

Joint Committee On Taxation
June 19, 1984
JCX-24-84

The attached items were provided for the information of the conferees only and do not necessarily reflect any decisions made in the conference.

Possible House Offer on Various Provisions

I. Estate and Gift Tax Provisions

- | | |
|---|--|
| 4. Maximum estate and gift tax rates (sec. 21 of the House bill) (p. 12) | Senate recedes with a modification that the tax rate is 55 percent in 1984 through June 19, 1984, 60 percent beginning June 20, 1984, through 1987, and declines to 55 percent in 1988, and to 50 percent thereafter. |
| 190. Installment payments of estate tax attributable to interests in closely held businesses (sec. 812 of the House bill and sec. 801 of the Senate amendment) (p. 280) | House recedes with technical modifications. |
| 191. Repeal of generation-skipping transfer tax (sec. 802 of the Senate amendment) (p. 280) | House recedes with an amendment replacing the current generation-skipping tax provisions with revised generation-skipping tax provisions based on Treasury's proposals to simplify the generation-skipping tax and to tax direct generation-skipping transfers (i.e., \$1 million exemption, and 80 percent of regular rates). |

II. Energy, Research, and Vocational Tax Incentives

- | | |
|---|-----------------|
| 232. Residential renewable energy tax credits (sec. 855 of the Senate) (p. 328) | Senate recedes. |
| 233. Business energy tax credits (sec. 855 of the | Senate recedes. |

Senate amendment) (p. 328)

- | | |
|---|------------------|
| 234. Definition of new energy property (sec. 174 of the Senate amendment) (p. 332) | House recesses. |
| 239. Research tax credit (sec. 882 of the Senate amendment) (p. 340) | Senate recesses. |
| 240. Deduction for certain research equipment donations by corporations to universities (sec. 883 of the Senate amendment) (p. 342) | Senate recesses. |
| 241. Payments and loan forgiveness received by graduate science students (sec. 884 of the Senate amendment) (p. 344) | Senate recesses. |
| 242. Deduction for vocational education equipment donations to certain donees (sec. 810 of the Senate amendment) (p. 344) | Senate recesses. |
| 243. Vocational education instruction tax credit (sec. 811 of the Senate amendment) (p. 346) | Senate recesses. |
| 244. Extension of moratorium on application of research and experimental expense of allocation regulation (sec. 873 of the Senate amendment) (p. 244) | House recesses. |

III. Other Items

- | | |
|---|---|
| 5. Windfall profit tax rate on newly discovered oil (sec. 25 of the House bill) (p. 12) | Senate recesses with a modification that the tax rate is 22.5 percent for taxable oil removed from the premises in 1984 through the month that includes the date of |
|---|---|

enactment, and that the rate is 25 percent for the remainder of 1984 through 1987, declining to 22.5 percent in 1988, 20 percent in 1989, and 15 percent thereafter.

29. Increase in reduction of certain corporate tax preference items from 15 percent to 20 percent (sec. 45 of the Senate amendment) (p. 44)

House recesses.

36. Collapsible corporations (sec. 164 of the House bill and sec. 51 of the Senate amendment) (p. 52)

Senate recesses on effective date.

37. Condominium conversions (sec. 801 of the House bill) (p. 54)

Senate recesses.

39. Consolidated returns (sec. 61 of the House bill and sec. 52 of the Senate amendment) (p. 58)

Effective date.--House recesses with amendments exempting (1) through 1987 certain transactions where 80 percent voting control is retained but ownership by value drops to between 80 and 50 percent, and (2) Alaska Native Claims corporations through 1991.

50. Prepaid expenses (sec. 91 of the House bill and sec. 71 of the Senate amendment) (p. 72)

Senate recesses with an amendment providing an exception that would allow a deduction for prepaid expenses where economic performance occurs after the end of the year under the following conditions: (a) economic performance occurs with 90 days after the end of the taxable year, (b) deduction would be limited to the cash investment made by the taxpayer, and (c) the requirements of present law are met. For purposes of this exception, in the case

of oil and gas, economic performance would occur when drilling of the well is commenced.

- | | |
|--|--|
| 128. Public utility dividend reinvestment plans (sec. 184 of the Senate amendment) (p. 168) | Senate recesses. |
| 156. Divestiture of grandfathered holding (sec. 311 of Senate amendment) (p. 206) | Senate recesses. |
| 235. Targeted jobs credit (sec. 856 of the Senate amendment) (p. 332) | House recesses with amendment extending the credit for two years through 1986 with technicals. |
| 237. Investment tax credit for soil and water conservation expenditures; increase in cost recovery period for single purpose agricultural structures (sec. 892 and 893 of Senate amendment) (p. 336) | Senate recesses. |

