ESTIMATED REVENUE EFFECTS OF A CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 2, THE "JOBS AND GROWTH TAX ACT OF 2003," SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON MAY 6, 2003

Fiscal Years 2003 - 2013

[Millions of Dollars]

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
I. Acceleration of Certain Previously Enacted Tax														
Reductions														
1. Expand the child credit to \$1,000 for 2003 through 2005;														
revert to present-law phase in for 2006 [1]	tyba 12/31/02	-13,711	-5,820	-15,468	-10,046								-45,045	-45,045
2. Accelerate the expansion of the 15% individual income														
tax rate bracket and the increase in the standard deduction for married taxpayers filing joint returns;														
revert to present-law phase in for 2006	tyba 12/31/02	-4,936	-24,904	-11.045	-2,491								-43,376	-43,376
3. Accelerate the expansion of the 10% bracket; revert	tyba 12/31/02	-4,330	-24,304	-11,040	-2,431								-40,070	-40,070
to present-law phase in for 2006	tyba 12/31/02	-1,549	-8.445	-6,596	-2,007								-18,597	-18,597
Accelerate the 2006 rate schedule	tyba 12/31/02	-9,531	-38,809	-19,811	-5,864								-74,015	-74,015
5. Increase individual AMT exemption amount by \$7,500	,	,		•	•									
single and \$15,000 joint for 2003 and 2004, maintain														
level for 2005	tyba 12/31/02	-1,540	-13,496	-20,045	-17,900								-52,981	-52,981
Total of Title I.		-31,267	-91,474	-72,965	-38,308								-234,014	-234,014
II. Depreciation and Expensing Provisions														
Increase bonus depreciation to 50% and extend														
through 12/31/05	ppisa 5/5/03 [2]	-9,467	-23,733	-62,552	-21,729	19,121	19,847	18,310	15,200	11,063	7,747	4,722	-78,512	-21,471
2. Increase section 179 expensing - increase the														
amount that can be expensed from \$25,000 to														
\$100,000 and increase the phaseout threshold														
amount from \$200,000 to \$400,000; include														
software in section 179 property; and index both the														
deduction limit and the phaseout threshold after 2003 (sunset after 2007)	tyba 12/31/02	-1,602	-2,657	-1,983	-3.673	-4.930	392	4.305	2,920	2,053	1.472	1.015	-14.454	-2,688
3. Extend 5-year NOL carryback from 2002 bill for	tyba 12/31/02	-1,002	-2,007	-1,903	-3,073	-4,930	392	4,303	2,920	2,000	1,472	1,015	-14,454	-2,000
2003 through 2005 and waive the AMT 90% limitation														
on the allowance of losses (including losses														
carried forward into tax years ending in 2003 through	NOLs gi													
2005 (sunset after 2005)	tyea 12/31/02	-711	-20,202	-10,915	-10,217	8,618	6,407	4,552	3,062	2,212	1,558	1,081	-27,021	-14,556
Total of Title II.		-11,780	-46,592	-75,450	-35,619	22,809	26,646	27,167	21,182	15,328	10,777	6,818	-119,987	-38,715
III. Dividends and Capital Gains														
Tax dividends with an 15%/5% rate structure;														
sunset 12/31/12 [3]	dri tyba 12/31/02	-4,315	-17,773	-19,507	-20,387	-21,587	-22,983	-24,559	-26,249	-28,909	-33,396	-26,101	-106,552	-245,766
2. Tax capital gains with an 15%/5% rate structure;	•	,	,	•	•	,	,	,	,	, -	,	,	•	•
sunset 12/31/12	so/a doi	-62	-928	-1,335	-3,042	-4,454	-4,660	-4,898	-5,119	-5,241	-4,012	2,703	-14,481	-31,048
Total of Title III.		-4,377	-18,701	-20,842	-23,429	-26,041	-27,643	-29,457	-31,368	-34,150	-37,408	-23,398	-121,033	-276,814

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
IV. Special Estimated Tax Rules for Certain 2003 Corporate Estimated Tax Payments	DOE	-12,826	12,826											
NET TOTAL [4] [5]		-60,250	-143,941	-169,257	-97,356	-3,232	-997	-2,290	-10,186	-18,822	-26,631	-16,580	-475,034	-549,543

Joint Committee on Taxation _____

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

Legend for "Effective" column:

DOE = date of enactment

gi = generated in doi = date of introduction NOLs = net operating losses dri = dividends received in ppisa = property placed in service after so/a = sales on or after tyba = taxable years beginning after tyea = taxable years ending after

- [1] Advance payment of 2003 child credit paid by rebate with safe harbor.
- [2] Does not apply to any property with binding contract in place before May 6, 2003.
- [3] The estimate assumes that any dividend from a foreign corporation or any dividend described in Internal Revenue Code section 404(k) would be taxed at ordinary rates. RIC and REIT shareholders receive tax relief to the extent that dividends paid by the RIC or REIT are qualified dividends received by the RIC or REIT. Also, we have assumed that the proposal would exclude qualified dividends from investment income for the purpose of Internal Revenue Code Section 163(d). We have assumed that certain anti-abuse rules, including the imposition of a 45-day holding period, would be adopted.

	2003	2004	2005	2006	2007	2008	2009	<u>2010</u>	<u>2011</u>	2012	<u>2013</u>	2003-08	2003-13	
[4] Includes the following outlay effects	3,618	1,042	4,653	4,244	45	44	45	52	65	9	8	13,646	13,825	
[5] Returns with AMT liability (millions):	2003	2004	2005	2006	2007	2008	2009	<u>2010</u>	<u>2011</u>	2012	2013			
Present law	2.2	3.7	9.7	14.9	19.2	23.8	26.8	30.0	14.2	17.3	20.3			
Change due to proposal	-0.7	-1.9	-7.3											