ESTIMATED REVENUE EFFECTS OF H.R. 4440, THE "GULF OPPORTUNITY ZONE ACT OF 2005," AS PASSED BY THE HOUSE OF REPRESENTATIVES ON DECEMBER 7, 2005

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
I. Establishment of the Gulf Opportunity Zone [1] [2]:													
A. Tax Benefits for the Gulf Opportunity Zone													
Special allocation of private activity bond financing	bia DOE &												
(\$2,500 per capita)	before 1/1/11	-15	-52	-96	-141	-186	-215	-223	-223	-223	-223	-490	-1,597
Advance refundings of certain tax-exempt bonds	ara DOE &												
(\$7.875 billion of bonds)	before 1/1/11	-47	-92	-115	-113	-101	-89	-69	-45	-29	-16	-469	-717
Low-income housing credit (additional credit cap, no carryforward of additional credit cap and other													
modifications) (sunset 12/31/08)	tyea 8/27/05	-5	-23	-64	-116	-142	-142	-142	-142	-142	-142	-350	-1,060
 Special allowance for certain property acquired on or after 8/28/05: 													
a. Equipment (sunset 12/31/07)	ppisa 8/27/05	-785	-696	59	355	267	217	163	111	72	43	-800	-194
b. Structures (sunset 12/31/08)	ppisa 8/27/05	-541	-586	-653	-258	-16	9	31	47	58	64	-2,055	-1,846
5. Increase expensing under section 179 (sunset													
12/31/07)	ppisa 8/27/05	-32	-28	-2	17	12	9	7	5	3	2	-32	-7
6. Partial expensing for certain demolition and													
clean-up costs (sunset 12/31/07)	apoia 8/27/05	-84	-39	-5	3	3	3	3	3	3	3	-121	-105
7. Extend and expand to petroleum products	·												
expensing for environmental remediation costs													
(sunset 12/31/07)	epoia 8/27/05	-26	-44	-15	6	6	7	6	5	4	4	-74	-48
8. Increase rehabilitation credit (sunset 12/31/08)	epoia 8/27/05	-11	-24	-21	-10	-3	-2	-2	-2	-1	-1	-69	-78
9. Increase reforestation expensing from \$10,000 to	•												
\$20,000 for expenses incurred in the GO Zone	potya 8/27/05 &												
and the Rita GO Zone (sunset 12/31/06) [3]	potya 9/23/05	-2	[4]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	-1	
10. Treat small timber growers as farmers for	' '												
purposes of the 5-year NOL carryback in Code													
section 172(b)(1)(G) for losses incurred in the													
GO Zone and the Rita GO Zone (sunset	potya 8/27/05 &												
12/31/06)	potya 9/23/05	-1	[4]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	-1	[4]
11. 10-year NOL carryback for certain GO Zone	p = 1, = 1, = 2, = 2		1.1	[-1	[-]	[-]	[-]	[-1	[-1	1-1	[-]		1.7
related public utility casualty losses	tviwelo	-221	-40	39	33	28	24	20	17	15	13	-161	-71
12. Special NOL carryback of cost recovery	tyea 8/27/05 &		-					=		-	-		
deductions for qualified GO Zone property	before 1/1/09	-301	-260	-78	68	86	73	62	53	45	38	-485	-215
13. Credit to holders of Gulf Tax Credit	bia 12/31/05			-						-			-
Bonds	& before 1/1/07	-7	-17	-14	-3	-3	-3	-3	-3	-3	-3	-43	-57

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
B. Federal Guarantee Of Taxable Bonds (\$3 billion of bonds) [6]	bia DOE & before 1/1/08	-45	-15									-60	-60
Total of Establishment of Gulf Opportunity Zone		-2,123	-1,916	-965	-159	-49	-109	-147	-174	-197	-218	-5,211	-6,055
II. Tax Benefits Related to Hurricanes Rita and Wilma [3] [7]													
A. Special Rules for Use of Retirement Funds for Relief Relating to Hurricanes Rita and Wilma 1. Penalty-free withdrawals from retirement plans for qualified Hurricane Rita and Wilma 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	dma 9/22/05 & dma 10/22/05 & before 1/1/07 dma 2/28/05 & before 9/24/05 &	-173	-41	34	23	-5 Nec	-3 aliaible Rei	-3 venue Effe	-2	-2	-2	-162	-174
Loans from qualified plans to individuals sustaining an economic loss due to Hurricane	belole 3/24/03 & 10/24/03					7408	giigibio rec	ronac Enc					
Rita or Wilma	[8] -					Neg	gligible Re	venue Effe	ct				
B. Employee Retention Credit for Employers of No More than 200 Employees Affected by Hurricanes Rita and Wilma	wpoia 9/23/05 & wpoia 10/23/05 & before 1/1/06	-6	-2	-1	[4]	[4]						-9	-9
 C. Temporary Suspension of Limitations for Qualified Corporate Charitable Contributions (qualified corporate contributions must be for relief efforts 													
related to Hurricane Rita or Wilma)	[9]	-85	5	1	[4]	[4]	-1	-3	-3	-3	-3	-78	-91
D. Suspend the 10% and \$100 Thresholds on Personal Casualty Losses for Losses Which Arise	lao/a 9/23/05 &	500	044	0.5	F.43							4 474	4.474
in the Hurricanes Rita and Wilma Disaster Areas E. Required Exercise of IRS Administrative Authority Under Code Section 7508A for Tax Relief for Certain Taxpayers Affected by Hurricanes Rita,	lao/a 10/23/05	-528	-611	-35	[4]							-1,174	-1,174
Katrina and Wilma	DOE ·-						No Reven	ue Effect -					
F. Special Look-Back Rules for Determining EIC and Refundable Child Credit - allow residents of Rita and Wilma GO Zones (and displaced residents of Hurricanes Rita and Wilma disaster areas) as of September 23, 2005 and October 23, 2005 who experienced a loss of income due to Hurricanes Rita and Wilma to elect to use prior year's income in the calculation of the earned	tyi 9/23/05												
income credit and the refundable child tax credit	& 10/23/05	-28										-28	-28
G. Secretarial Authority to Make Adjustments Regarding Taxpayer and Dependency Status	tybi 2005 or 2006					N <i>c</i>	egligible Re	evenue Fff	ect				
Total of Tax Benefits Related to Hurricanes Rita and Wilma	•	-820	-649	-1	23	-5	-4	-6	-5	-5	-5	-1,451	-1,476
III. Other Provisions													
Secretarial Authority in Case of Major Disaster to Extend Period During Which Traveling Expenses													
are Treated as Incurred Away From Home	apoia DOE		-68	-203	-116	-30	-30	-30	-30	-30	-30	-417	-567

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
B. Designation of Certain Public Debt as Gulf Coast Recovery Bonds	DOE						No Reven	ue Effect -					
Total of Other Provisions			-68	-203	-116	-30	-30	-30	-30	-30	-30	-417	-567
NET TOTAL		-2,943	-2,633	-1,169	-252	-84	-143	-183	-209	-232	-253	-7,079	-8,098

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be December 15, 2005.

Legend for "Effective" column:

apoia = amounts paid or incurred after ara = advance refundings after bia = bonds issued after dma = distributions made after DOF = date of enactment epoia = expenditures paid or incurred after lao/a = losses arising on or after potya = portion of taxable year after tybi = taxable years beginning in tyea = taxable years ending after tyi = taxable year including tyiwelo = taxable years in which eligible losses occur wpoia = wages paid or incurred after

- [1] The "Gulf Opportunity Zone ('GO Zone')" is defined as that portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina. The "Hurricane Katrina disaster area" is defined as an area with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of such Act by reason of Hurricane Katrina.
- [2] Tax benefits do not apply to any property described in Code section 144(c)(6)(B).
- [3] The term "Rita GO Zone" means that portion of the Hurricane Rita disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Rita. The term "Hurricane Rita disaster area" means an area with respect to which a major disaster has been declared by the President before October 6, 2005, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by reason of Hurricane Rita.
- [4] Loss of less than \$500,000.
- [5] Gain of less than \$500,000.
- [6] This is Congressional Budget Office's estimate of the outlay effects of the provision.
- [7] The term "Wilma GO Zone" means that portion of the Hurricane Wilma disaster area determined by the President to warrant individual or individual and public assistance from the Federal government under such Act by reason of Hurricane Wilma. The term "Hurricane Wilma disaster area" is defined as an area with respect to which a major disaster has been declared by the President before November 14, 2005, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by reason of Hurricane Rita.
- [8] Increase in loan limits effective for loans made after the date of enactment and before January 1, 2007; repayment relief for loans outstanding on or after September 23, 2005, and October 23, 2005.
- [9] Contributions made during the period beginning August 28, 2005, and ending on December 31, 2005.