

Congress of the United States
JOINT COMMITTEE ON TAXATION
Washington, DC 20515-6453

December 18, 2025

MEMORANDUM

TO:

FROM:

SUBJECT: Revenue Estimate

This memorandum is in response to your request dated December 3, 2025, for a revenue estimate of a resolution of disapproval of IRS Notice 2025-28.

Among other changes, Notice 2025-28¹ provides applicable corporations that are partners in a partnership with two new elective methods to determine their distributive share of AFSI from a partnership investment for inclusion in the corporate partner's AFSI. One such optional method is generally calculated using 80 percent of the corporation's applicable financial statement inclusion of the partnership investment related income (the "top-down" election) rather than following the method within the proposed regulations (the "bottom-up" method) which required calculation of the corporation's distributive share of the partnership investment's applicable financial statement income.² Another election provided by the notice allows the applicable corporations to calculate their distributive share of AFSI from the partnership investment using such CAMT entity partner's taxable-income amount from the partnership investment, based on all applicable regular tax rules, as a proxy for AFSI (the "taxable-income" election), subject to certain limitations.

If Congress were to pass a joint resolution of disapproval, as described in U.S.C. sec. 802, with respect to Notice 2025-28, such notice would have no force or effect. The estimated effects of such joint resolution on Federal fiscal year budget receipts are provided in the table below.

¹ Notice 2025-28, 2025-34 I.R.B. 316, August 18, 2025.

² REG-112129-23; 89 F.R. 75062-75243; 2024-42 I.R.B. 787. October 15, 2024.

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Fiscal Years
[Billions of Dollars]

| <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> | <u>2031</u> | <u>2032</u> | <u>2033</u> | <u>2034</u> | <u>2035</u> | <u>2026-35</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|
| 0.5 | 0.8 | 0.9 | 0.9 | 1.0 | 1.1 | 1.1 | 1.2 | 1.3 | 1.4 | 10.3 |

Note: Details may not add to totals due to rounding.