

JOINT COMMITTEE ON TAXATION
August 5, 2010
JCX-45-10

**ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN SENATE AMENDMENT #4575
TO THE MOTION TO CONCUR TO THE HOUSE MESSAGE ON H.R. 1586,
SCHEDULED FOR CONSIDERATION BY THE UNITED STATES SENATE ON AUGUST 5, 2010**

Fiscal Years 2011 - 2020

[Millions of Dollars]

| Provision | Effective | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2011-15 | 2011-20 |
|---|-------------------------------|--------------------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| 1. Rules to prevent splitting foreign tax credits from the income to which they relate..... | generally fitpoaa 12/31/10 | 170 | 240 | 375 | 390 | 575 | 600 | 550 | 500 | 450 | 400 | 1,750 | 4,250 |
| 2. Denial of foreign tax credit with respect to foreign income not subject to United States taxation by reason of covered asset acquisitions..... | generally caaa 12/31/10 | 45 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 1,645 | 3,645 |
| 3. Separate application of foreign tax credit limitation, etc., to items resourced under treaties..... | tyba DOE | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 125 | 250 |
| 4. Limitation on the amount of foreign taxes deemed paid with respect to section 956 inclusions..... | [1] | 5 | 20 | 40 | 60 | 80 | 99 | 100 | 100 | 100 | 100 | 205 | 704 |
| 5. Special rule with respect to certain redemptions by foreign subsidiaries..... | aa DOE | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 125 | 250 |
| 6. Modification of affiliation rules for purposes of rules allocating interest expense..... | tyba DOE | 225 | 150 | 10 | 5 | [2] | [2] | [2] | [2] | [2] | [2] | 390 | 390 |
| 7. Termination of special rules for interest and dividends received from persons meeting the 80-percent foreign business requirements..... | generally tyba 12/31/10 | 1 | 2 | 6 | 9 | 12 | 15 | 21 | 25 | 29 | 33 | 30 | 153 |
| 8. Limitation on extension of statute of limitations for failure to disclose certain foreign transactions..... | [3] | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | |
| 9. Elimination of advanced refundability of earned income credit [4]..... | tyba 12/31/10 | 153 | 122 | 102 | 102 | 103 | 105 | 107 | 110 | 112 | 114 | 583 | 1,131 |
| NET TOTAL | | 649 | 984 | 983 | 1,016 | 1,220 | 1,269 | 1,228 | 1,185 | 1,141 | 1,097 | 4,853 | 10,773 |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2010.

[Legend and Footnotes for JCX-45-10 appear on the following page]

Legend and Footnotes for JCX-45-10:

Legend for "Effective" column:

aa = acquisitions after

caaa = covered asset acquisitions after

DOE = date of enactment

fitpoaa = foreign income taxes paid or accrued after

tyba = taxable years beginning after

[1] Effective for acquisitions of U.S. property determined under section 956(c) after December 31, 2010.

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

[3] Effective as if included in section 513 of the "Hiring Incentives to Restore Employment Act."

| | | | | | | | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| [4] Estimate includes the following outlay effects..... | <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>2020</u> | <u>2011-15</u> | <u>2011-20</u> |
| | -84 | -98 | -100 | -101 | -102 | -103 | -105 | -107 | -109 | -111 | -485 | -1,021 |