

**ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN
THE PRESIDENT'S FISCAL YEAR 2010 BUDGET PROPOSAL
AS DESCRIBED BY THE DEPARTMENT OF THE TREASURY, MAY 2009 [1]**

Fiscal Years 2010 - 2019

[Millions of Dollars]

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|--|------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|
| I. Index to Inflation the 2009 Parameters of the AMT as Enacted in the American Recovery and Reinvestment Act..... | | | | | | | | | | | | | |
| | tyba 12/31/09 | -6,678 | -68,963 | -30,581 | -33,927 | -37,236 | -41,211 | -46,161 | -52,484 | -60,393 | -69,574 | -177,385 | -447,209 |
| II. Make Permanent Certain Tax Cuts Enacted in 2001 and 2003: | | | | | | | | | | | | | |
| A. Permanently Extend Capital Gains and Dividends 0%/15% Rates; Add a 20% Rate for Taxpayers Otherwise in the 36% and 39.6% Brackets..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | -167 | -4,839 | -20,274 | -24,633 | -26,413 | -27,725 | -28,781 | -29,610 | -30,506 | -31,377 | -76,325 | -224,323 |
| B. Permanently Increase the Maximum Amount and Phaseout Threshold Under Section 179 that are Scheduled to Expire After 2010..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | --- | -2,428 | -4,439 | -3,707 | -3,043 | -2,325 | -1,665 | -1,212 | -965 | -874 | -13,618 | -20,661 |
| C. Reductions in Individual Income Tax Rates | | | | | | | | | | | | | |
| 1. Retain 10% bracket [2]..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | --- | -40,376 | -59,413 | -61,775 | -63,885 | -65,913 | -68,056 | -70,531 | -73,024 | -75,607 | -225,448 | -578,580 |
| 2. Retain the 25% income tax bracket, and retain and expand the 28% income tax bracket..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | --- | -28,449 | -42,329 | -45,010 | -48,032 | -51,119 | -54,101 | -57,054 | -59,932 | -62,951 | -163,820 | -448,978 |
| D. Extend the \$1,000 Child Tax Credit, Refundability, and AMT rules [2]..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | --- | -5,804 | -29,077 | -29,342 | -29,547 | -29,677 | -29,772 | -29,885 | -29,938 | -30,095 | -93,770 | -243,137 |
| E. Marriage Penalty Relief [2]..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | --- | -18,096 | -31,092 | -32,646 | -34,108 | -35,364 | -36,613 | -37,944 | -39,231 | -40,774 | -115,944 | -305,869 |
| F. Education Incentives [3]..... | | | | | | | | | | | | | |
| | generally 1/1/11 | --- | -793 | -1,596 | -1,676 | -1,728 | -1,818 | -1,913 | -2,021 | -2,183 | -2,287 | -5,792 | -16,014 |
| G. Make Permanent the Estate, Gift, and Generation-Skipping Transfer Taxes; Extend 2009 Law; Gift Tax Lifetime Exclusion to Remain at \$1 Million..... | | | | | | | | | | | | | |
| | dda 12/31/09 | 468 | -642 | -18,303 | -21,847 | -25,373 | -28,669 | -31,141 | -33,985 | -35,863 | -38,293 | -65,696 | -233,648 |
| H. Other Incentives for Families and Children [2] [4]..... | | | | | | | | | | | | | |
| | tyba 12/31/10 | 2 | -198 | -758 | -817 | -842 | -862 | -877 | -898 | -917 | -908 | -2,613 | -7,075 |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|---|----------------|------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| I. Repeal Overall Limitation on Itemized Deduction and the Personal Exemption Phaseout for Certain Taxpayers..... | tyba 12/31/10 | --- | -709 | -1,478 | -1,603 | -1,734 | -1,863 | -1,986 | -2,104 | -2,215 | -2,330 | -5,524 | -16,022 |
| Total of Make Permanent Certain Tax Cuts Enacted in 2001 and 2003..... | | 303 | -102,334 | -208,759 | -223,056 | -234,705 | -245,335 | -254,905 | -265,244 | -274,774 | -285,496 | -768,550 | -2,094,307 |
| III. Tax Incentives and Other Revenue Changes | | | | | | | | | | | | | |
| A. Tax Cuts for Families and Individuals | | | | | | | | | | | | | |
| 1. Provide Making Work Pay tax credit [2]..... | tyba 12/31/10 | --- | -28,900 | -62,036 | -62,845 | -63,484 | -63,873 | -64,218 | -64,622 | -65,044 | -65,474 | -217,266 | -540,498 |
| 2. Expand earned income credit [2]..... | tyba 12/31/10 | --- | -30 | -3,003 | -2,982 | -2,958 | -2,923 | -2,910 | -2,942 | -2,988 | -3,033 | -8,973 | -23,767 |
| 3. Expand refundability of the child credit [2]..... | tyba 12/31/10 | --- | --- | -9,031 | -9,102 | -9,197 | -9,227 | -9,266 | -9,302 | -9,352 | -9,394 | -27,330 | -73,872 |
| 4. Expand Saver's credit [2]..... | tyba 12/31/10 | --- | -651 | -3,248 | -3,217 | -3,188 | -3,087 | -3,013 | -3,055 | -3,000 | -2,991 | -10,304 | -25,450 |
| 5. Require certain employers to establish automatic enrollment in IRAs [2]..... | 1/1/12 | --- | --- | -920 | -3,741 | -3,979 | -4,202 | -4,460 | -4,761 | -5,034 | -5,352 | -8,639 | -32,448 |
| 6. Provide American Opportunity tax credit [2]..... | tyba 12/31/10 | --- | -1,150 | -5,757 | -5,795 | -5,760 | -5,685 | -5,999 | -5,997 | -6,129 | -6,465 | -18,462 | -48,737 |
| B. Tax Cuts for Businesses | | | | | | | | | | | | | |
| 1. Eliminate capital gains taxation on small business stock and repeal AMT preference..... | sia 2/17/09 | 4 | 1 | --- | --- | -656 | -702 | -984 | -1,185 | -1,320 | -1,447 | -651 | -6,289 |
| 2. Make research and experimentation tax credit permanent..... | DOE | -2,300 | -4,003 | -4,739 | -5,512 | -6,319 | -7,161 | -8,044 | -8,975 | -9,911 | -10,921 | -22,874 | -67,886 |
| 3. Expand net operating loss carryback..... | [5] | -59,982 | 10,193 | 9,621 | 7,427 | 5,254 | 3,660 | 2,512 | 1,740 | 1,186 | 841 | -27,487 | -17,547 |
| 4. Modify Federal Aviation Administration financing [6]..... | 10/1/2011 | --- | --- | -7,206 | -8,180 | -8,604 | -9,002 | -9,410 | -9,835 | -10,256 | -10,700 | -23,991 | -73,194 |
| C. Continue Remaining Expiring Provisions Through Calendar Year 2010 | | | | | | | | | | | | | |
| 1. Extend the deduction for State and local sales taxes (sunset 12/31/10)..... | tyba 12/31/09 | -375 | -2,177 | -288 | --- | --- | --- | --- | --- | --- | --- | -2,841 | -2,841 |
| 2. Extend the deduction for qualified tuition (sunset 12/31/10)..... | tyba 12/31/09 | -135 | -542 | --- | --- | --- | --- | --- | --- | --- | --- | -677 | -677 |
| 3. Extend Subpart F active financing provisions (sunset 12/31/10)..... | tyba 12/31/09 | -945 | -2,978 | --- | --- | --- | --- | --- | --- | --- | --- | -3,923 | -3,923 |
| 4. Extend look through of payments between related controlled foreign corporations (sunset 12/31/10)..... | tyba 12/31/09 | -135 | -439 | --- | --- | --- | --- | --- | --- | --- | --- | -574 | -574 |
| 5. Extend 15-year recovery for leasehold, restaurant and retail improvements (sunset 12/31/10)..... | ppisa 12/31/09 | -174 | -497 | -641 | -632 | -620 | -586 | -566 | -576 | -561 | -536 | -2,564 | -5,390 |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|---|----------------|------|------|------|------|------|------|------|------|------|------|---------|---------|
| 6. Extend the above-the-line deduction for up to \$250 of teacher classroom expenses (sunset 12/31/10)..... | tyba 12/31/09 | -40 | -159 | --- | --- | --- | --- | --- | --- | --- | --- | -199 | -199 |
| 7. Extend the new markets tax credit (sunset 12/31/10)..... | ima 12/31/09 | -16 | -57 | -166 | -182 | -205 | -220 | -219 | -194 | -143 | --- | -626 | -1,402 |
| 8. Economic development credit for American Samoa (sunset 12/31/10)..... | tyba 12/31/09 | -6 | -12 | --- | --- | --- | --- | --- | --- | --- | --- | -18 | -18 |
| 9. Extend the mine rescue team training credit (sunset 12/31/10)..... | tyba 12/31/09 | [7] | --- | --- | --- | --- | --- | --- | --- | --- | --- | [7] | [7] |
| 10. Extend the Indian employment tax credit (sunset 12/31/10)..... | tyba 12/31/09 | -17 | -23 | -7 | -1 | --- | --- | --- | --- | --- | --- | -48 | -48 |
| 11. Extend the tax incentives for investment in the District of Columbia (sunset 12/31/10)..... | tyba 12/31/09 | -36 | -24 | -5 | -4 | -2 | -2 | -2 | -1 | -1 | -1 | -71 | -77 |
| 12. Extend the empowerment zone and renewal community incentives (sunset 12/31/10)..... | tyba 12/31/09 | -684 | -276 | -70 | -54 | -41 | -32 | -13 | -3 | -2 | -2 | -1,124 | -1,176 |
| 13. Extend 50% tax credit for certain expenditures for maintaining railroad tracks; permit credit against the AMT (sunset 12/31/10)..... | tyba 12/31/09 | -66 | -99 | --- | --- | --- | --- | --- | --- | --- | --- | -165 | -165 |
| 14. Extend production credit for coke and coke gas (sunset 12/31/10)..... | fsa 12/31/09 | -1 | -1 | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -2 | -2 |
| 15. Extend production credit for refined and Indian coal (sunset 12/31/10)..... | ppisa 12/31/09 | -2 | -5 | -6 | -6 | -6 | -6 | -6 | -6 | -7 | -7 | -25 | -57 |
| 16. Extend the alternative vehicle credits (sunset 12/31/10)..... | [8] | -1 | -2 | [7] | [7] | [7] | [9] | [9] | --- | --- | --- | -3 | -2 |
| 17. Extend credit for energy efficient new homes (sunset 12/31/10)..... | haa 12/31/09 | -24 | -17 | -6 | -6 | -5 | -4 | -4 | -1 | --- | --- | -58 | -67 |
| 18. Extend suspension of 100 percent-of-net income limitation on percentage depletion for oil and natural gas from marginal properties (sunset 12/31/10)..... | tyba 12/31/09 | -67 | -36 | --- | --- | --- | --- | --- | --- | --- | --- | -104 | -104 |
| 19. Extend the special rule to implement FERC and State electric restructuring policy (sunset 12/31/10)..... | qetta 12/31/09 | -221 | -88 | 49 | 49 | 49 | 49 | 49 | 49 | 17 | --- | -163 | --- |
| 20. Extend low sulfur diesel fuel tax credit and expensing (sunset 12/31/10)..... | DOE | -11 | -7 | -1 | -1 | [7] | [9] | [9] | [9] | [9] | [9] | -20 | -19 |
| 21. Extend biodiesel and renewable diesel income and excise credits (sunset 12/31/10)..... | fsa 12/31/09 | -728 | -270 | --- | --- | --- | --- | --- | --- | --- | --- | -998 | -998 |
| 22. Extend alternative fuels excise tax credits (sunset 12/31/10 for non-hydrogen fuels) [10].... | fsa 12/31/09 | -148 | -48 | --- | --- | --- | --- | --- | --- | --- | --- | -196 | -196 |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|--|-----------------------------|--|------|------|------|------|------|------|------|------|------|---------|---------|
| 23. 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 12/31/10) [2] [11]..... | abiUSa 12/31/09 | -88 | -22 | --- | --- | --- | --- | --- | --- | --- | --- | -110 | -110 |
| 24. Extend the FUTA surtax of 0.2 percent (sunset 12/31/10) [11]..... | tyba 12/31/09 | 1,009 | 393 | --- | --- | --- | --- | --- | --- | --- | --- | 1,402 | 1,402 |
| 25. Extend the treatment of certain dividends of regulated investment companies (sunset 12/31/10)..... | [13] | -12 | -63 | --- | --- | --- | --- | --- | --- | --- | --- | -75 | -75 |
| 26. Extend the estate tax look-through for certain RIC stock held by nonresidents (sunset 12/31/10)..... | dda 12/31/09 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| 27. Extend the treatment of RICs as "qualified investment entities" under section 897 (FIRPTA) (sunset 12/31/10)..... | 1/1/10 | -5 | -5 | --- | --- | --- | --- | --- | --- | --- | --- | -10 | -10 |
| 28. Modify tax treatment of certain payments under existing arrangements to controlling exempt organizations (sunset 12/31/10)..... | tyba 12/31/09 | -17 | -3 | --- | --- | --- | --- | --- | --- | --- | --- | -20 | -20 |
| 29. Basis adjustment to stock of S corporations making charitable contributions of property (sunset 12/31/10)..... | cmi tybb 12/31/10 | -16 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -20 | -26 |
| 30. Extend the rule permitting the 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 12/31/10)..... | da 12/31/09 & before 1/1/11 | -175 | -187 | -24 | -25 | -26 | -28 | -29 | -31 | -33 | -34 | -437 | -591 |
| 31. Extend the treatment of contributions of real property for conservation purposes (sunset 12/31/10)..... | cma 12/31/09 | -23 | -68 | -5 | -5 | -5 | -5 | -5 | -4 | -4 | -4 | -106 | -128 |
| 32. Extend the enhanced charitable deduction for qualified computer contributions (sunset 12/31/10)..... | cma 12/31/09 | -107 | -88 | --- | --- | --- | --- | --- | --- | --- | --- | -195 | -195 |
| 33. Extend enhanced charitable deduction for contributions of food inventory and modify enhanced deduction to include special basis rule in certain cases (sunset 12/31/10)..... | cma 12/31/09 | -39 | -32 | --- | --- | --- | --- | --- | --- | --- | --- | -71 | -71 |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|--|------------------|--|-------|-------|-------|-------|-------|--------|--------|--------|--------|---------|---------|
| 34. Extend enhanced charitable deduction for contributions of book inventory (sunset 12/31/10)..... | cma 12/31/09 | -17 | -14 | --- | --- | --- | --- | --- | --- | --- | --- | -31 | -31 |
| 35. Extend the treatment of certain qualified film and television productions (sunset 12/31/10)..... | qfatpca 12/31/09 | -54 | -108 | 12 | 26 | 18 | 15 | 13 | 11 | 9 | 7 | -106 | -51 |
| 36. Extend accelerated depreciation for business property on Indian reservations (sunset 12/31/10)..... | tyba 12/31/09 | -113 | -196 | -73 | 16 | 54 | 84 | 68 | 37 | 4 | -7 | -312 | -125 |
| 37. Extend 7-year recovery period for certain motorsports racing track facilities (sunset 12/31/10)..... | ppisa 12/31/09 | -11 | -18 | -11 | -6 | -3 | -4 | -4 | 1 | 6 | 6 | -50 | -45 |
| 38. Extend election to expense advanced mine safety equipment (sunset 12/31/10)..... | eia 12/31/09 | -6 | -2 | 2 | 1 | 1 | 1 | 1 | 1 | --- | --- | -3 | --- |
| 39. Extend the deduction allowable with respect to income attributable to domestic production activities in Puerto Rico (sunset 12/31/10)..... | tyba 12/31/09 | -84 | -101 | --- | --- | --- | --- | --- | --- | --- | --- | -185 | -185 |
| 40. Extend expensing of brownfields environmental remediation costs (sunset 12/31/10)..... | eia 12/31/09 | -188 | -116 | 18 | 21 | 24 | 21 | 19 | 17 | 14 | 12 | -241 | -158 |
| 41. Extend taxation of qualified timber gain and REIT timber provisions (sunset 12/31/10)..... | 5/22/09 | -103 | -49 | -29 | -28 | -27 | -26 | -9 | -1 | -1 | -1 | -235 | -274 |
| 42. Extend additional IRA contributions in bankruptcy (sunset 12/31/10)..... | tyba 12/31/09 | -3 | -3 | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -5 | -6 |
| 43. Renew Andean trade preferences (sunset 12/31/10) [11]..... | 1/1/10 | -109 | -35 | --- | --- | --- | --- | --- | --- | --- | --- | -145 | -145 |
| 44. Renew Caribbean basin trade preferences (sunset 12/31/10) [11]..... | 10/1/10 | --- | -7 | --- | --- | --- | --- | --- | --- | --- | --- | -7 | -7 |
| 45. Extend GSP (sunset 12/31/10) [11]..... | 1/1/10 | -530 | -177 | --- | --- | --- | --- | --- | --- | --- | --- | -706 | -706 |
| D. Other Revenue Changes and Loophole Closers | | | | | | | | | | | | | |
| 1. Reinstate Superfund excise and environmental income taxes..... | Pa 12/31/10 | --- | 1,243 | 1,932 | 2,003 | 2,049 | 2,061 | 2,078 | 2,100 | 2,124 | 2,142 | 7,227 | 17,733 |
| 2. Tax carried interest as ordinary income..... | tyba 12/31/10 | 563 | 2,028 | 2,946 | 2,683 | 2,237 | 1,960 | 2,061 | 2,614 | 2,988 | 2,985 | 10,456 | 23,064 |
| 3. Codify economic substance doctrine..... | teia DOE | 356 | 507 | 580 | 673 | 780 | 801 | 813 | 832 | 856 | 880 | 2,897 | 7,081 |
| 4. Repeal LIFO accounting..... | tyba 12/31/11 | --- | --- | 5,111 | 9,118 | 9,615 | 9,925 | 10,498 | 11,284 | 11,735 | 12,240 | 23,844 | 79,526 |
| 5. Require information reporting for rental payments..... | tyba 12/31/09 | [14] | 208 | 220 | 232 | 242 | 252 | 264 | 277 | 291 | 301 | 902 | 2,287 |
| 6. Eliminate oil and gas company preferences: | | | | | | | | | | | | | |
| a. Levy tax on certain offshore oil and gas production..... | --- | ----- Proposal Requires Additional Specification ----- | | | | | | | | | | | |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|--|----------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| b. Repeal enhanced oil recovery credit..... | tyba 12/31/10 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| c. Repeal marginal well tax credit..... | tyba 12/31/10 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| d. Repeal expensing of intangible drilling costs..... | apoya 12/31/10 | --- | 608 | 881 | 806 | 639 | 416 | 283 | 203 | 125 | 96 | 2,934 | 4,056 |
| e. Repeal deduction for tertiary injectants..... | apoya 12/31/10 | --- | 5 | 10 | 10 | 9 | 9 | 7 | 7 | 6 | 6 | 34 | 69 |
| f. Repeal passive loss exception for working interests in oil and natural gas properties..... | tyba 12/31/10 | --- | 2 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 19 | 49 |
| g. Repeal percentage depletion for oil and natural gas..... | tyba 12/31/10 | --- | 449 | 726 | 762 | 784 | 805 | 834 | 873 | 921 | 968 | 2,722 | 7,123 |
| h. Repeal the section 199 deduction for income attributable to domestic production of oil, gas, or primary products thereof..... | tyba 2010 | --- | 536 | 990 | 1,063 | 1,142 | 1,225 | 1,316 | 1,412 | 1,518 | 1,630 | 3,731 | 10,832 |
| i. Increase geological and geophysical amortization period for independent producers to 7 years..... | apoya 12/31/10 | --- | 36 | 127 | 188 | 172 | 128 | 85 | 41 | 11 | 3 | 522 | 791 |
| 7. Eliminate advance earned income tax credit [2]. | tyba 12/31/09 | 171 | 150 | 128 | 129 | 129 | 131 | 133 | 136 | 139 | 141 | 707 | 1,387 |
| E. Reform U.S. International Tax System | | | | | | | | | | | | | |
| 1. Reform business entity classification rules for foreign entities..... | tyba 2010 | --- | 1,475 | 3,098 | 3,252 | 3,415 | 3,586 | 3,765 | 3,953 | 4,151 | 4,358 | 11,240 | 31,053 |
| 2. Defer deduction of expenses, except R&E expenses, related to deferred income..... | tyba 2010 | --- | 2,914 | 6,119 | 5,782 | 5,397 | 5,667 | 5,950 | 6,248 | 6,560 | 6,888 | 20,212 | 51,525 |
| 3. Reform foreign tax credit: determine the foreign tax credit on a pooling basis..... | tyba 2010 | --- | 2,014 | 4,228 | 4,440 | 5,128 | 5,384 | 5,654 | 5,936 | 6,223 | 6,545 | 15,810 | 45,552 |
| 4. Reform foreign tax credit: prevent splitting of foreign income and foreign taxes..... | tyba 2010 | --- | 596 | 1,311 | 1,298 | 1,259 | 1,221 | 1,185 | 1,149 | 1,115 | 1,081 | 4,464 | 10,216 |
| 5. Limit shifting of income through intangible property transfers | tyba 2010 | --- | 154 | 331 | 213 | 179 | 87 | 42 | 20 | 12 | 1 | 877 | 1,039 |
| 6. Limit earnings stripping by expatriated entities.. | tyba 2010 | --- | 69 | 145 | 152 | 160 | 168 | 176 | 185 | 194 | 204 | 526 | 1,453 |
| 7. Prevent repatriation of earnings in certain cross-border reorganizations..... | tyba 2010 | --- | 10 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 160 | 410 |
| 8. Repeal 80/20 company rules..... | tyba 2010 | --- | 50 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 350 | 850 |
| 9. Prevent the avoidance of dividend withholding taxes..... | pma 2010 | --- | 72 | 120 | 126 | 132 | 139 | 146 | 153 | 161 | 169 | 450 | 1,218 |
| 10. Modify tax rules for dual capacity taxpayers..... | tyba 2010 | --- | 312 | 749 | 779 | 810 | 842 | 876 | 911 | 947 | 985 | 2,650 | 7,211 |
| 11. Combat under-reporting of income through use of accounts and entities in offshore jurisdictions..... | various | --- | 2,287 | 1,114 | -32 | 478 | 598 | 747 | 934 | 1,167 | 1,459 | 3,847 | 8,751 |
| Total of Tax Incentives and Other Revenue Changes | | -65,712 | -17,474 | -56,550 | -60,953 | -64,774 | -67,385 | -69,432 | -70,212 | -71,152 | -72,265 | -265,462 | -615,905 |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|--|-----------------|--------------------------------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|
| IV. Other Provisions | | | | | | | | | | | | | |
| A. Restructure Assistance to New York City - Provide Tax Incentives for Transportation Infrastructure [2]..... | DOE | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -1,000 | -2,000 |
| B. Apply Continuous Levy to Federal Vendor Payments Prior to Collection Due Process..... | lia 12/31/09 | 102 | 96 | 98 | 100 | 102 | 104 | 106 | 108 | 110 | 112 | 496 | 1,035 |
| C. Strengthen the Financial Integrity of Unemployment Insurance [2] [11]..... | DOE | --- | 523 | 345 | 39 | -10 | -20 | -1 | 14 | 33 | 45 | 898 | 969 |
| D. Apply Continuous Levy to Payments Made to Federal Vendors Relating to Property..... | pma DOE | 9 | 13 | 13 | 13 | 14 | 14 | 14 | 15 | 15 | 15 | 63 | 135 |
| E. Phase Out and Repeal Inland Waterway Fuel Tax [15]..... | fsa 12/31/11 | --- | --- | -22 | -31 | -55 | -64 | -64 | -64 | -64 | -64 | -108 | -429 |
| F. Panama Trade Promotion Agreement [11]..... | 9/1/10 | --- | -1 | -1 | -1 | -1 | -1 | -2 | -2 | -2 | -2 | -5 | -14 |
| G. Reconstruction Opportunity Zones in Afghanistan and Pakistan [11]..... | 4/1/10 | --- | -1 | -2 | -4 | -6 | -10 | -14 | -19 | -23 | -28 | -12 | -105 |
| Total of Other Provisions..... | | -89 | 430 | 231 | -84 | -156 | -177 | -161 | -148 | -131 | -122 | 332 | -409 |
| V. Health Reform Reserve Fund Provisions | | | | | | | | | | | | | |
| A. Limit the Tax Rate at Which Itemized Deductions Reduce Tax Liability to 28%..... | tyba 12/31/10 | --- | 9,106 | 25,780 | 27,300 | 29,513 | 31,691 | 33,669 | 35,518 | 37,361 | 39,236 | 91,698 | 269,174 |
| B. Expand Information Reporting | | | | | | | | | | | | | |
| 1. Require information reporting for private separate accounts of life insurance companies..... | tyba 12/31/10 | --- | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] |
| 2. Require information reporting on payments to corporations..... | pma 12/31/09 | 44 | 432 | 290 | 311 | 324 | 343 | 357 | 373 | 389 | 405 | 1,400 | 3,266 |
| 3. Require a certified taxpayer identification number from contractors and allow certain withholding..... | pma 12/31/09 | 5 | 41 | 31 | 34 | 36 | 38 | 40 | 42 | 45 | 47 | 146 | 359 |
| 4. Require increased information reporting for certain government payments for property and services..... | pma 12/31/09 | 73 | 150 | 85 | 17 | 18 | 18 | 19 | 20 | 21 | 22 | 342 | 442 |
| 5. Increase information return penalties..... | rrtbfa 12/31/09 | --- | 30 | 41 | 42 | 42 | 43 | 43 | 43 | 44 | 45 | 155 | 373 |
| C. Improve Compliance by Business | | | | | | | | | | | | | |
| 1. Require e-filing by certain large organizations..... | tyea 12/31/09 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|---|-----------------|--|------|------|------|------|------|------|------|------|------|---------|---------|
| 2. Implement standards clarifying when employee leasing companies can be held liable for their clients' federal employment taxes..... | [16] | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| D. Strengthen Tax Administration | | | | | | | | | | | | | |
| 1. Allow assessment of criminal restitution as tax..... | after 12/31/10 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 4 | 9 |
| 2. Revise offer-in-compromise application rules..... | osa DOE | -10 | [14] | [14] | [14] | [14] | [14] | [14] | [14] | [14] | [14] | -10 | -10 |
| 3. Expand IRS access to information in the national directory of new hires for tax administration purposes..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| 4. Make repeated willful failure to file a tax return a felony..... | rtbfa 12/31/09 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| 5. Facilitate tax compliance with local jurisdictions..... | dma DOE | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| 6. Extend statute of limitations where state tax adjustment affects federal tax liability..... | rtbfa 12/31/09 | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | [9] | 1 | 2 |
| 7. Improve investigative disclosure statute..... | dma DOE | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| 8. Expand required electronic filing by tax return preparers..... | rtbfa 12/31/10 | ----- <i>Negligible Revenue Effect</i> ----- | | | | | | | | | | | |
| E. Expand Penalties | | | | | | | | | | | | | |
| 1. Clarify that the bad check penalty applies to electronic checks and other payment forms..... | rtbfa 12/31/09 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 21 | 46 |
| 2. Impose a penalty on failure to comply with electronic filing requirements..... | rtbfea 12/31/10 | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| F. Financial Institutions and Products | | | | | | | | | | | | | |
| 1. Require accrual of income on forward sale of corporate stock..... | fceia 12/31/10 | --- | 1 | 4 | 7 | 10 | 13 | 16 | 19 | 22 | 25 | 22 | 117 |
| 2. Require ordinary treatment for certain dealers of equity options and commodities..... | tyba DOE | 163 | 235 | 212 | 221 | 235 | 247 | 258 | 269 | 280 | 291 | 1,066 | 2,410 |
| 3. Modify definition of control for purposes of the section 249 deduction limit..... | DOE | 5 | 7 | 7 | 7 | 8 | 8 | 8 | 9 | 9 | 10 | 33 | 77 |
| G. Insurance Companies and Products | | | | | | | | | | | | | |
| 1. Modify rules that apply to sales of life insurance contracts..... | [17] | --- | 36 | 61 | 65 | 69 | 72 | 76 | 79 | 82 | 86 | 231 | 626 |
| 2. Modify dividends-received deduction for life insurance company separate accounts..... | tyba 12/31/10 | --- | 159 | 254 | 273 | 288 | 299 | 313 | 329 | 346 | 365 | 974 | 2,626 |

| Provision | Effective | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2010-14 | 2010-19 |
|---|----------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| 3. Expand pro rata interest expense disallowance for corporate-owned life insurance (COLI)..... | ceia DOE | 454 | 582 | 672 | 754 | 830 | 900 | 964 | 1,025 | 1,084 | 1,141 | 3,291 | 8,405 |
| H. Tax Accounting Methods | | | | | | | | | | | | | |
| 1. Deny deduction for punitive damages..... | dpoia 12/31/10 | --- | 23 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 122 | 306 |
| 2. Repeal lower-of-cost-or-market inventory accounting method..... | tyb 12mf DOE | --- | 575 | 1,275 | 1,462 | 1,612 | 1,047 | 562 | 278 | 335 | 389 | 4,924 | 7,535 |
| I. Modify Estate and Gift Tax Valuation Discounts and Make Other Reforms | | | | | | | | | | | | | |
| 1. Require consistency in value for transfer and income tax purposes..... | DOE | 13 | 71 | 88 | 95 | 100 | 104 | 109 | 114 | 118 | 123 | 367 | 935 |
| 2. Modify rules on valuation discounts..... | [18] | ----- Proposal Requires Additional Specification ----- | | | | | | | | | | | |
| 3. Require minimum term for grantor retained annuity trusts (GRATs)..... | tca DOE | [9] | 3 | 9 | 73 | 159 | 241 | 329 | 407 | 490 | 570 | 244 | 2,282 |
| J. Modify Alternative Fuel Mixture Credit..... | DOE | 750 | --- | --- | --- | --- | --- | --- | --- | --- | --- | 750 | 750 |
| Total of Health Reform Reserve Fund Provisions | | 1,502 | 11,455 | 28,846 | 30,698 | 33,283 | 35,105 | 36,805 | 38,569 | 40,669 | 42,800 | 105,781 | 299,729 |
| NET TOTAL [2] | | -70,674 | -176,886 | -266,813 | -287,322 | -303,587 | -319,003 | -333,853 | -349,519 | -365,781 | -384,658 | -1,105,284 | -2,858,100 |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be October 1, 2009.

Legend for "Effective" column:

abiUSa = articles brought into the United States after
 dda = decedents dying after
 DOE = date of enactment
 ceia= contracts entered into after
 cma - contributions made after
 cmi = contributions made in
 dma = disclosures made after
 dpoia = damages paid or incurred after
 ea = expenditures after
 eia = expenditures incurred after
 fceia = forward contracts entered into after
 fsa = fuel sold after

haa = homes acquired after
 ima = investments made after
 lia = levies issued after
 oia = obligations issued after
 osa - offers submitted after
 pa = production after
 Pa = periods after
 pma = payments made after
 ppisa = property placed in service after
 qetta = qualified electric transmission transactions after
 qfatpca = qualified film and television productions commencing after

rrtbfa = returns required to be filed after
 rrtbfea = returns required to be filed electronically after
 sia = stock issued after
 tca = trusts created after
 teia = transactions entered into after
 tyb = taxable years beginning
 tyba = taxable years beginning after
 tybb = taxable years beginning before
 tyea = tax years ending after
 12mf = twelve months from

[Footnotes for JCX-28-09 appear on the following page]

Footnotes for JCX-28-09:

[1] As described by the Department of the Treasury in the General Explanations of the Administration's Fiscal Year 2010 Revenue Proposals.

| [2] Estimate includes the following outlay effects: | <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>2019</u> | <u>2010-14</u> | <u>2010-19</u> |
|--|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Retain 10% bracket | --- | --- | 1,292 | 1,346 | 1,396 | 1,449 | 1,516 | 1,592 | 1,684 | 1,744 | 4,034 | 12,019 |
| Child credit | --- | --- | 16,539 | 16,718 | 16,846 | 16,886 | 16,902 | 16,985 | 16,967 | 17,153 | 50,103 | 134,996 |
| EIC part of marriage penalty..... | --- | --- | 3,987 | 4,045 | 4,090 | 4,079 | 4,095 | 4,156 | 4,214 | 4,300 | 12,122 | 32,966 |
| Marriage penalty..... | --- | --- | 1,865 | 1,870 | 1,881 | 1,866 | 1,876 | 1,911 | 1,942 | 1,983 | 5,616 | 15,194 |
| Other incentives for families and children..... | --- | --- | 139 | 453 | 280 | 282 | 281 | 281 | 280 | 276 | 872 | 2,271 |
| Provide Making Work Pay tax credit | --- | --- | 19,789 | 19,896 | 19,997 | 19,971 | 19,931 | 19,899 | 19,818 | 19,870 | 59,683 | 159,172 |
| Expand earned income credit..... | --- | --- | 2,729 | 2,709 | 2,685 | 2,649 | 2,637 | 2,669 | 2,712 | 2,756 | 8,123 | 21,546 |
| Expand refundability of the child tax credit..... | --- | --- | 9,031 | 9,102 | 9,197 | 9,227 | 9,266 | 9,302 | 9,352 | 9,394 | 27,330 | 73,872 |
| Expand Saver's credit | --- | --- | 1,229 | 1,203 | 1,147 | 1,122 | 1,135 | 1,051 | 1,112 | 1,103 | 3,579 | 9,102 |
| Require certain employers to establish automatic enrollment in IRAs | --- | --- | --- | 1,131 | 1,179 | 1,214 | 1,257 | 1,323 | 1,376 | 1,433 | 2,310 | 8,912 |
| Provide American Opportunity tax credit..... | --- | --- | 2,065 | 2,032 | 1,998 | 1,933 | 2,006 | 1,962 | 1,923 | 2,031 | 6,095 | 15,950 |
| Increase in limit on cover over of rum excise tax revenues [11]..... | 88 | 22 | --- | --- | --- | --- | --- | --- | --- | --- | 110 | 110 |
| Eliminate the advance earned income credit | -99 | -122 | -125 | -127 | -128 | -129 | -131 | -133 | -136 | -138 | -600 | -1,268 |
| Strengthen the financial integrity of unemployment insurance..... | --- | -523 | -420 | -196 | -196 | -199 | -201 | -205 | -207 | -208 | -1,336 | -2,356 |
| Restructure Assistance to New York City - Provide Tax Incentives for Transportation Infrastructure..... | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -200 | -1,000 | -2,000 |
| Total Outlay Effects | -211 | -823 | 57,920 | 59,982 | 60,172 | 60,150 | 60,370 | 60,593 | 60,837 | 61,497 | 177,041 | 480,486 |

[3] The provision that permanently extends the exclusion for undergraduate courses and graduate level courses is included in the Education

Incentives line and includes the following effects:

| | | | | | | | | | | | | |
|----------------------------|-----|------|------|------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Revenue Effects..... | --- | -707 | -964 | -993 | -1,022 | -1,053 | -1,085 | -1,117 | -1,151 | -1,185 | -3,685 | -9,276 |
| On-budget effects..... | --- | -460 | -653 | -671 | -692 | -713 | -734 | -756 | -779 | -803 | -2,476 | -6,260 |
| Off-budget effects..... | --- | -246 | -311 | -321 | -331 | -340 | -351 | -361 | -372 | -383 | -1,209 | -3,016 |

[4] Estimate includes extension of the adoption tax credit, employer-provided child care tax credit, and dependent care tax credit.

[5] Effective for net operating losses generated in either taxable years ending in 2008 and 2009 or taxable years beginning in 2008 and 2009.

[6] The proposal provides for user fees on air traffic control services provided to commercial aviation. Because specific information is unavailable, the estimate excludes the effects of the user fees.

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

[8] The extension of the section 30B alternative motor vehicle credit would only apply to medium and heavy duty hybrid vehicles as all other components of the section 30B credit are effective through at least December 31, 2010 under present law.

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

[10] Estimate reflects interaction with item V.J. "Modify Alternative Fuel Mixture Credit".

[Footnotes for JCX-28-09 are continued on the following page]

Footnotes for JCX-28-09 (continued):

- [11] Estimate provided by the Congressional Budget Office.
- [12] Provision extended in H.R. 1, the "American Recovery and Reinvestment Tax Act of 2009."
- [13] Effective for dividends with respect to taxable years of regulated investment companies beginning after December 31, 2009.
- [14] Negligible revenue effect.
- [15] The proposal provides for user fees based on lock usage. The estimate excludes the effect of the user fees.
- [16] Effective for employment tax returns required to be filed with respect to wages paid after December 31, 2009.
- [17] Effective for sales or assignment of interests in life insurance policies and payments of death benefits for taxable years beginning after December 31, 2010.
- [18] Transfers after the date of enactment of property subject to restrictions created after October 8, 1990 (the effective date of section 2704).