ESTIMATED BUDGET EFFECTS OF H.R. 5970, THE "ESTATE TAX AND EXTENSION OF TAX RELIEF ACT OF 2006 ('ETETRA')," AS INTRODUCED IN THE HOUSE OF REPRESENTATIVES ON JULY 28, 2006

Fiscal Years 2007 - 2016

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
I. Increase Estate and Gift Tax Effective Exclusion Amount to \$5 Million; Make Unused Effective Exclusion Amount Portable Between Spouses; and Reduce Rates	[1]				-803	-14,096	-39,186	-44,073	-50,598	-57,157	-61,684	-14,899	-267,596
II. Extension and Expansion of Certain Tax Relief Provisions													
A. Extension and Modification of Certain Provisions													
 Deduction for qualified tuition and related expenses 													
(sunset 12/31/07)	pmi tyba 12/31/05	-1,621	-1,671									-3,292	-3,292
2. Extend and modify the new markets tax credit	DOE		400	400	470	400	005	000	000	77		007	4.000
(sunset 12/31/08)	DOE		-106	-168	-170	-192	-205	-202	-202	-77		-637	-1,322
(sunset 12/31/07)	tyba 12/31/05	-2,985	-2,145	-401								-5,531	-5,531
Extend and modify the research credit	apoia 12/31/05 &	2,000	2,110	101								0,001	0,001
(sunset 12/31/07)	apoia 12/31/06	-7,520	-4,168	-2,204	-1,583	-858	-188					-16,333	-16,522
Extend current work opportunity tax credit and													
welfare-to-work tax credit for 2006; and combine the two													
credits and modify the food-stamp recipient and ex-felon	:01 40/04/05	400		450		40			101			4 000	4 000
categories for 2007 (sunset 12/31/07)	wpoifibwa 12/31/05	-406	-325	-158	-75	-43	-20	-4	[2]			-1,006	-1,030
Extend election to include combat pay in earned income for purposes of the earned income credit													
(sunset 12/31/07)	tyba 12/31/06		-12									-12	-12
7. Extension and modification of qualified zone academy	tyba 12/51/00		-12									-12	-12
bonds (sunset 12/31/07)	bia 12/31/05	-7	-17	-30	-38	-40	-40	-40	-40	-40	-40	-132	-330
8. Above-the-line deduction for teacher classroom expenses													
capped at \$250 annually (sunset 12/31/07)	epoii tyba 12/31/05	-226	-153									-379	-379
Extend and expand to petroleum products the expensing													
of "Brownfields" environmental remediation costs (sunset	epoia 12/31/05	-563	-124	45	52	53	47	42	36	31	28	-536	-352
12/31/07)	ероја 12/31/05	-363	-124	45	32	33	47	42	30	31	20	-330	-352
(sunset 12/31/07)	tyba 12/31/05	-96	-24	-5	-9	-16	-48	-70	-46	-41	-36	-150	-392
11. Indian employment tax credit (sunset 12/31/07)	tyba 12/31/05	-68	-38	-10	-1							-118	-118
12. Accelerated depreciation for business property on Indian	•												
reservation (sunset 12/31/07)	ppisa 12/31/05	-469	-301	-65	77	153	170	117	46	-3	-13	-605	-288
13. 15-year straight-line cost recovery for qualified leasehold													
and restaurant improvements and new restaurant property	ppisa 12/31/05 &												
(sunset 12/31/07)	ppisa DOE	-418	-578	-649	-637	-609	-575	-572	-576	-559	-495	-2,891	-5,669
 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 12/31/07) [3]	abiUSa 12/31/05	-165	-19									-184	-184
and the virgin islands (sunset 12/01/01) [5]	abiood 12/01/00	-100	-13									-104	-104

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
15. Parity in the application of certain limits to mental health													
benefits (sunset 12/31/07) [4]	. DOE	-5	-25	-5								-35	-35
16. Charitable contributions of computer property:													
a. Expand charitable contribution allowed for scientific													
property used for research and for computer													
technology and equipment to include property													
assembled by the taxpayer [5]	tyba 12/31/05	-34	-20	-5	-1	-1	-1	-1	-1	-1	-1	-61	-66
b. Extend enhanced deduction for qualified computer	,,	-											
contributions (sunset for taxable years beginning													
after 12/31/07)	cmd tyba 12/31/05	-138	-68	-11								-217	-217
17. Availability of medical savings accounts (sunset	oma typa 12/01/00	100	00	• •									
12/31/07)	DOE					Ne	gligible Re	venue Effe	ect				
18. Suspension of 100 percent-of-net-income limitation on	DOL					740	gligible i to	vonao Enc	,01				
percentage depletion for oil and gas from marginal wells													
(sunset 12/31/07)	tyba 12/31/05	-146	-30									-176	-176
19. Economic development credit for American Samoa	tyba 12/31/03	-140	-30									-170	-170
(sunset taxable years beginning after 12/31/07)	. tyba 12/31/05	-17	-8									-25	-25
20. Restructure New York Liberty Zone incentives and	. tyba 12/31/05	-17	-0									-23	-23
•													
provide tax credit for transportation infrastructure (\$100													
million per year for 2007 through 2016; \$200 million for													
2017 through 2018; \$150 million for 2019; and \$100	DOF	00	50	457	400	444	440	440	444	440	440	444	000
million per year for 2020 through 2021	DOE	68	-53	157	-168	-114	-116	-116	-114	-113	-112	-111	-682
21. Extend placed-in-service date requirement to 12/31/09 for													
nonresidential real and residential rental property that													
qualifies for GO Zone bonus depreciation for counties or													
parishes in which more than 40 percent of the housing													
units were damaged by hurricanes in 2005; include certain													
other bonus depreciation property placed in service in													
qualified GO Zone extension property			-42	-290	-140	7	10	14	16	17	18	-465	-392
22. Authority for undercover operations (sunset 12/31/07)	DOE	[7]										[7]	[7]
23. Disclosures of certain tax return information:													
 a. Extend disclosure of tax return information to 													
facilitate combined employment tax reporting													
(sunset 12/31/07)	da 12/31/06						No Reven	ue Effect -					
 Extend authority to make disclosures regarding 													
terrorist activities (sunset 12/31/07)	da 12/31/06						No Reven	ue Effect -					
c. Extend disclosure of tax return information to carry													
out administration of income contingent repayment													
of student loans (sunset 12/31/07) [4]	. rma 12/31/06						No Reven	ue Effect -					
B. Other Provisions													
1. Expand section 199 manufacturing deduction to Puerto													
Rico (sunset after two taxable years)	. ftybi 2006	-107	-55									-162	-162
2. Refundable long-term individual AMT credits (phased out	•												
using PEP phase out) (sunset 12/31/12); stock option	tyba DOE &												
	,	-417	-519	-373	-245	-134	-30	274	455	464	474	-1,688	-51
reporting joj						-				-	-	,	
reporting [8] 3. Partial expensing for advanced mine safety equipment													
	cpoia DOE	-14	-18	1	8	6	5	4	4	2	1	-17	-1

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-1
Whistleblower Reforms (above-the-line deduction for													
costs) [9]	ipo/a DOE	2	3	7	11	15	20	25	30	33	36	38	182
6. Frivolous tax submissions	[10]	3	3	3	3	3	3	3	3	3	3	15	3
7. Addition of certain vaccines to the list of taxable vaccines:													
a. Permanently add the meningococcal vaccine to the list													
of taxable vaccines [11]	1ma DOE	1	[12]	[12]	[12]	[12]	[12]	-1	-1	-1	-1	[2]	_
b. Permanently add the vaccine against human													
papillomavirus ("HPV") to list of taxable vaccines [11]	1ma DOE	5	2	2	1	1	1	1	1	1	1	11	1
Clarification of taxation of certain settlement													
funds made permanent	[13]					-2	-5	-8	-9	-10	-11	-2	-4
9. Modification of active business definition under section													
355 made permanent	[13]					-2	-7	-11	-15	-17	-19	-2	
10. Revision of the qualified veterans' mortgage bond													
program made permanent	[13]					[2]	-1	-2	-4	-5	-6	[2]	
11. Capital gains treatment for certain self-created musical						• •							
works made permanent	[13]				[2]	-2	-2	-6	-6	-6	-7	-3	-
12. Reduction in minimum vessel tonnage limit to 6,000													
deadweight tons made permanent	[13]					-1	-5	-6	-7	-8	-9	-1	_
13. Modification of special arbitrage rules for certain funds	1												
(20% State limitation) made permanent	[13]			[2]	-1	-2	-2	-3	-3	-4	-5	-3	
14. Great Lakes domestic shipping to not disqualify vessel	[]			i-1	•	_	_	•	_	•	_	_	
from tonnage tax	tyba DOE	-2	-4	-4	-5	-5	-6	-6	-6	-7	-7	-20	_
15. Expand the qualified mortgage bond program (waive	.,	_	•	· ·	-	-	•	•	-	-	•		
first-time homebuyer requirement for veterans; restrict to	bia DOE &												
one exemption per person)	before 1/1/08	-16	-30	-37	-37	-37	-37	-37	-37	-37	-37	-156	-3
16. Exclusion of gain from sale of a principal residence	20.0.0 1, 1,00			٥.	٥.	٥.	٠.	0.	٥.	٠.	0.	.00	
by certain employees of the intelligence community													
(sunset 12/31/10)	soea DOE	[2]	[2]	[2]	[2]	[2]						-1	
17. Section 45K as applied to coke: repeal phaseout of		t-1	1-1	ı-ı	1-1	ı-ı						-	
the coke credit and clarify that petroleum coke does not													
qualify for the credit	[14]						No Rever	nue Effect -					
18. Nonrecognition of capital gains for Federal judges who	11							=					
sell property to avoid conflicts of interest	sa DOE	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	
19. Establish deduction for private mortgage insurance	04.202	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-1	[-]	•	
(sunset 12/31/07)	cia 12/31/06	-14	-77									-91	_
20. Modification of refunds for kerosene used in aviation	014 12/01/00	1-7										01	
for tax-exempt users of jet fuel	[15]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	
21. Deduction for 60% of qualified timber gain (sunset for	[10]	[4]	[-]	[~]	[~]	[~]	[~]	[-]	[-]	[-]	[-]	[4]	
dispositions of timber after 12/31/07)	Da DOE	-227	-103	-33	-32	-31	-30	-12	-3	-2	-2	-428	-4
22. Credit to holders of rural renaissance bonds (\$200	bia DOE &	ZZI	100	00	02	01	00	12	· ·	_	_	420	
million cap)	before 1/1/10	-8	-11	-12	-11	-10	-9	-9	-8	-7	-7	-52	_
23. Restoration of deduction for travel expenses of spouse	epoia DOE &	-0	111	12	111	10	-3	-3	-0	-1	-1	-02	
accompanying taxpayer on business travel	before 1/1/08	-39	-20									-59	_
24. Tax technical corrections:	551016 1/1/00	-39	-20									-00	_
a. Technical corrections relating to TIPRA CFC look-													
a. Technical confection relating to TIFKA CFC 100K-													

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2007-11	2007-16
Modification of effective date of exception from suspension rules for certain listed and reportable transactions	[17]						- No Reve	nue Effect					
Total of Extension and Expansion of Certain Tax Relief Provisions		15,650	-10,757	-4,246	-3,002	-1,862	-1,072	-627	-488	-388	-248	-35,522	-38,348
III. Surface Mining Control and Reclamation Act Amendments of 2006 [4] [18]	DOE	-10	-290	-330	-450	-490	-530	-570	-540	-330	-340	-1,570	-3,880
IV. Increase In Minimum Wage	DOE						No Reve	nue Effec	t				
NET TOTAL		15,660	-11,047	-4,576	-4,255	-16,448	-40,788	-45,270	-51,626	-57,875	-62,272	-51,991	-309,824

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:

abiUSa = articles brought into the United States after

apoia = amounts paid or incurred after

bia = bonds issued after

cia = contracts issued after

cmd = contributions made during

cpoia = costs paid or incurred after

cyba = calendar years beginning after

da = disclosures after

Da = dispositions after

DOE = date of enactment

epoia = expenditures paid or incurred after

epoii = expenses paid or incurred in

ftvbi = first taxable year beginning in

ipo/a = information provided on or after

pmi = payments made in

ppisa = property placed in service after

rma = returns made after

sa = sales after

soea = sales or exchanges after

tyba = taxable years beginning after

wpoifibwa = wages paid or incurred for individuals

beginning work after

1ma = one month after

- [1] Effective for estates of decedents dying, generation-skipping transfers, and gifts made, after December 31, 2009.
- [2] Loss of less than \$500,000.
- [3] Estimate provided by the Congressional Budget Office and should be considered preliminary and subject to change.
- [4] Estimate provided by the Congressional Budget Office.
- [5] The provision relating to charitable contributions for scientific property used for research is permanent. The provision relating to the enhanced deduction for charitable contributions of computer technology and equipment sunsets for taxable years beginning after December 31, 2007.
- [6] Effective as if included in the Gulf Opportunity Zone Act of 2005.
- [7] Gain of less than \$500,000.
- [8] Estimate assumes compliance provisions are permanent.
- [9] Estimate includes outlays and revenues.
- [10] The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under Section 6702(c) of the Internal Revenue Code of 1986, as amended.
- [11] Estimate includes outlay effects provided by the Congressional Budget Office.
- [12] Gain or loss of less than \$500,000.
- [13] Effective as if included in the Tax Increase Prevention and Reconciliation Act of 2005.
- [14] Effective as if included in the amendments made by section 1321 of the Energy Policy Act of 2005.
- [15] 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.
- [16] Effective as if included in section 103(b) of the Tax Increase Prevention and Reconciliation Act of 2005.
- [17] Effective as if included in section 903 of the American Jobs Creation Act of 2004.