

**DESCRIPTION OF THE REVENUE PROVISIONS IN THE
CHAIRMAN'S SUBSTITUTE "UNITED STATES-COLOMBIA
TRADE AGREEMENT IMPLEMENTATION ACT"**

Scheduled for Consideration
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on July 7, 2011

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



July 6, 2011
JCX-39-11

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INTRODUCTION

The House Committee on Ways and Means has scheduled a committee meeting on July 7, 2011, to consider proposed legislation implementing the United States–Colombia Trade Promotion Agreement Implementation Act. This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a description of the revenue provisions in the Chairman’s Substitute.

¹ This document may be cited as follows: Joint Committee on Taxation, “*Description of the Revenue Provisions in the Chairman’s Substitute “United States–Colombia Trade Agreement Implementation Act,”*” (JCX-39-11), July 6, 2011. This document can also be found on our website at www.jct.gov.

A. Time for Payment of Corporate Estimated Taxes

Present Law

In general, corporations are required to make quarterly estimated tax payments of their income tax liability.² For a corporation whose taxable year is a calendar year, these estimated tax payments must be made by April 15, June 15, September 15, and December 15. In the case of a corporation with assets of at least \$1 billion (determined as of the end of the preceding taxable year):

- (i) payments due in July, August, or September, 2014, are increased to 174.25 percent of the payment otherwise due;³
- (ii) payments due in July, August or September, 2015, are increased to 163.75 percent of the payment otherwise due;⁴ and
- (iii) payments due in July, August or September, 2019, are increased to 106.50 percent of the payment otherwise due.⁵

For each of the periods impacted, the next required payment is reduced accordingly.

Description of Proposal

The proposal increases the amount of the required installment of estimated tax otherwise due in July, August, or September, 2016, by 2.5 percent of such amount (determined without regard to any increase in such amount not contained in the Internal Revenue Code). The next required installment is reduced accordingly.

Effective Date

The proposal is effective on the date of enactment of the bill.

² Sec. 6655.

³ Haiti Economic Lift Program of 2010, Pub. L. No. 111-171, sec. 12(a); Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, sec. 1410; Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, sec. 561, (1); Act to extend the Generalized System of Preferences and the Andean Trade Preference Act, and for other purposes, Pub. L. No. 111-124, sec. 4; Worker, Homeownership, and Business Assistance Act of 2009, Pub. L. No. 111-92, sec. 18; Joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes, Pub. L. No. 111-42, sec. 202(b)(1).

⁴ Omnibus Trade Act of 2010, Pub. L. No. 111-344, sec. 10002; Small Business Jobs Act of 2010, Pub. L. No. 111-240, sec. 2131; Firearms Excise Tax Improvements Act of 2010, Pub. L. No. 111-237, sec. 4(a); United States Manufacturing Enhancement Act of 2010, Pub. L. No. 111-227, sec. 4002; Joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes, No. 111-210, sec. 3; Haiti Economic Lift Program of 2010, Pub. L. No. 111-171, sec. 12(b); Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, sec. 561, (2).

⁵ Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, sec. 561, (3).

B. Revenue Estimate

**ESTIMATED BUDGET EFFECTS OF THE REVENUE OFFSET PROVISIONS CONTAINED IN
 THE CHAIRMAN'S SUBSTITUTE TO THE "UNITED STATES-COLOMBIA TRADE PROMOTION
 AGREEMENT IMPLEMENTATION ACT," SCHEDULED FOR CONSIDERATION
 BY THE HOUSE COMMITTEE ON WAYS AND MEANS ON JULY 7, 2011**

Fiscal Years 2011 - 2021

[Millions of Dollars]

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2011-16	2011-21
Increase the amount of any required installment of corporate estimated tax due in July, August, and September 2016 by 2.5 percent for corporations with assets of at least \$1 billion	DOE	---	---	---	---	---	1,722	-1,722	---	---	---	---	1,722	---
NET TOTAL		---	---	---	---	---	1,722	-1,722	---	---	---	---	1,722	---

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2011

Legend for "Effective" column:
 DOE = date of enactment