

Joint Committee on Taxation  
June 20, 1984  
JCX-26-84

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

HOUSE RESPONSE TO SENATE OFFER

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.

5. Windfall profit tax rate on newly discovered oil (sec. 25 of the House bill) (p. 12)

Senate recedes with 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 recedes.

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

Senate recedes on effective date.

37. Condominium conversions (sec. 301 of the House bill) (p. 54)

Senate recedes.

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

Senate recedes 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 within 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.

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167. Enterprise Zones (p. 210) Senate recesses.
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 recesses with technical modifications.
191. Repeal of generation-skipping transfer tax (sec. 302 of the Senate amendment) (p. 280) Senate recesses.
225. Spousal IRAs (p. 322) Senate recesses.
226. Nondeductible IRAs (p. 322) House recesses.
232. Residential renewable energy tax credits (sec. 855 of the Senate amendment) (p. 328) Senate recesses.
233. Business energy tax credits (sec. 855 of the Senate amendment) (p. 328) Senate recesses.
234. Definition of new energy property (sec. 174 of the Senate amendment) (p. 332) House recesses.
235. Targeted jobs credit (sec. 856 of the Senate amendment) (p. 332) House recesses to one year extension.
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.

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243. Research and development  
incentives (p. 340)

Senate recesses.

244. Extension of moratorium  
on application of research  
and experimental expense  
of allocation regulation  
(sec. 873 of the Senate  
amendment) (p. 346)

House recesses.