JOINT COMMITTEE ON TAXATION July 17, 2015 JCX-102-15

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK OF OF A BILL TO EXTEND CERTAIN EXPIRING PROVISIONS SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON JULY 21, 2015

Fiscal Years 2016 - 2025

[Millions of Dollars]

Provision	Effective	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-20	2016-25
A. Individual Tax Extenders													
1. Above-the-line deduction of up to \$250 for teacher													
classroom expenses (sunset 12/31/16)	tyba 12/31/14	-255	-179									-434	-434
2. Discharge of indebtedness on principal residence excluded	·												
from gross income of individuals (sunset 12/31/16)	doia 12/31/14	-3,341	-1,781									-5,122	-5,122
3. Parity for exclusion from income for employer-provided													
mass transit and parking benefits (sunset 12/31/16) [1]	ma 12/31/14	-154	-34									-188	-188
4. Mortgage insurance premiums treated as qualified residence													
interest (sunset 12/31/16)	apoaa 12/31/14	-1,314	-1,004									-2,318	-2,318
5. Deduction for State and local general sales taxes (sunset													
12/31/16)	tyba 12/31/14	-3,489	-2,967	-240								-6,696	-6,696
6. Contributions of capital gain real property made for													
conservation purposes (sunset 12/31/16)	cmi tyba 12/31/14	-75	-53	-12	-2	-6	-18	-25	-21	-18	-49	-147	-280
7. Above-the-line deduction for qualified tuition and related													
expenses (sunset 12/31/16)	tyba 12/31/14	-360	-248									-608	-608
8. Tax-free distributions from IRAs to certain public charities													
for individuals age 70-1/2 or older, not to exceed \$100,000													
per taxpayer per year (sunset 12/31/16)	dmi tyba 12/31/14	-846	-488	-54	-58	-61	-64	-67	-71	-74	-77	-1,506	-1,860
B. Business Tax Extenders													
1. Research credit (sunset 12/31/16)	apoia 12/31/14	-7,869	-3,488	-2,176	-1,930	-1,685	-1,439	-1,272	-1,228	-839	-220	-17,148	-22,145
2. Minimum LIHTC rate for non-Federally subsidized new													
buildings (9%) (sunset 12/31/16)	1/1/15	[2]	[2]	-1	-1	[2]	[2]					-2	-2
3. Military housing allowance exclusion for determining area													
median gross income (sunset 12/31/16)	ido/a 1/1/15	-1	-2	-4	-5	-6	-6	-5	-5	-4	-4	-18	-42
4. Indian employment tax credit (sunset 12/31/16)	tyba 12/31/14	-74	-40	-11	-1							-126	-126
5. New markets tax credit (sunset 12/31/16)	cyba 12/31/14	-5	-28	-92	-175	-227	-259	-287	-296	-274	-199	-528	-1,844
6. Railroad track maintenance credit (sunset 12/31/16)	epoii tyba 12/31/14	-286	-138	[2]								-424	-424
7. Mine rescue team training credit (sunset 12/31/16)	tyba 12/31/14	-2	-1	[2]	[2]	[2]	[2]					-4	-4
8. Employer wage credit for activated military reservists													
(sunset 12/31/16)	pma 12/31/14	-1	-1									-2	-2

Provision	Effective	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-20	2016-25
9. Work opportunity tax credit (sunset 12/31/16)	iwbwftea 12/31/14	-1,340	-833	-329	-141	-103	-94	-46	-33	-15	-2	-2,747	-2,937
10. Qualified zone academy bonds (sunset 12/31/16)	oia 12/31/14	-1	-5	-14	-25	-31	-31	-30	-29	-28	-27	-76	-221
11. Classification of certain race horses as 3-year property													
(sunset 12/31/16)	ppisa 12/31/14	-95	-72	-14	26	39	44	39	22	6		-116	-5
 12. 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements (sunset 													
12/31/16) [3]	ppisa 12/31/14	-350	-495	-562	-553	-533	-509	-504	-502	-486	-434	-2,493	-4,928
13. 7-year recovery period for motorsports entertainment													
complexes (sunset 12/31/16) [4]	ppisa 12/31/14	-20	-24	-20	-13	-9	-8	-6	-2	3	5	-86	-95
14. Accelerated depreciation for business property on an													
Indian reservation (sunset 12/31/16)	ppisa 12/31/14	-218	-143	-34	32	67	75	51	18	-4	-8	-294	-163
15. Bonus depreciation:													
a. Additional first-year depreciation for 50% of basis	ppisa												
of qualified property (sunset 12/31/16) [5]	12/31/14 ityeasd	-90,449	3,162	30,862	19,994	14,563	9,619	5,115	2,427	1,057	608	-21,868	-3,042
b. Election to accelerate AMT credit in lieu of bonus	ppisa												
depreciation (sunset 12/31/16)	12/31/14 ityeasd	-107	-66	-54	-63	-68	-63	-51	-32	-15	-7	-360	-529
16. Enhanced charitable deduction for contributions of food													
inventory (sunset 12/31/16)	cma 12/31/14	-156	-106									-262	-262
17. Increased expensing limitations and treatment of certain real													
property as section 179 property (sunset 12/31/16)	tyba 12/31/14	-21,919	-1,194	7,293	4,619	3,342	2,254	1,220	592	273	160	-7,859	-3,361
18. Election to expense mine safety equipment (sunset													
12/31/16)	ppisa 12/31/14	-24	1	6	5	4	3	3	1	[6]		-8	
19. Special expensing rules for certain film and television													
productions (sunset 12/31/16)	pca 12/31/14	-378	-68	111	92	56	43	36	30	26	26	-187	-26
20. Deduction allowable with respect to income attributable													
to domestic production activities in Puerto Rico (sunset													
12/31/16)	tyba 12/31/14	-154	-80									-234	-234
21. Modification of tax treatment of certain payments under existing arrangements to controlling exempt organizations													
(sunset 12/31/16)	proaa 12/31/14	-30	-4									-34	-34
22. Treatment of certain dividends of RICs (sunset 12/31/16)	[7]	-176	-32									-208	-208
23. Treatment of RICs as "qualified investment entities"													
under section 897 (FIRPTA) (sunset 12/31/16)	1/1/15	-86	-16									-102	-102
24. Exception under subpart F for active financing income													
(sunset 12/31/16)	[8]	-9,975	-3,475									-13,450	-13,450
25. Look-through treatment of payments between related CFCs													
under foreign personal holding company income rules (sunset 12/31/16)	[8]	-2,296	-428									-2,724	-2,724
26. Exclusion of 100 percent of gain on certain small business stock (sunset 12/31/16)	saa 12/31/14	17	13			-232	-1,563	-1,403				-202	-3,167

Provision	Effective	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-20	2016-25
27. Basis adjustment to stock of S corporations making													
charitable contributions of property (sunset 12/31/16)	cmi tyba 12/31/14	-73	-27	-2								-102	-102
28. Reduction in S corporation recognition period for													
built-in gains tax (sunset 12/31/16)	tyba 12/31/14	-285	-129	-2	-2	-1						-419	-419
29. Empowerment zone tax incentives (sunset 12/31/16)	pa 12/31/14	-379	-154	-25	-16	-11	-10	-10	-8	-5	-5	-585	-624
30. Temporary 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 12/31/16) [9] [10]	abiUSa 12/31/14	-308	-28									-336	-336
31. American Samoa economic development credit													
(sunset 12/31/16)	tyba 12/31/14	-28	-5									-33	-33
C. Energy Tax Extenders													
1. Credit for section 25C nonbusiness energy property (sunset													
12/31/16)	ppisa 12/31/14	-826	-505									-1,331	-1,331
2. Second generation biofuel producer credit (sunset													
12/31/16)	fpa 12/31/14	-30	-15									-45	-45
3. Incentives for biodiesel and renewable diesel:													
a. Income tax credits for biodiesel fuel, biodiesel													
used to produce a qualified mixture, and small													
agri-biodiesel producers (sunset 12/31/16)	saua 12/31/14	-2,210	-353									-2,563	-2,563
b. Income tax credits for renewable diesel fuel and													
renewable diesel used to produce a qualified													
mixture (sunset 12/31/16)	saua 12/31/14					Estin	iate Includ	ed in Item	C.3.a				
c. Excise tax credits and outlay payments for													
biodiesel fuel mixtures (sunset 12/31/16)	saua 12/31/14					Estin	ıate Includ	ed in Item	C.3.a				
d. Excise tax credits and outlay payments for													
renewable diesel fuel mixtures (sunset 12/31/16)	saua 12/31/14					Estin	iate Includ	ed in Item	C.3.a				
4. Credit for the production of Indian coal													
(sunset 12/31/16)	cpa 12/31/14	-39	-17	-9	-6	-3	-1					-74	-75
5. Beginning-of-construction date for renewable power													
facilities eligible to claim the electricity production													
credit or investment credit in lieu of the production													
credit (sunset 12/31/16)	1/1/15		-109	-456	-899	-1,200	-1,393	-1,521	-1,601	-1,639	-1,674	-2,663	-10,492
6. Credit for construction of energy-efficient new homes													
(sunset 12/31/16)	haa 12/31/14	-361	-139	-68	-60	-52	-45	-28	-7			-680	-760
7. Special allowance for second generation biofuel plant													
property (sunset 12/31/16)	ppisa 12/31/14	-6	-1	2	1	1	1	1	[6]	[6]	[6]	-2	[2]
8. Energy efficient commercial buildings deduction (sunset													
12/31/16)	ppisa 12/31/14	-301	-61	8	7	6	5	4	4	3	2	-342	-324
9. Special rule for sales or dispositions to implement Federal													
Energy Regulatory Commission ("FERC") or State electric													
restructuring policy for qualified electric utilities (sunset													
12/31/16)	da 12/31/14	-597	-48	110	110	110	110	110	110	75	20	-315	110

Provision	Effective	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-20	2016-25
 Excise tax credits and outlay payments for alternative fuel, and excise tax credits for alternative fuel mixtures (including 													
extensions for liquefied hydrogen) (sunset 12/31/16)	fsoua 12/31/14	-794	-124									-918	-918
11. Credit for alternative fuel vehicle refueling property													
(non-hydrogen) (sunset 12/31/16)	ppisa 12/31/14	-81	-24	-7	-4	-2	1	1	1	1	1	-118	-112
12. Alternative motor vehicle credit for qualified fuel cell motor		_											
vehicles (sunset 12/31/16)	ppa 12/31/14	-5	-1									-6	-6
13. Credit for two-wheeled plug-in electric vehicles (sunset 12/31/16)	vaa 12/31/14	-3	-1	[2]	[2]							-4	-4
NET TOTAL		-152,154	-16,059	34,205	20,932	13,958	6,651	1,324	-631	-1,957	-1,884	-99,119	-95,619

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2015.

Legend for "Effective" column:

abiUSa = articles brought into the United States after epoii = expenses paid or incurred in pca = productions commencing after apoaa = amounts paid or accrued after fpa = fuel produced after pma = payments made after apoia = amounts paid or incurred after fsoua = fuel sold or used after ppa = property purchased after cma = contributions made after haa = homes acquired after ppisa = property placed in service after cmi = contributions made in ido/a = income determinations on or after proaa = payments received or accrued after cpa = coal produced after ityeasd = in taxable years ending after such date saa = stock acquired after cyba = calendar years beginning after iwbwftea = individuals who begin work for the employer after saua = sales and uses after da = dispositions after ma = months after tyba = taxable years beginning after dmi = distributions made in oia = obligations issued after vaa = vehicles acquired after doia = discharge of indebtedness after pa = periods after [1] Estimate includes the following effects: 2017 2022 2016-25 2016 2018 2019 2025 2016-20 Total Revenue Effects.... -154 -34 -188 -188 On-budget effects..... -101 -22 -123 -123 Off-budget effects..... -53 -12 -65 -65 ---

- [2] Loss of less than \$500,000.
- [3] Estimate includes interaction with section 179 and bonus depreciation.
- [4] Estimate includes interaction with bonus depreciation.
- [5] Estimate includes interaction with section 179.
- [6] Gain of less than \$500,000.
- [7] Effective for dividends paid with respect to any taxable year of regulated investment companies beginning after December 31, 2014.
- [8] Effective for taxable years of foreign corporations beginning after December 31, 2014, and for taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.
- [9] Estimate provided by the Congressional Budget Office.

[10] Estimate includes the following outlay effects:	<u>2016</u>	2017	2018	<u>2019</u>	2020	<u>2021</u>	2022	2023	2024	2025	2016-20	2016-25
Increase in limit on cover over of rum excise tax revenues to Puerto Rico												
and the Virgin Islands [9]	308	28									336	336