ESTIMATED BUDGET EFFECTS OF THE "TELEPHONE EXCISE TAX REPEAL AND TAXPAYER PROTECTION AND ASSISTANCE ACT OF 2006," AS REPORTED BY THE COMMITTEE ON FINANCE

Fiscal Years 2007 - 2016

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
I. Repeal Excise Tax on Telephone and Other													
Communications Services	[1]	-1,225	-1,020	-622	-386	-316	-268	-213	-169	-146	-140	-3,569	-4,505
II. Taxpayer Protection and Assistance													
Low-income taxpayer clinics [2]	gma DOE						No Rever	ue Effect					
Clarification of enrolled agent credentials	DOE						No Rever	ue Effect					
3. Regulation of tax return preparers [2]	DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
Contract authority for examinations of preparers	DOE							ue Effect					
5. Regulation of refund anticipation loan facilitators [2]	1ya DOE												
6. Taxpayer access to financial institutions [2]	DOE												
Total of Taxpayer Protection and Assistance		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
• •													
III. Improvements in Tax Administration and Taxpayer													
Safeguards													
 Waiver of user fee for installment agreements using 													
automated withdrawals [2]	aeio/a 180da DOE												
2. Termination of installment agreements	foo/a DOE					Ne	gligible Re	evenue Ef	fect				
Individuals held harmless on improper levy on individual													
retirement plan	lartia 12/31/05					Ne	gligible Re	venue Ef	fect				
4. Office of Chief Counsel Review of offers-in-compromise	oicsopo/a DOE						No Rever	ue Effect					
5. Elimination of restriction on offsetting refunds from former													
residents	rpf tyea DOE						No Rever	ue Effect					
6. Revisions relating to termination of employment of IRS	, ,												
employees for misconduct	DOE					Ne	aliaible Re	venue Ef	fect				
7. Modification of collection due process procedures for	-					- •							
employment tax liabilities	lia 12/31/06	56	47	26	18	17	17	20	23	26	29	164	278
8. Extend time limit for contesting IRS levy to 2 years	[4]					Ne	aliaible Re	evenue Ef	fect				
9. Authorization for the IRS to require increased electronic	1.1					,	JJ						
filing of returns prepared by paid return preparers	DOE						No Rever	ue Effect					
10. Require IRS to develop direct electronic filing [2]	DOE												
11. Modifications to FreeFile program	DOE												
12. Study of clarifying recordkeeping responsibilities	DOE												
13. Modification of TIGTA reporting requirements	DOE												
14. Streamline reporting process for National Taxpayer													
Advocate	[5]						No Rever	ue Effect					
15. Whistleblower reforms [2]	ipo/a DOE	3	8	20	31	42	54	66	79	94	102	103	499

N. Reform of Penalties and Interest 1. Individual estimated tax 1. Individual estimated ta	Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
retain transaction less from levied amounts [2]	16 Authorization for the Eineneigl Management Consider to													
17. Clarification of definition of church its inquiry DOE No Revenue Effect Section Provided Provi	•	DOE						No Povor	uo Effoct					
18. Treatment of funds from Indian tribal governments as public carpity-invivate foundation classification. 19. Tax Court review of requests for equitable relief from joint and several liability. 20. Authorization of appropriations for tax tax wenforcement relief to the statute of initiations to file claims of the statute of initiations to file claims for refunds relating to human the Verticans Atfairs. 21. Extension of the statute of initiations to file claims for refunds relating to human to Veterans Atfairs. 22. Extension of the statute of initiations to file claims for refunds relating to human to Veterans Atfairs. 23. Extension of the statute of initiations to file claims for refunds relating to human to Veterans Atfairs. 24. Extension of the statute of initiations to file claims for refunds relating to the statute of initiations to the statute of initi		-												
public support for purposes of public charly-private foundation classification of lassification classification classification of passing the foundation of the state of the private in the foundation of the state of the private in the private in the private of the private in th		DOE						No never	iue Lileci					
Toundation classification [6] [7]	•													
18 Tax Court review of requisable relief from joint and several liability 18 18 18 18 18 18 18 1		[6]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	1
and several liability. 20. Authorization of appropriations for tax is we enforcement relating to human trafficking. 21. Regulation of payroll tax deposit agents. 1/1/07 22. Extension of the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veteran's Affairs. 22. Extension of the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veteran's Affairs. 23. Extension of the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veteran's Affairs. 24. Total of Improvements in Tax Administration and Taxpayer Safeguards. 25. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 26. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 27. Total of Improvements from 2007 through 2016. 28. Expansion of interest removal of through 2016. 29. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 29. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 29. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 20. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 20. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 20. Simplify corporate estimated tax panalty by increasing exception for small amount of tax kines Stool of \$1,000. 20. Simplify corporate estimated tax panalty simplify that the stool of \$1,000. 20. Simplify corporate estimated tax panalty simplify the simplify and the stool of \$1,000. 20. Simplify corporate estimated tax panalty simplify the simplify and the stool of \$1,000. 20. Simplify corporate estimated tax panalt		[o]	[/]	[/]	[/]	[/]	[/]	[/]	[/]	[/]	[/]	[/]	[/]	-1
20. Authorization of appropriations for tax law enforcement relating to human trafficking. 21. Regulation of payroll tax deposit agents. 22. Extension of the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veterars Affairs. 23. Care and Affairs. 24. Regulation of payroll tax deposit agents. 25. Total of Improvements in Tax Administration and Taxpayer Safeguards. 26. Regulation of Penalties and Interest 1. Individual estimated tax 1. Individual estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 25. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 26. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 27. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 28. Increase the amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty increasing exception for small amount of tax from \$500 to \$1,000. 29. Simplify copyrate estimated tax penalty increasing exception for small exception for small exception for small exception for small exce		Iftaoruo/a DOE					No	aliaihla Pa	wanua Ef	foct				
relating to human trafficking	•	illaoluo/a DOL					1100	gligible M	evenue Li	1601				
22. Extension of the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veterins / Affairs	1,1 1	DOE						No Povor	uo Effoct					
22. Extansion of the statute of limitations to file claims for refunds relating to dissibility determinations by the Department of Veteran's Affairs														
refunds relating to disability determinations by the Department of Veterans Affairs. clored DOE		1/1/0/					IVE	gligible Re	evenue En	ieci				
Department of Veteran's Affairs														
Total of Improvements in Tax Administration and Taxpayer Safeguards	, ,	ofoorto DOE	2	4	4	4	2	2	2	2	2	2	0	16
Taxpayer Safeguards	·	CICOIIA DOE	-2	-1	-1	-1	-2	-2	-2	-2	-2	-2	-0	-10
N. Reform of Penalties and Interest 1. Individual estimated tax 1. Individual estimated ta	•													
1. Individual estimated tax	Taxpayer Safeguards		57	54	45	48	57	69	84	100	118	129	259	760
2. Simplify corporate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000	IV. Reform of Penalties and Interest													
exception for small amount of tax from \$500 to \$1,000	Individual estimated tax	tyba 12/31/06	-97	-101	-105	-109	-113	-115	-117	-124	-131	-139	-524	-1,150
3. Increase the amount of taxable income used to define large corporations for purposes of estimated tax payments from \$1,000,000 to \$1,500,000 in \$50,000	Simplify corporate estimated tax penalty by increasing													
large corporations for purposes of estimated tax payments from \$1,000,000 to \$1,500,000 in \$50,000 \$1,500,000 in \$1,500,000 in \$50,000 \$1,500,000 in \$1,500,00	exception for small amount of tax from \$500 to \$1,000	tyba 12/31/06	-45	1	1	1	1	1	1	1	1	1	-42	-38
payments from \$1,000,000 to \$1,500,000 in \$50,000 in payments from \$20,000 to \$1,500,000 in \$1,500,0	3. Increase the amount of taxable income used to define													
increments from 2007 through 2016	large corporations for purposes of estimated tax													
4. Expansion of interest netting	payments from \$1,000,000 to \$1,500,000 in \$50,000													
5. Clarification of application of Federal tax deposit penalty	increments from 2007 through 2016	tyba 12/31/06	-92	-91	-89	-86	-86	-87	-88	-88	-90	-92	-444	-889
5. Clarification of application of Federal tax deposit penalty	4. Expansion of interest netting	iaa 12/31/10					-214	-222	-230	-237	-244	-251	-214	-1,398
6. Frivolous tax submissions [8] 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3														
6. Frivolous tax submissions	penalty	DOE	-1	-5	-5	-5	-6	-6	-6	-6	-7	-7	-22	-54
preparers	6. Frivolous tax submissions	[8]	3	3	3	3	3	3	3	3	3	3	15	30
8. Penalty for aiding and abetting the understatement of tax liability	Understatement of taxpayer's liability by tax return													
tax liability	preparers	rpa DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	1	2
9. Increase in criminal monetary penalty limitation for the underpayment or overpayment of tax due to fraud	8. Penalty for aiding and abetting the understatement of													
underpayment or overpayment of tax due to fraud	tax liability	aoa DOE -					Ne	gligible Re	evenue Ef	fect				
10. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements	9. Increase in criminal monetary penalty limitation for the							-						
10. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements	underpayment or overpayment of tax due to fraud	aaftaoa DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
arrangements	Double certain penalties, fines, and interest on													
11. Increase in penalty for bad checks and money orders	underpayments related to certain offshore financial													
12. Increase the amount of penalty excise taxes for excess lobbying and political campaign activity of section 501(c)(3) organizations	arrangements	oyo/a DOE		1	1	1	1	1	1	1	1	1	5	10
excess lobbying and political campaign activity of section 501(c)(3) organizations	11. Increase in penalty for bad checks and money orders	comora DOE	[3]	2	2	2	2	2	2	2	2	2	8	18
excess lobbying and political campaign activity of section 501(c)(3) organizations														
section 501(c)(3) organizations	· ·													
13. Penalty on erroneous refund claims		tyba DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	1	2
V. Confidentiality and Disclosure 1. Collection activities with respect to a joint return		[9]				2	2			2			9	19
1. Collection activities with respect to a joint return	Total of Reform of Penalties and Interest		-230	-188	-190	-191	-410	-421	-432	-446	-463	-480	-1,207	-3,448
1. Collection activities with respect to a joint return	V. Confidentiality and Disclosure													
· ·	•													
AND	disclosable based on oral request	rma DOE						No Rever	nue Effect					

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
2. Prohibition of disclosure of taxpayer identification													
number with respect to disclosure of accepted													
offers-in-compromise	dma DOE						No Reven	ue Effect					
Compliance by contractors with confidentiality	dma DOE						No Dover	Effect					
safeguards4. Higher standards for requests for and consents to	dina DOE						No Reven	iue Ellect					
disclosure	[10]						No Rever	ue Effect					
Civil damages for unauthorized disclosure or inspection	180da DOE												
Expanded disclosure in emergency circumstances	DOE												
7. Disclosure of taxpayer identity for tax refund purposes	DOE						No Rever	ue Effect					
Treatment of public records	boaa DOE												
Taxpayer identification number matching	DOE						No Rever	ue Effect					
10. Form 8300 disclosures	DOE						No Reven	ue Effect					
11. Expand penalty for disclosure or use of information by tax													
return preparer	rpa DOE						No Rever	ue Effect					
12. Restrict the use and disclosure of taxpayer information by													
return preparers for nontax purposes and offshore													
disclosures	uada DOE						No Reven	ue Effect					
Total of Confidentiality and Disclosure							No Reven	ue Effect					
VII. Miscellaneous Provisions 1. Expensing of broadband internet access expenditures													
(sunset after 12/31/10)	eia 6/30/06	-120	-118	-154	-220	53	124	98	79	65	61	-559	-132
2. Modification of refunds for kerosene used in aviation for	[40]	[7]	[7]	[7]	[7]	[-7]	[-1	[7]	[7]	[7]	[-7]	[7]	[7]
tax-exempt users of jet fuel 3. Declaration on Federal corporate income tax returns	[13] rff tyea DOE	[7]	[7]	[7]	[7]	[7]	[7] No Reven	[7]	[7]	[7]	[7]	[7]	[7]
4. Treatment of certified professional employer	,			_	_		No Reven	iue Elleci	_	_			
organizations as employers	wfspo/a 1/1/08		-2	-2	-3	-4	-4	-4	-5	-5	-6	-11	-35
5. Study on collecting estimated tax payments through the	DOE						No Dover	Effort					
electronic fund transfer system6. Study on use of voluntary withholding agreements	DOE												
7. Offset of State judicial debts against income tax refund	rpf tyea DOE						No Reven	ue Ellect					
Clarification of responsibilities of United States marshals	ipi tyca DOL						TVO TCVCI	ide Lifett					
attending the Tax Court	DOE						No Reven	ue Effect					
9. Authorization of appropriations to combat the tax gap and													
for tax law enforcement [2]	DOE						No Rever	ue Effect					
10. Annual tax gap report	DOE						No Reven	ue Effect					
Operations for the enforcement of tax laws relating to the													
hiring and continued employment of undocumented													
workers	DOE						No Reven	ue Effect					
12. Repeal dollar limitation on contributions to qualified	40101101		_									_	_
funeral trusts	cma 12/31/06	[3]	1	1	1	1	1	1	1	1	1	3	6
Administrative relief for certain late qualified terminable interest property elections	[14]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	[7]	-1	-2
interest property elections	נדין	[,]	[,]	[/]	[,]	[/]	[1]	[,]	[1]	[1]	[/]	- i	-2

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
Disclosure of written determinations Disclosure of Internet web site and name under which an	wdia DOE					Ne	gligible R	evenue E	fect				
organization does business	rfa 12/31/06					Ne	gligible R	evenue Ei	fect				
Modification to private foundation reporting of capital transactions	rfa 12/31/06					Ne	gligible R	evenue Ei	fect				
Disclosure that Form 990 is publicly available Expedited review process for certain tax-exemption	pomiora DOE						No Reve	nue Effect					
applications19. Extension of declaratory judgment procedures to	afa 12/31/06					Ne	gligible R	evenue Ei	fect				
non-501(c)(3) tax-exempt organizations	[15]					Ne	egligible R	evenue Ei	fect				
such equipment (sunset after 12/31/10)	ppisa DOE DOE	-80	-124 	-148 	-155 	-124 - <i> Ne</i>	-33 egligible R	51 evenue Ei	92 fect	129	144	-630 	-247
provisions	DOE						No Reve	nue Effect					
Total of Miscellaneous Provisions		-200	-243	-303	-377	-74	88	146	167	190	200	-1,198	-410
VIII. Revenue Offset Provisions													
1. Clarification of economic substance doctrine and													
related penalty provisions	teia DOE	402	1,127	1,270	1,427	1,631	1,877	2,154	2,445	2,643	2,722	5,857	17,698
Tax treatment of certain inverted corporate entities	tyba 2005	137	86	92	99	107	115	123	133	143	153	521	1,188
Total of Revenue Offset Provisions		539	1,213	1,362	1,526	1,738	1,992	2,277	2,578	2,786	2,875	6,378	18,886
NET TOTAL		-1,059	-184	292	620	995	1,460	1,862	2,230	2,485	2,584	663	11,283

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2006.

Legend for "Effective" column:

aaftaoa = actions and failures to act occurring after aeio/a = agreements entered into on or after afa = applications filed after aoa = actions occurring after boaa = before, on, and after cfcorfa = claims for credit or refunds filed after cma = contributions made after comora = checks or money orders received after dma = disclosures made after DOE = date of enactment eia = expenditures incurred after foo/a = failures occurring on or after

ipo/a = information provided on or after
lartia = levied amounts returned to individuals after
lia = levies issued after
Iftaoruo/a = liability for taxes arising or remaining
unpaid on or after
oicsopo/a = offers in compromise submitted or
pending on or after
oyo/a = open years on or after
pomiora = publications or materials
issued or revised after
ppisa = property placed in service after
rma = requests made after
rfa = returns filed after

rff = returns filed for
rpa = returns prepared after
rpf = refunds payable for
tyba = taxable years beginning after
tyea = taxable years ending after
teia = transactions entered into after
uada = use and disclosures after
wdia = written determinations issued after
wfspo/a = wages for services performed
on or after
180da = 180 days after
1ya = 1 year after

iaa = interest accrued after

Footnotes for the Table:

- [1] Effective for bills first rendered more than 90 days after the date of enactment.
- [2] Estimates of outlays and spending authority to be provided by Congressional Budget Office.
- [3] Gain of less than \$500,000.
- [4] Effective with respect to levies made after the date of enactment and levies made on or before the date of enactment provided that the nine-month period for filing suit has not expired as of the date of enactment.
- [5] The provision combining the reports is effective for reports in 2007 and thereafter. The provision authorizing reports on significant issues affected taxpayer rights is effective on the date of enactment.
- [6] Effective for support received, before, on, or after the date of enactment and for the determination of the status of any organization with respect to any taxable year beginning after the date of enactment.
- [7] Loss of less than \$500,000.
- [8] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).
- [9] Effective for any claim filed after the date of enactment or filed prior to such date but not withdrawn before the date which is 30 days after such date of enactment.
- [10] Provision applies to requests and consents made after the date which is three months after the date of enactment.
- [11] Estimate provided by the Congressional Budget Office.
- [12] Effective the date the United States Tax Court adopts a personnel management system after the date of enactment.
- [13] Generally effective for kerosene sold after September 30, 2005. The special rule applicable to kerosene purchased prior to October 1, 2005 and used in aviation on a farm for farming purposes is effective on the date of enactment.
- [14] Effective for requests for relief that relate to transfers made before, on, or after the date of enactment.
- [15] Effective for pleadings filed with respect to determinations (or requests for determinations) made after December 13, 2006.