

**- Committee on Finance -  
 ESTIMATED BUDGET EFFECTS OF S. 3125,  
 THE "JOBS, ENERGY, FAMILIES, AND DISASTER RELIEF ACT OF 2008"**

**Fiscal Years 2008 - 2018**

*[Millions of Dollars]*

| Provision | Effective | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-13 | 2008-18 |
|-----------|-----------|------|------|------|------|------|------|------|------|------|------|------|---------|---------|
|-----------|-----------|------|------|------|------|------|------|------|------|------|------|------|---------|---------|

**I. Energy Tax Incentives**

A. Energy Production Incentives

|  |             |      |      |      |      |      |      |      |      |      |      |      |        |        |
|--|-------------|------|------|------|------|------|------|------|------|------|------|------|--------|--------|
| 1. Extension and modification of the section 45 renewable energy credit - extend by three years (one year for wind facilities) the section 45 placed- in-service period (excluding refined coal, Indian coal, and solar facilities); place cap on annual allowable credit; add marine and hydrokinetic energy as qualified energy resource; allow new biomass units to qualify for credit; clarify definition of trash combustion facilities; treat sales of electricity to regulated public utilities as sales to unrelated persons, and change definition of qualified hydropower production (sunset 12/31/09 and 12/31/11)..... | [1]         | ---  | -158 | -375 | -573 | -728 | -796 | -826 | -852 | -881 | -899 | -956 | -2,632 | -7,046 |
| 2. Extension and modification of the section 48 energy credit - add CHP at 10% credit, increase fuel cell credit cap to \$1,500 per half KW, waive public utility rule, and allow against AMT (sunset 12/31/16).....   | [2]         | -38  | -125 | -188 | -224 | -203 | -194 | -207 | -218 | -211 | -119 | -51  | -971   | -1,777 |
| 3. Extend and modify credit for residential energy efficient property - allow credit against AMT, raise solar electric property cap to \$4,000; and add small wind (\$4,000 cap) and geothermal (\$2,000 cap) property (sunset 12/31/16).....  | ea 12/31/08 | ---  | -51  | -98  | -101 | -104 | -108 | -112 | -116 | -120 | -98  | ---  | -462   | -907   |
| 4. Extension and modification of special rule to implement FERC and State electric restructuring policy (sunset 12/31/09).....   | [3]         | -229 | -290 | -39  | 90   | 90   | 90   | 90   | 109  | 72   | 16   | ---  | -287   | ---    |



| Provision  | Effective      | 2008        | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2008-13        | 2008-18        |
|--|----------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| 7. Extension and modification of alternative fuel vehicle refueling property credit (sunset 12/31/10).....   | [8]            | -3          | -15           | -60           | -47           | -19           | -13           | -8            | 1             | 3             | 3             | 4             | -157           | -154           |
| 8. Certain income and gains relating to alcohol fuels and mixtures, biodiesel fuels and mixtures, and alternative fuels and mixtures treated as qualified income for publicly traded partnerships..... | tyba 12/31/11  | ---         | ---           | ---           | ---           | -3            | -6            | -8            | -9            | -10           | -12           | -13           | -9             | -61            |
| <b>Total of Transportation and Domestic Fuel Security Provisions .....</b>   |                | <b>4</b>    | <b>-305</b>   | <b>-196</b>   | <b>-79</b>    | <b>-158</b>   | <b>-179</b>   | <b>-220</b>   | <b>-262</b>   | <b>-162</b>   | <b>-127</b>   | <b>-92</b>    | <b>-913</b>    | <b>-1,777</b>  |
| <b>C. Energy Conservation and Efficiency Provisions</b>  |                |             |               |               |               |               |               |               |               |               |               |               |                |                |
| 1. Qualified energy conservation bonds (\$3.0 billion allocation) [4].....   | bia DOE        | [5]         | -24           | -66           | -102          | -119          | -119          | -119          | -119          | -119          | -119          | -119          | -430           | -1,025         |
| 2. Extension and modification of credit for energy efficiency improvements to existing homes (sunset 12/31/08).....  | ppisa 12/31/07 | ---         | -1,067        | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | -1,067         | -1,067         |
| 3. Extension of energy efficient commercial buildings deduction (sunset 12/31/13).....   | DOE            | ---         | -113          | -183          | -193          | -197          | -201          | -59           | 17            | 15            | 13            | 10            | -888           | -891           |
| 4. Extension and modification of energy efficient appliance credit .....   | apa 12/31/07   | -74         | -108          | -65           | -36           | -26           | -11           | -2            | ---           | ---           | ---           | ---           | -320           | -323           |
| 5. 10-year applicable recovery period for qualified smart electric distribution property, 150 declining balance method .....   | ppisa DOE      | ---         | -5            | -18           | -35           | -53           | -71           | -90           | -115          | -144          | -177          | -213          | -182           | -921           |
| 6. Extend qualified green building and sustainable design project bonds (\$2 billion authority) (sunset 9/30/12).....  | DOE            | ---         | ---           | -1            | -3            | -5            | -6            | -6            | -6            | -6            | -6            | -6            | -15            | -45            |
| 7. Special depreciation allowance for certain reuse and recycling property.....  | ppisa 12/31/07 | ---         | -19           | -33           | -26           | -20           | -17           | -14           | -10           | -8            | -7            | -8            | -115           | -162           |
| <b>Total of Energy Conservation and Efficiency Provisions .....</b>  |                | <b>-74</b>  | <b>-1,336</b> | <b>-366</b>   | <b>-395</b>   | <b>-420</b>   | <b>-425</b>   | <b>-290</b>   | <b>-233</b>   | <b>-262</b>   | <b>-296</b>   | <b>-336</b>   | <b>-3,017</b>  | <b>-4,434</b>  |
| <b>Total of Energy Tax Incentives .....</b>  |                | <b>-426</b> | <b>-2,860</b> | <b>-1,614</b> | <b>-1,595</b> | <b>-1,754</b> | <b>-1,767</b> | <b>-1,480</b> | <b>-1,394</b> | <b>-1,369</b> | <b>-1,326</b> | <b>-1,238</b> | <b>-10,018</b> | <b>-16,824</b> |
| <b>II. One-Year Extension of Temporary Provisions</b>  |                |             |               |               |               |               |               |               |               |               |               |               |                |                |
| <b>A. Extensions Primarily Affecting Individuals</b>   |                |             |               |               |               |               |               |               |               |               |               |               |                |                |
| 1. Deduction for State and local general sales taxes (sunset 12/31/08) [9].....  | tyba 12/31/07  | ---         | -1,529        | -213          | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | -1,742         | -1,742         |
| 2. Deduction for qualified tuition and related expenses (sunset 12/31/08).....   | tyba 12/31/07  | -41         | -1,182        | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | -1,223         | -1,223         |
| 3. Treatment of certain dividends of regulated investment companies (sunset 12/31/08).....   | [10]           | -10         | -61           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | ---           | -71            | -71            |

| Provision  | Effective      | 2008   | 2009          | 2010        | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2008-13       | 2008-18       |
|--|----------------|--|---------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------|---------------|
| 4. 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 12/31/08)..... | Da 12/31/07    | -29  | -264          | -15         | -16        | -18        | -18        | -19        | -20        | -21        | -22        | -23        | -360          | -465          |
| 5. Above-the-line deduction of up to \$250 for teacher classroom expenses (sunset 12/31/08)....  | tyba 12/31/07  | -2   | -189          |             |            |            |            |            |            |            |            |            | -190          | -190          |
| 6. Estate tax look-through for certain RIC stock held by nonresidents (sunset 12/31/08).....   | dda 12/31/07   | ----- <i>Negligible Revenue Effect</i> ----- |               |             |            |            |            |            |            |            |            |            |               |               |
| 7. Extend the treatment of RICs as "qualified investment entities" under section 897 (FIRPTA) (sunset 12/31/08).....   | 1/1/08         | -5   | -5            |             |            |            |            |            |            |            |            |            | -10           | -10           |
| 8. Exclusion of amounts received under qualified group legal services plans (sunset 12/31/08).....   | tyba 12/31/07  | -4   | -36           |             |            |            |            |            |            |            |            |            | -40           | -40           |
| <b>Total of Extensions Primarily Affecting Individuals</b> .....   |                | <b>-91</b>                                   | <b>-3,266</b> | <b>-228</b> | <b>-16</b> | <b>-18</b> | <b>-18</b> | <b>-19</b> | <b>-20</b> | <b>-21</b> | <b>-22</b> | <b>-23</b> | <b>-3,636</b> | <b>-3,741</b> |
| <b>B. Extensions Primarily Affecting Businesses</b>  |                |  |               |             |            |            |            |            |            |            |            |            |               |               |
| 1. Extend and modify the tax credit for R&E expenses (repeal the AIRC and increase the alternative simplified credit to 14% for 2008) (sunset 12/31/08).....   | apoa 12/31/07  | -3,224                                       | -2,455        | -962        | -813       | -702       | -592       | -481       | -299       | -149       | -111       | -111       | -8,747        | -9,897        |
| 2. Indian employment tax credit (sunset 12/31/08).....   | tyba 12/31/07  | [5]  | -49           | -9          | -1         |            |            |            |            |            |            |            | -59           | -59           |
| 3. Extend and modify the new markets tax credit (sunset 12/31/09).....   | ima 12/31/08   |  | -106          | -168        | -170       | -192       | -205       | -202       | -202       | -77        | [11]       | 7          | -841          | -1,315        |
| 4. 50% tax credit for certain expenditures for maintaining railroad tracks (sunset 12/31/08).....  | tyba 12/31/07  | -8   | -157          | [5]         | [5]        |            |            |            |            |            |            |            | -165          | -165          |
| 5. Extension of mine rescue team training credit (sunset 12/31/09).....  | pca DOE        |  | -1            | -1          | [5]        | [5]        | [5]        | [5]        | [5]        | [5]        | [5]        | [5]        | -2            | -4            |
| 6. 15-year straight-line cost recovery for qualified leasehold, restaurant and retail improvements and new restaurants (sunset 12/31/08).....                  | [12]           | -2,482                                       | -2,837        | -242        | -223       | -203       | -119       | -97        | -172       | -170       | -173       | -11        | -6,105        | -6,728        |
| 7. 7-year recovery period for certain motorsports racing track facilities (sunset 12/31/08).....   | ppisa 12/31/07 | -49  | -12           | -6          | -3         | [5]        | -1         | -1         | 3          | 7          | 7          | 7          | -72           | -48           |
| 8. Accelerated depreciation for business property on Indian reservations (sunset 12/31/08).....  | ppisa 12/31/07 | [5]  | -360          | -85         | 19         | 63         | 98         | 80         | 43         | 5          | -8         | -5         | -266          | -151          |
| 9. Extension of election to expense advanced mine safety equipment (sunset 12/31/09).....  | pca DOE        |  | -16           | -3          | 6          | 4          | 3          | 3          | 2          | 1          | [11]       |            | -6            |               |
| 10. Expensing of "Brownfields" environmental remediation costs (sunset 12/31/08).....  | epoa 12/31/07  |  | -368          | 21          | 25         | 29         | 26         | 23         | 20         | 17         | 15         | 14         | -267          | -178          |

| Provision  | Effective         | 2008 | 2009 | 2010   | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-13 | 2008-18 |
|--|-------------------|------|------|--------|------|------|------|------|------|------|------|------|---------|---------|
| 11. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico (sunset 12/31/08).....  | tyba 12/31/07     | -58  | -58  | ---    | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -116    | -116    |
| 12. Modify tax treatment of certain payments under existing arrangements to controlling exempt organizations (sunset 12/31/08).....  | proaa 12/31/07    | -14  | -21  | [5]    | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -35     | -35     |
| 13. Extension and modification of credit to holders of qualified zone academy bonds - allocations of bond authority (sunset 12/31/08).....   | oia 12/31/07      | [5]  | -6   | -13    | -19  | -24  | -25  | -24  | -23  | -23  | -22  | -22  | -87     | -201    |
| 14. Tax Incentives for Investment in the District of Columbia (sunset 12/31/08).....   | tyba 12/31/07     | -33  | -29  | -6     | -4   | -6   | -10  | -13  | -10  | -8   | -6   | -4   | -88     | -129    |
| 15. Economic development credit for American Samoa (sunset 12/31/08).....  | tyba 12/31/07     | -6   | -10  | ---    | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -16     | -16     |
| 16. Extend enhanced charitable deduction for contributions of food inventory and modify enhanced deduction to include special basis rule in certain cases (sunset 12/31/08); suspend percentage limitations for contributions of food by qualified farmers and ranchers (sunset 12/31/08)..... | [13]              | ---  | -87  | ---    | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -87     | -87     |
| 17. Extend enhanced charitable deduction for contributions of book inventory (sunset 12/31/08).....  | cma 12/31/07      | ---  | -22  | ---    | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -22     | -22     |
| 18. Enhanced charitable deduction for qualified computer contributions (sunset 12/31/08).....  | cmd tyba 12/31/07 | [5]  | -252 | ---    | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -252    | -252    |
| 19. Basis adjustment to stock of S corporations making charitable contributions of property (sunset 12/31/08).....   | tyba 12/31/07     | ---  | -37  | -2     | -3   | -3   | -3   | -3   | -3   | -3   | -3   | -2   | -49     | -63     |
| 20. Work opportunity tax credit for Hurricane Katrina employees (sunset 08/28/08).....   | 8/28/07           | ---  | -11  | -3     | -1   | -1   | [5]  | [5]  | ---  | ---  | ---  | ---  | -16     | -16     |
| 21. Exception under subpart F for active financing income (sunset 12/31/09).....   | tyba 12/31/08     | ---  | -960 | -3,010 | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -3,970  | -3,970  |
| 22. Look-through treatment of payments between related CFCs under foreign personal holding company income rules (sunset 12/31/09).....   | tyba 2008         | ---  | -143 | -468   | ---  | ---  | ---  | ---  | ---  | ---  | ---  | ---  | -611    | -611    |
| 23. Extension of treatment of certain qualified film and television productions (sunset 12/31/09).....   | qfatpca 12/31/08  | ---  | -8   | -47    | -8   | 20   | 11   | 6    | 5    | 4    | 4    | 3    | -32     | -10     |

| Provision   | Effective        | 2008                                 | 2009           | 2010          | 2011          | 2012          | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2008-13        | 2008-18        |
|---|------------------|--------------------------------------|----------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| 24. Extension and modification of duty suspension on wool products; wool research fund; wood duty refunds [9] [14].....   | DOE              | ---                                  | ---            | -12           | -29           | -29           | -30         | -31         | -17         | ---         | ---         | ---         | -100           | -148           |
| Total of Extensions Primarily Affecting Businesses .....  |                  | -5,874                               | -8,005         | -5,016        | -1,224        | -1,044        | -847        | -740        | -653        | -396        | -297        | -124        | -22,011        | -24,221        |
| <b>C. Other Extensions</b>  |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
| 1. Permanent authority to disclose information related to terrorist activities.....   | da DOE           | ----- <i>No Revenue Effect</i> ----- |                |               |               |               |             |             |             |             |             |             |                |                |
| 2. Permanent authority for undercover operations...   | 1/1/08           | [11]                                 | [11]           | [11]          | [11]          | [11]          | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | [11]           | [11]           |
| 3. 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 12/31/08) [6] [9] [14].....  | abiUSa 12/31/07  | ---                                  | -172           | -20           | ---           | ---           | ---         | ---         | ---         | ---         | ---         | ---         | -192           | -192           |
| Total of Other Extensions .....   |                  | [11]                                 | -172           | -20           | [11]          | [11]          | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | -192           | -192           |
| <b>Total of One-Year Extensions of Temporary Provisions .....</b>   |                  | <b>-5,965</b>                        | <b>-11,443</b> | <b>-5,264</b> | <b>-1,240</b> | <b>-1,062</b> | <b>-865</b> | <b>-759</b> | <b>-673</b> | <b>-417</b> | <b>-319</b> | <b>-147</b> | <b>-25,839</b> | <b>-28,154</b> |
| <b>III. Additional Relief</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
| <b>A. Individual Tax Relief</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
| 1. Set refundable threshold for the child tax credit at \$8,500 [9].....  | tyba 12/31/08    | ---                                  | -3,129         | ---           | ---           | ---           | ---         | ---         | ---         | ---         | ---         | ---         | -3,129         | -3,129         |
| 2. Tax treatment of certain income received in connection with the Exxon Valdez litigation (3-year income averaging with maximum retirement plan contribution of up to \$100,000).. | DOE              | ---                                  | -27            | -6            | -2            | -2            | -2          | -2          | -2          | -2          | -2          | -2          | -38            | -49            |
| <b>B. Business Related Provisions</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
| <b>1. Provisions related to film and television productions:</b>  |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
| <b>a. Modification of treatment of certain qualified film and television productions (sunset 12/31/09).....</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
|   | qfatpca 12/31/07 | -17                                  | -268           | -51           | 100           | 43            | 30          | 25          | 22          | 18          | 15          | 12          | -163           | -71            |
| <b>b. Modification of domestic production activities deduction for film production under section 199.....</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
|   | tyba 2007        | -3                                   | -15            | -25           | -34           | -37           | -39         | -42         | -45         | -49         | -52         | -56         | -153           | -397           |
| <b>2. Modification of rate of excise tax on certain wooden arrows designed for use by children [9] [15].....</b>  |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
|   | sfsa DOE         | [5]                                  | [5]            | [5]           | [5]           | [5]           | [5]         | [5]         | [5]         | [5]         | [5]         | [5]         | -1             | -2             |
| <b>3. Parity in mental health and substance use disorder benefits [9] [14].....</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
|   | 1/1/09           | ---                                  | ---            | -180          | -335          | -395          | -420        | -455        | -465        | -515        | -550        | -585        | -1,330         | -3,900         |
| <b>C. Modification of Penalty on Understatement of Taxpayer's Liability by Tax Return Preparer.....</b>   |                  |                                      |                |               |               |               |             |             |             |             |             |             |                |                |
|   | rpa 5/25/07      | ---                                  | -1             | -1            | -2            | -2            | -2          | -2          | -2          | -3          | -3          | -3          | -9             | -22            |

| Provision  | Effective         | 2008                                 | 2009           | 2010          | 2011         | 2012         | 2013          | 2014           | 2015         | 2016         | 2017          | 2018         | 2008-13       | 2008-18       |
|--|-------------------|--------------------------------------|----------------|---------------|--------------|--------------|---------------|----------------|--------------|--------------|---------------|--------------|---------------|---------------|
| <b>D. Other Provisions</b>   |                   |                                      |                |               |              |              |               |                |              |              |               |              |               |               |
| 1. Secure rural schools and community self-determination program [9] [14].....   | DOE               | -139                                 | -905           | -827          | -763         | -658         | 3             | 5              | 5            | 5            | 5             | 5            | -3,289        | -3,264        |
| 2. Clarify uniform definition of child [9].....  | tyba 12/31/08     | ---                                  | 10             | 202           | 207          | 173          | 178           | 184            | 190          | 196          | 202           | 208          | 769           | 1,749         |
| <b>Total of Additional Relief .....</b>  |                   | <b>-159</b>                          | <b>-4,335</b>  | <b>-888</b>   | <b>-829</b>  | <b>-878</b>  | <b>-252</b>   | <b>-287</b>    | <b>-297</b>  | <b>-350</b>  | <b>-385</b>   | <b>-421</b>  | <b>-7,343</b> | <b>-9,085</b> |
| <b>IV. Transportation and Infrastructure - Restoration of Highway Trust Fund Balance .....</b>   |                   |                                      |                |               |              |              |               |                |              |              |               |              |               |               |
|  | <b>9/30/08</b>    | ----- <i>No Revenue Effect</i> ----- |                |               |              |              |               |                |              |              |               |              |               |               |
| <b>V. Revenue Provisions</b>   |                   |                                      |                |               |              |              |               |                |              |              |               |              |               |               |
| A. Modify Tax Treatment of Offshore Nonqualified Deferred Compensation (sunset 12/31/08).....  | spa 12/31/18 [16] | ---                                  | 1,849          | 2,539         | 2,313        | 2,275        | 2,028         | 1,513          | 942          | 453          | 7,172         | 2,706        | 11,003        | 23,790        |
| B. Delay Implementation of Worldwide Allocation of Interest Expense until 2019 [17]....  | tyba 12/31/08     | ---                                  | ---            | ---           | 552          | 1,359        | 3,077         | 3,203          | 3,328        | 3,461        | 3,610         | 3,745        | 4,988         | 22,335        |
| C. Broker reporting of Customer's Basis in Securities Transactions.....  | [18]              | ---                                  | ---            | ---           | 34           | 214          | 465           | 794            | 1,286        | 1,611        | 1,737         | 1,840        | 713           | 7,980         |
| E. Modify Timing for Corporate Estimated Tax Payments [19].....  | DOE               | ---                                  | ---            | ---           | ---          | ---          | 26,899        | -26,899        | ---          | ---          | ---           | ---          | 26,899        | ---           |
| <b>Total of Revenue Provisions .....</b>   |                   | <b>---</b>                           | <b>1,849</b>   | <b>2,539</b>  | <b>2,899</b> | <b>3,848</b> | <b>32,469</b> | <b>-21,389</b> | <b>5,556</b> | <b>5,525</b> | <b>12,519</b> | <b>8,291</b> | <b>43,603</b> | <b>54,105</b> |
| <b>NET TOTAL (includes outlays) .....</b>  |                   | <b>-6,550</b>                        | <b>-16,789</b> | <b>-5,227</b> | <b>-765</b>  | <b>154</b>   | <b>29,585</b> | <b>-23,915</b> | <b>3,192</b> | <b>3,389</b> | <b>10,489</b> | <b>6,485</b> | <b>403</b>    | <b>42</b>     |
| <b>NET TOTAL (excludes outlays) .....</b>  |                   | <b>-6,411</b>                        | <b>-12,542</b> | <b>-4,500</b> | <b>-90</b>   | <b>763</b>   | <b>29,529</b> | <b>-23,967</b> | <b>3,141</b> | <b>3,320</b> | <b>10,425</b> | <b>6,426</b> | <b>6,745</b>  | <b>6,089</b>  |
| <b>VI. Disaster Relief</b>   |                   |                                      |                |               |              |              |               |                |              |              |               |              |               |               |
| A. Restructure New York Liberty Zone incentives (credits begin 2009 with maximum of \$115 million per year through 2018 and \$425 million in 2019 and 2020; New York Liberty Zone incentives sunset date of enactment) [20]..... | DOE               | 5                                    | -86            | -107          | -116         | -116         | -116          | -116           | -116         | -116         | -116          | -116         | -536          | -1,117        |

| Provision   | Effective                  | 2008                                  | 2009   | 2010   | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-13 | 2008-18 |
|---|----------------------------|---------------------------------------|--------|--------|------|------|------|------|------|------|------|------|---------|---------|
| B. Temporary Tax Relief for Federally declared disaster areas in 2008 and 2009 [21] [22]  |                            |                                       |        |        |      |      |      |      |      |      |      |      |         |         |
| 1. Expensing of Qualified Disaster Expenses - environmental remediation, debris removal or demolition of structures, or repairs.....  | apoa 12/31/07              | ---                                   | -13    | -20    | -12  | -3   | ---  | 1    | 1    | 1    | 1    | 1    | -48     | -43     |
| 2. Relax mortgage revenue bond limitations for presidentially declared disasters .....  | doa 12/31/07               | ---                                   | -2     | -6     | -8   | -8   | -8   | -8   | -8   | -8   | -8   | -8   | -32     | -72     |
| 3. 5-year carryback of NOLs for qualified disaster losses .....   | lai tyba 12/31/07          | ---                                   | -251   | -313   | -4   | 85   | 72   | 62   | 52   | 44   | 38   | 32   | -411    | -183    |
| 4. Special Rules for Use of Retirement Funds for Relief Relating to the Federal disaster areas:   |                            |                                       |        |        |      |      |      |      |      |      |      |      |         |         |
| a. Penalty-free withdrawals from retirement plans for qualified disaster recovery assistance distributions (capped at \$100,000 per taxpayer); allow amount of distribution to be repaid to an eligible retirement plan within three years and to be included in income ratably over three years..... | dmo/a tadd & before 1/1/10 | ---                                   | -145   | -48    | 18   | 21   | 1    | -3   | -3   | -2   | -2   | -2   | -154    | -166    |
| b. Recontributions of withdrawals for home purchases cancelled due to qualified storm damage.....   | [23]                       | ----- Negligible Revenue Effect ----- |        |        |      |      |      |      |      |      |      |      |         |         |
| c. Loans from qualified plans to individuals sustaining an economic loss due to the Federal disaster areas, but not so purchased or constructed on account of severe storms, tornadoes, or flooding giving rise to the designation of the area as a disaster area.....                                | [24]                       | ----- Negligible Revenue Effect ----- |        |        |      |      |      |      |      |      |      |      |         |         |
| 5. Employee Retention Credit for employers affected by Federal disaster areas declared in 2008 and 2009.....  | [25]                       | ---                                   | -310   | -198   | -93  | -35  | -6   | ---  | ---  | ---  | ---  | ---  | -642    | -642    |
| 6. Temporary suspension of limitations on qualified charitable contributions for relief efforts related to certain disaster areas.....  | [26]                       | ---                                   | -1,050 | -1,612 | 328  | 243  | 171  | 85   | 43   | 24   | 17   | 9    | -1,920  | -1,742  |

| Provision  | Effective                  | 2008   | 2009          | 2010          | 2011      | 2012       | 2013       | 2014      | 2015       | 2016       | 2017       | 2018       | 2008-13       | 2008-18       |
|--|----------------------------|--|---------------|---------------|-----------|------------|------------|-----------|------------|------------|------------|------------|---------------|---------------|
| C. Modifications to the Katrina Emergency Tax Relief Act of 2005   |                            |  |               |               |           |            |            |           |            |            |            |            |               |               |
| 1. Additional \$500 personal exemption for displaced individuals as a result of a Federally declared disaster area in 2008 and 2009 (staying as houseguests for at least 60 days) subject to maximum additional exemptions of \$2,000..... | DOE                        | ---  | -23           | -31           | -16       | -6         | ---        | ---       | ---        | ---        | ---        | ---        | -76           | -76           |
| 2. Increase in standard mileage rate for charitable use of a vehicle for providing relief related to the Federal disaster area.....  | [26]                       | ---  | -24           | -25           | -3        | -1         | ---        | ---       | ---        | ---        | ---        | ---        | -52           | -52           |
| 3. Mileage reimbursements to charitable volunteers excluded from gross income for providing relief related to the Federal disaster area up to standard business mileage rate.....  | [26]                       | ---  | -2            | -2            | [5]       | [5]        | ---        | ---       | ---        | ---        | ---        | ---        | -4            | -4            |
| 4. Exclusions of certain cancellations of indebtedness for certain taxpayers applicable to all federally declared disasters.....   | Dmo/a tadd & before 1/1/10 | ---  | -16           | -22           | -17       | -7         | -3         | -2        | -1         | ---        | ---        | ---        | -65           | -68           |
| 5. Extend replacement period for nonrecognition of gain for property located in Federally declared disaster areas in 2008 or 2009.....   | DOE                        | ---  | -86           | -217          | -10       | 2          | 4          | 7         | 10         | 12         | 13         | 15         | -305          | -248          |
| D. Reporting Requirements Relating to Disaster Relief Contributions .....  | rfa 12/31/08               | ----- <i>Negligible Revenue Effect</i> ----- |               |               |           |            |            |           |            |            |            |            |               |               |
| E. Relief for all Federally Declared Disasters - Individual Casualty Losses Deductible for Itemizers Without Regard to AGI (sunset 12/31/09).....  | tyba 12/31/08              | ---  | -603          | -232          | ---       | ---        | ---        | ---       | ---        | ---        | ---        | ---        | -835          | -835          |
| <b>Total of Disaster Relief Provisions .....</b>   |                            | <b>5</b>                                     | <b>-2,624</b> | <b>-2,853</b> | <b>55</b> | <b>172</b> | <b>115</b> | <b>27</b> | <b>-21</b> | <b>-44</b> | <b>-56</b> | <b>-68</b> | <b>-5,127</b> | <b>-5,290</b> |
| <b>VII. Alternative Minimum Tax</b>  |                            |  |               |               |           |            |            |           |            |            |            |            |               |               |
| 1. Extension of alternative minimum tax relief for nonrefundable personal credits and increased AMT exemption amount [27].....   | tyba 12/31/07              | -1,184                                       | -74,958       | 14,851        | [5]       | ---        | ---        | ---       | ---        | ---        | ---        | ---        | -61,291       | -61,291       |

| Provision   | Effective     | 2008          | 2009           | 2010          | 2011      | 2012       | 2013      | 2014      | 2015      | 2016      | 2017      | 2018     | 2008-13        | 2008-18        |
|---|---------------|---------------|----------------|---------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|----------|----------------|----------------|
| 2. Increase of AMT refundable credit amount for individuals with long-term unused credits for prior year minimum tax liability: |               |               |                |               |           |            |           |           |           |           |           |          |                |                |
| a. Remove AGI limits from refundable AMT credit and change usage rate of unused credit from 20% to 50%.....                     | tyba 12/31/07 | -41           | -1,832         | -262          | 200       | 276        | 191       | 120       | 106       | 99        | 91        | 84       | -1,467         | -966           |
| b. Abatement of incentive stock option AMT liability, penalty, and interest.....  | DOE           | -75           | -273           | -151          | -151      | -136       | -114      | -99       | -91       | -84       | -76       | -76      | -900           | -1,325         |
| <b>Total of Alternative Minimum Tax .....</b>   |               | <b>-1,300</b> | <b>-77,063</b> | <b>14,438</b> | <b>49</b> | <b>140</b> | <b>77</b> | <b>21</b> | <b>15</b> | <b>15</b> | <b>15</b> | <b>8</b> | <b>-63,658</b> | <b>-63,582</b> |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be August 1, 2008.

Legend for "Effective" column:

- |  |  |   |
|--|--|---|
| abiUSa = articles brought into the United States after | ea = expenditures after                      | qfatpca = qualified film and television     |
| apa = appliances produced after                        | epoia = expenditures paid or incurred after  | productions commencing after                |
| apoia = amounts paid or incurred after                 | epoid = expenses paid or incurred during     | rfa = returns filed after                   |
| bia = bonds issued after                               | fpsoua = fuels produced, sold, or used after | rpa = returns prepared after                |
| bib = bonds issued before                              | frap = Federal regulations are prescribed    | rtrbfa = returns required to be filed after |
| cma = contributions made after                         | ima = investments made after                 | sfsa = shafts first sold after              |
| cmd = contributions made during                        | lai = losses arising in                      | spa = services performed after              |
| da = disclosures after                                 | oia = obligations issued after               | tadd = the applicable disaster date         |
| Da = distributions after                               | pa = payments after                          | tyba = taxable years beginning after        |
| dda = decedents dying after                            | paa = penalties assessed after               | tyea = taxable years ending after           |
| dmo/a = distributions made on or after                 | pca = productions commencing after           | on or after                                 |
| Dmo/a = discharges made on or after                    | ppisa = property placed in service after     | wpoia = wages paid or incurred after        |
| DOE = date of enactment                                | proaa = payments received or accrued after   |   |

[Footnotes for Table #08-2 115 R1 are on the following page]

**Footnotes for Table #08-2 115 R1:**

- [1] The proposal is generally effective for property originally placed in service after December 31, 2008. The repeal of the credit phaseout is effective for taxable years ending after December 31, 2008. The production credit for marine renewables is effective for electricity produced and sold after the date of enactment in taxable years ending after the date of enactment.
- [2] The provision extending the 30% credit is generally effective on the date of enactment. The CHP credit and the increase in the credit cap for fuel cells apply to periods after the date of enactment, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code (the "Code") (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The provision relating to the restrictions on public utility property applies to periods after February 13, 2008, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Code (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The allowance of the credit against the alternative minimum tax is effective for taxable years beginning after the date of enactment.
- [3] The extension and change in definition applies to transactions after December 31, 2007. The change in timing of transfer of operational control is effective as if included in the American Jobs Creation Act of 2004. The exception for property located outside the United States applies to transactions after the date of enactment.
- [4] Credit rate set at 70 percent of the credit rate that would allow bonds to be issued without discount or premium.
- [5] Loss of less than \$500,000.
- [6] Estimate is preliminary and subject to change.
- [7] Effective for claims for credit or payment made on or after May 15, 2008.
- [8] Effective for property placed in service after the date of enactment, in taxable years ending after such date.
- [9] The provision includes the following fiscal year effects on outlays (a positive number represents an increase in outlays and a negative number represents a decrease in outlays):

|  | <u>2008</u> | <u>2009</u> | <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>2008-13</u> | <u>2008-18</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| a. Deduction for State and local general sales taxes (sunset 12/31/08)....   | ---         | 47          | 20          | ---         | ---         | ---         | ---         | ---         | ---         | ---         | ---         | 67             | 67             |
| b. Extension and modification of duty suspension on wool products; wool research fund; wood duty refunds [14].....   | ---         | ---         | 5           | 19          | 19          | 19          | 19          | 14          | ---         | ---         | ---         | 62             | 95             |
| c. 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 12/31/08) [6] [14]..... | ---         | 172         | 20          | ---         | ---         | ---         | ---         | ---         | ---         | ---         | ---         | 192            | 192            |
| d. Set refundable threshold for the child tax credit at \$8,500.....   | ---         | 3,129       | ---         | ---         | ---         | ---         | ---         | ---         | ---         | ---         | ---         | 3,129          | 3,129          |
| e. Modification of rate of excise tax on certain wooden arrows designed for use by children.....   | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | [11]        | 1              | 2              |
| f. Secure rural schools and community self-determination program [14].....   | 139         | 905         | 827         | 763         | 658         | -3          | -5          | -5          | -5          | -5          | -5          | 3,289          | 3,264          |
| g. Clarify uniform definition of child.....  | ---         | -6          | -175        | -167        | -138        | -142        | -146        | -150        | -154        | -159        | -164        | -628           | -1,402         |
| h. Mental health parity  | ---         | ---         | 30          | 60          | 70          | 70          | 80          | 90          | 90          | 100         | 110         | 230            | 700            |
| Total Effects on Outlays .....   | 139         | 4,247       | 727         | 675         | 609         | -56         | -52         | -51         | -69         | -64         | -59         | 6,342          | 6,047          |

[10] Effective for dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

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

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**Footnotes for Table #08-2 115 R1 (continued):**

- [12] Effective for qualified leasehold and restaurant improvements property placed in service after December 31, 2007 for and effective for qualified retail improvements and new restaurants for property placed in service after the date of enactment.
- [13] Effective for contributions made after December 31, 2007 and before January 1, 2009.
- [14] Estimate provided by the Congressional Budget Office.
- [15] Estimate does not include change in outlays
- [16] In the case of compensation attributable to services performed on or before December 31, 2008, effective for last tax year beginning before 2018.
- [17] Estimate assumes enactment of H.R. 3221, the "Housing and Economic Recovery Act of 2008."
- [18] Generally effective for transactions on or after January 1, 2010 for stock in a corporation; January 1, 2011 for mutual funds; and January 1, 2012 for other securities
- [19] Increase by 47.5 percentage points the required corporate estimated tax payments factor for corporations with assets of at least \$1 billion for payments due in July, August, and September 2013.
- [20] Estimate includes an increase in outlays of \$1,150 million for fiscal years 2008 through 2018.
- [21] Estimates are subject to change as additional data on the scope of provisions is finalized and the duration of proposal is determined.
- [22] A Federal disaster area means an area to which a major disaster has been declared by the President after December 31, 2007 and before January 1, 2010, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- [23] Effective for distributions made after the date which is 6 months before the applicable disaster date and before the date which is the day after the applicable disaster date.
- [24] Increase in loan limits effective for loans made after the date of enactment and before January 1, 2010; repayment relief for loans outstanding beginning on the date of enactment of the Housing and Economic Recovery Act of 2008, and ending on December 31, 2009.
- [25] Effective for wages paid or incurred during the four-month period beginning on the applicable disaster date.
- [26] Contributions made within 18 months of disaster for relief efforts related to disaster areas declared after December 31, 2007 and before January 1, 2010.
- [27] This estimate is done assuming other items of the bill are in place, and thus includes relevant interaction amounts.