

ESTIMATED BUDGET EFFECTS OF REVENUE PROVISIONS IN PRESIDENT BUSH'S FISCAL YEAR 1990 BUDGET PROPOSAL

Fiscal Years 1989-1994  
 [Billions of Dollars]

Item	1989	1990	1991	1992	1993	1994	1989-94
<b>I. TAX PROVISIONS:</b>							
A. Capital gains tax rate reduction for individuals.....	0.7	3.3	-4.0	-6.4	-6.9	-10.9	-24.2
B. New child tax credit and refundable child and dependent care tax credit (1).....	--	(2)	(2)	(2)	(2)	0.1	0.2
C. Itemized deduction for special needs adoption.....	--	--	(3)	(3)	(3)	(3)	(2)
D. Enterprise zone tax incentives.....	--	(4)	(4)	(4)	(4)	(4)	(4)
E. Permanent research and experimentation (R&E) tax credit.....	--	-0.4	-0.7	-1.0	-1.2	-1.5	-4.8
F. R&E expense allocation rules.....	--	-1.7	-0.7	-0.8	-0.9	-1.0	-5.2
G. Energy tax incentives:							
1. 10% credit for exploratory drilling.....	--	-0.2	-0.3	-0.3	-0.4	-0.4	-1.5
2. 10% credit for tertiary enhanced recovery.....	--	(2)	(2)	(2)	(2)	(2)	-0.1
3. Eliminate the transfer rule and increase the net income to 100% for percentage depletion by independent producers and royalty owners.....	--	(2)	(2)	-0.1	-0.1	-0.1	-0.2
4. Eliminate 80% of exploratory IOC tax preferences from minimum tax for independent producers.....	--	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
H. Medical hospital insurance (HI) for State and local employees.....	--	1.7	1.9	1.9	1.9	1.9	9.5
I. Elimination of Superfund petroleum tax differential.....	--	--	--	--	--	--	--
J. Repeal of the Airport and Airway Trust Fund tax trigger.....	--	0.9	1.5	1.6	1.8	1.9	7.7
K. Extension of the communications (telephone) excise tax.....	--	--	1.6	2.7	2.9	3.1	10.4
<b>II. OTHER REVENUE ITEMS (Estimates supplied by Congressional Budget Office):</b>							
A. User fee/tax for U.S. Travel and Tourism Administration.....	--	(5)	(5)	(5)	(5)	(5)	(6)
B. IRS Enforcement Funding Initiative.....	--	0.3	0.6	0.7	0.7	0.7	3.0
C. Customs Service User Fees.....	--	--	(7)	(7)	(7)	(7)	(7)
D. Certain Other User Fees Classified as Budget Receipts:							
1. Nuclear Regulatory Commission fees.....	--	(8)	(8)	(8)	(8)	(8)	(8)
2. Federal Emergency Management Agency fees.....	--	(5)	(5)	(5)	(5)	(5)	(6)
3. Federal marine fishing licenses and fees.....	--	(6)	0.1	0.1	0.1	0.1	0.3
4. Coast Guard boating fees.....	--	(9)	(9)	(9)	(9)	(9)	(9)
5. IRS telephone information service fee.....	--	--	(6)	(6)	(6)	(6)	0.2
E. Other: Railroad Unemployment Compensation Fund Reimbursement to Amtrak.....	(3)	(3)	(3)	(10)	(10)	(10)	(10)

- (1) Refundable tax credits involving refunds which exceed tax liability are shown as increased outlays. Outlays will increase by \$0.3 billion in FY90, \$3.0 billion in FY91, \$3.3 billion in FY92, \$3.6 billion in FY93, and \$4.0 billion in FY94.
- (2) Loss of less than \$50 million.
- (3) Loss of less than \$5 million.
- (4) This proposal has not been specified in sufficient detail to provide a revenue estimate. The target levels for tax incentives contained in the Administration's proposal are the following: \$-0.2 billion in FY90; \$-0.2 billion in FY91; \$-0.3 billion in FY92; \$-0.4 billion in FY93; and \$-0.5 billion in FY94.
- (5) Gain of less than \$10 million.
- (6) Gain of less than \$50 million.
- (7) This proposal would offset outlays by \$0.2 billion annually beginning in FY91.
- (8) This proposal would offset outlays by \$0.3 billion annually beginning in FY90.
- (9) This proposal would offset outlays by \$0.2 billion annually beginning in FY90.
- (10) Gain of less than \$5 million.