ESTIMATED BUDGET EFFECTS OF PROPOSED SENATE AMENDMENTS TO H.R. 3997, THE "DEFENDERS OF FREEDOM TAX RELIEF ACT OF 2007"

Fiscal Years 2008 - 2017

[Millions of Dollars]

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
Defits for Military and Volunteer Firefighters Permanently extend the election to include combat pay as earned income Special mortgage bonds rules for veterans: a. Permanently extend the qualified mortgage	tyba 12/31/07		-19	-11	-9	-7	-8	-7	-8	-6	-6	-47	-83
bond first-time homebuyer exception for veteransb. Increase the veterans mortgage bond volume limitation for certain states and modify the	bia 12/31/07	-3	-15	-32	-51	-70	-89	-110	-130	-152	-174	-171	-826
definition of a qualified veteran	bia 12/31/07	-1	-6	-14	-21	-27	-33	-40	-46	-52	-58	-69	-297
3. Survivor and disability payments with respect	1 1 / 1/1/07	F13	F13	F13	F1.3	F13	F13	F13	F13	F13	F13		2
to qualified military service	dodoo/a 1/1/07 rpa 12/31/07 &	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-2
wages	yba 12/31/07 w	1	-2	-2	-1	-1	-1	-1	-1	-1	-1	-4	-8
award of disability compensation	cfcorfa DOE	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
6. Permanently extend treatment of distributions to guardsmen called to active duty7. Permanent extension of disclosure authority	12/31/07	[1]	[1]	[1]	-1	-1	-1	-1	-1	-1	-1	1	-6
to the Department of Veterans Affairs [2]	10/01/08 -					,	No Revei	nue Effec	ct				
Roth IRAs or educational savings accounts	[3]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-4

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Suspension of 5-year period during service with the Peace Corps	tyba 12/31/07	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1
10. Employer wage credit for activated military reservists (20% of differential pay up to	•												
\$20,000; employers with less than 50 employees)	apa DOE & before 1/1/10		-1	-2	-1	-1	-1	[1]	[1]	[1]	[1]	-6	-7
11. Exclusion of certain State payments to military personnel	pmbo/a DOE -					Nag	liaibla P						
12. Exclusion of gain on sale of a principal	pilioo/a DOE -					Iveg	iigibie K	evenue L	гујест				
residence by certain employees of the intelligence community	soproo/a DOE	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-3
13. Special distribution rules for unused benefits in health flexible spending arrangements of	~-F	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]		_
individuals called to active duty	dma DOE -					Neg	ligible R	evenue E	Effect -				
allowance for purposes of determining income													
eligibility under low-income housing credits and bond-financed residential rental projects	idb after DOE & before 1/1/15	-3	-8	-13	-17	-19	-19	-19	-19	-19	-19	-60	-155
Total of Benefits for Military		-8	-52	-75	-102	-127	-153	-179	-206	-232	-260	-364	-1,402
II. Provisions that Raise Revenue													
1. Increase in penalty for failure to file													
partnership returns to \$100 per partner [4]	[5]	9	18	19	19	20	21	21	22	23	24	85	196
corporation returns to \$100 per shareholder [4] 3. Increase in penalty for failure to file	[5]	5	13	14	14	15	15	16	17	17	18	62	144
from \$100 to \$225	rrtbfa 12/31/07	8	30	31	31	32	32	32	33	33	34	132	296
4. Impose mark-to-market and 10-year income													
inclusion rule on individuals who expatriate	[6]	31	66	63	67	71	74	77	78	78	79	298	684
5. Require employer health plans to offer special enrollment option to reservists who lose Tricare													
coverage [2]	90da DOE	5	10	10	10	15	15	15	15	15	15	50	125
Total of Provisions that Raise Revenue	•••••	58	137	137	141	153	157	161	165	166	170	627	1,445
III. Tax Technical Corrections	 -						No Reve	nue Effec	ct				

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
IV. Parity in the Application of Certain Limits to Mental Health Benefits (sunset 12/31/08) [2]	1/1/08	-5	-15	-5								-25	-25
NET TOTAL	•••••	45	70	57	39	26	4	-18	-41	-66	-90	238	18

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment assumed to be December 20, 2007.

Legend for "Effective" column:

bia = bonds issued after cfcorfa = claims for credit or refund filed after dma = distributions made after dodoo/a = deaths or disabilities occurring on or after DOE = date of enactment idb = income determinations before pmbo/a = payments made before, on or after rpa = remuneration paid after rrtbfa = returns required to be filed after soproo/a = sales of personal residences occurring on or after tyba = taxable years beginning after yba = years beginning after

- [1] Loss of less than \$500,000.
- [2] Estimate provided by the Congressional Budget Office.
- [3] Generally effective with respect to deaths from injuries occurring on or after the date of enactment and deaths from injuries occurring on or after October 7, 2001, and before the date of enactment if such contribution is made not later than one year after the date of enactment.
- [4] Estimate assumes enactment of H.R. 3648, the Mortgage Forgiveness Debt Relief Act of 2007. In the absence of enactment of H.R. 3648 the provision may have no effect.
- [5] The provision is assumed effective as if included in the amendments made by H.R. 3648.
- [6] Generally effective for expatriations on or after the date of enactment. The tax on covered gifts and bequests is effective for gifts and bequests received on or after the date of enactment from expatriates whose expatriation date is on or after the date of enactment.