-427	-553	-592	-390	-91	-219	-507	-632	-5,740	-7,580
VI. Other Provisions													
1. Secure rural schools and community self-determination program [5] [8].....	DOE	-690	-855	-755	-650	-395	5	5	5	5	5	-3,345	-3,320
2. Transfer of interest earned by abandoned mine reclamation fund [5] [8].....	DOE	---	---	-9	---	---	---	---	---	---	---	-9	-9
Total of Other Provisions.....		-690	-855	-764	-650	-395	5	5	5	5	5	-3,354	-3,329
VII. Disaster Relief													
A. Tax Benefits for the Midwestern Disaster Area [9]													
1. Special allocation of private activity bond financing (\$1,000 per capita).....	bia DOE & before 1/1/13	-9	-45	-96	-137	-167	-178	-177	-174	-170	-167	-454	-1,320
2. Low-income housing credit (special credit allocation of \$8 per capita in 2008, 2009, and 2010) (sunset 12/31/10).....	caa 12/31/08	-20	-86	-179	-251	-278	-278	-278	-278	-278	-278	-814	-2,203
3. Partial expensing for certain demolition and clean-up costs (sunset 12/31/10).....	apoia tadd	-2	-1	---	---	---	---	---	---	---	---	-3	-3
4. Extension for expensing for environmental remediation costs (sunset 12/31/10).....	epoia tadd	---	[4]	[4]	---	---	---	---	---	---	---	[4]	[4]
5. Increase rehabilitation credit (sunset 12/31/10).....	epoia tadd	-2	-1	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	-3	-3
6. Treatment of net operating losses attributable to storm disaster losses.....	DOE	-103	-23	12	15	15	13	11	9	8	7	-83	-37

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
7. Credit to holders of Midwestern tax credit bonds.....	bia 12/31/08 & before 1/1/10	-7	-26	-41	-34	-8	-8	-7	-7	-7	-7	-116	-152
8. Expansion of Hope Scholarship and Lifetime Learning Credits for students in the Midwestern disaster area.....	tyba 12/31/07 & before 1/1/10	-71	-50	---	---	---	---	---	---	---	---	-121	-121
9. Temporary income exclusion of \$600 monthly for employer-provided lodging in Midwestern disaster area; employer credit of 30% of excluded amount.....	[10]	-20	-2	---	---	---	---	---	---	---	---	-23	-23
10. Special Rules for Use of Retirement Funds for Relief Relating to the Midwestern disaster area:													
a. Penalty-free withdrawals from retirement plans for qualified disaster recovery assistance distributions (capped at \$100,000 per taxpayer); allow amount of distribution to be repaid to an eligible retirement plan within three years and to be included in income ratably over three years.....	dmo/a tadd & before 1/1/10	-34	-6	3	-1	-1	-1	[4]	[4]	[4]	[4]	-40	-42
b. Recontributions of withdrawals for home purchases cancelled due to qualified storm damage.....	[11]												
c. Loans from qualified plans to individuals sustaining an economic loss due to the Midwestern disaster area.....	[12]												
		----- <i>Negligible Revenue Effect</i> -----											
		----- <i>Negligible Revenue Effect</i> -----											
11. Employee Retention Credit for employers affected by severe storms, tornados, and flooding.....	wpoia tadd & before 1/1/09	-64	-18	-8	-2	---	---	---	---	---	---	-93	-93
12. Temporary suspension of limitations on qualified charitable contributions for relief efforts related to the Midwestern disaster area.....	[13]	-700	92	66	53	26	13	7	5	3	2	-463	-433
13. Suspension of the 10% and \$100 thresholds on personal casualty losses for losses which arise in the Midwestern disaster area.....	lao/a tadd	-61	---	---	---	---	---	---	---	---	---	-61	-61

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
14. Special look-back rules for determining earned income - allow residents of the Midwestern disaster area as of the applicable disaster date who experienced a loss of income due to severe storms, tornados, or flooding to elect to use prior year's income in the calculation of the EIC.....	tyi tadd	-89	---	---	---	---	---	---	---	---	---	-89	-89
15. Secretarial authority to make adjustments regarding taxpayer and dependency status.....	tybi 2008 or 2009	----- <i>Negligible Revenue Effect</i> -----											
B. Modifications to the Katrina Emergency Tax Relief Act of 2005													
1. Additional \$500 personal exemption for Midwestern displaced individuals (staying as houseguests for at least 60 days) subject to maximum additional exemptions of \$2,000.....	tybi 2008 or 2009	-8	-2	---	---	---	---	---	---	---	---	-10	-10
2. Increase in standard mileage rate for charitable use of a vehicle for providing relief related to the Midwestern disaster area.....	cmo/a tadd & before 1/1/09	-9	---	---	---	---	---	---	---	---	---	-9	-9
3. Mileage reimbursements to charitable volunteers excluded from gross income for providing relief related to the Midwestern disaster area up to standard business mileage rate.....	uopao/a tadd & before 1/1/09	-1	---	---	---	---	---	---	---	---	---	-1	-1
4. Exclusions of certain cancellations of indebtedness for certain taxpayers affected by severe storms, tornados, or flooding	Dmo/a tadd & before 1/1/10	-4	-2	---	---	---	---	---	---	---	---	-6	-6
5. Extend replacement period for nonrecognition of gain for property located in Midwestern disaster area.....	DOE	-30	-41	-3	1	1	1	2	2	2	2	-73	-65
C. Reporting Requirements Relating to Disaster Relief Contributions.....	rfa 12/31/08	----- <i>Negligible Revenue Effect</i> -----											
D. Temporary tax-exempt bond financing and low-income housing tax relief for areas damaged by Hurricane Ike.....	DOE	-5	-24	-50	-70	-81	-83	-82	-82	-81	-81	-230	-638
E. National Disaster Relief for Federally Declared Disaster Areas in 2008 and 2009 [14]													
1. Individual casualty losses deductible for itemizers without regard to AGI; \$500 floor applicable to all casualty losses (sunset 12/31/09)....	tyba 12/31/07 & tyba 12/31/08	-676	-259	---	---	---	---	---	---	---	---	-934	-934

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
2. Expensing of qualified disaster expenses - environmental remediation, debris removal or demolition of structures, or repairs (sunset 12/31/09).....	apoa 12/31/07	-5	-15	-11	-4	-1	[2]	[2]	[2]	[2]	[2]	-36	-35
3. 5-year carryback of NOLs for qualified disaster losses (sunset 12/31/09).....	lai tyba 12/31/07	-189	-301	-15	76	64	55	47	40	34	29	-365	-162
4. Relax mortgage revenue bond limitations for presidentially declared disasters (sunset 12/31/09)...	doa 12/31/07	-2	-3	-5	-5	-5	-5	-5	-5	-5	-5	-20	-45
5. Special depreciation allowance for qualified disaster property ("bonus depreciation").....	ppisa 12/31/07	-1,045	-1,299	-1,082	-372	234	377	316	245	176	132	-3,564	-2,318
6. Increased expensing for qualified disaster property under section 179.....	ppisa 12/31/07	-67	-31	-25	11	37	25	18	12	7	4	-75	-10
Total of Disaster Relief Provisions		-3,223	-2,143	-1,434	-720	-164	-69	-148	-233	-311	-362	-7,686	-8,813
VIII. Revenue Raising Provision - Modify Tax Treatment of Offshore Nonqualified Deferred Compensation	spa 12/31/08 [15]	1,849	2,539	2,313	2,275	2,028	1,513	942	453	7,938	3,310	11,003	25,161
NET TOTAL		-104,472	-1,507	-3,299	-1,899	-1,070	-626	-790	-1,149	6,190	1,576	-112,250	-107,053

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

[Legend and Footnotes for JCX-69-08 R are on the following page]

Legend and Footnotes for JCX-69-08 R:

Legend for "Effective" column:

abiUSa = articles brought into the United States after
 apoia = amounts paid or incurred after
 bia = bonds issued after
 bib = bonds issued before
 caa = credits allocated after
 cma = contributions made after
 cmd = contributions made during
 cmo/a = contributions made on or after
 da = disclosures after
 Da = distributions after
 dda = decedents dying after
 dmo/a = distributions made on or after
 Dmo/a = discharges made on or after
 doa = disasters occurring after

DOE = date of enactment
 ea = expenditures after
 epoia = expenditures paid or incurred after
 epoid = expenses paid or incurred during
 frap = Federal regulations are prescribed
 ima = investments made after
 lai = losses arising in
 lao/a = losses arising on or after
 oia = obligations issued after
 pa = payments after
 pca = productions commencing after
 ppisa = property placed in service after
 proaa = payments received or accrued after

qfatpca = qualified film and television
 productions commencing after
 rfa = returns filed after
 rpa = returns prepared after
 sfsa = shafts first sold after
 spa = services performed after
 tadd = the applicable disaster date
 tyba = taxable years beginning after
 tybi = taxable years beginning in
 tyi = taxable year including
 uopao/a = use of passenger automobile
 on or after
 wpoia = wages paid or incurred after

[1] Effective for dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

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

[3] Effective for qualified leasehold and restaurant improvements placed in service after 12/31/07, and retail improvements and new restaurants placed in service after 12/31/08.

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

[5] Estimate provided by the Congressional Budget Office.

[6] Estimate does not include change in outlays.

[7] The provision includes the following fiscal year effects on outlays (a

positive number represents an increase in outlays and a negative number	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2009-13</u>	<u>2009-18</u>
represents a decrease in outlays)	---	30	60	70	70	80	90	90	100	110	230	700

[8] Estimate is preliminary and subject to change.

[9] The "Midwestern Disaster Area" means an area to which a major disaster has been declared by the President after May 20, 2008, and before August 1, 2008, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of severe storms, tornados, or flooding occurring during 2008 in the states of Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, and Wisconsin. The "Midwestern Disaster Area" means an area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributable to such severe storms, tornados, or flooding.

[10] Effective for lodging provided during the six-month period beginning on the first day of the first month after the applicable disaster date.

[11] Effective for distributions made after the date which is 6 months before the applicable disaster date and before the date which is the day after the applicable disaster date.

Footnotes for JCX-69-08 R continued:

- [12] Increase in loan limits effective for loans made after the date of enactment and before January 1, 2010; repayment relief for loans outstanding beginning on the date of enactment of the Housing and Economic Recovery Act of 2008, and ending on December 31, 2009.
- [13] Contributions paid during the period beginning on the earliest applicable disaster date and ending on December 31, 2008.
- [14] The term "federally declared disaster" means any disaster subsequently declared by the President of the United States after December 31, 2007, and before January 1, 2010, to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The term "disaster area" means the area so determined to warrant such assistance.
- [15] In the case of compensation attributable to services performed on or before December 31, 2008, effective for last tax year beginning before 2018.