

**ESTIMATED REVENUE EFFECTS OF CHAIRMAN ARCHER'S AMENDMENT TO H.R. 3081,
THE "WAGE AND EMPLOYMENT GROWTH ACT OF 1999,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON NOVEMBER 9, 1999**

Fiscal Years 2000 - 2004

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2000-04
I. Amendments to the Fair Labor Standards Act of 1938							
		----- <i>No Revenue Effect</i> -----					
II. Small Business Provisions							
1. Accelerate 100% self-employed health insurance deduction and extend eligibility to those who choose not to participate in employer-subsidized health plans	tyba 12/31/00	---	-274	-1,040	-657	---	-1,971
2. Increase section 179 expensing to \$30,000	tyba 12/31/00	---	-359	-616	-350	-187	-1,513
3. 60% business meals deduction (excluding entertainment expenses) - phase in by 5 percentage points per year	tyba 12/31/00	---	-249	-763	-1,049	-1,098	-3,160
4. 80% business meals deduction for workers subject to DOT hours of service limitation	tyba 12/31/00	---	-38	-68	-62	-54	-221
5. Provide that Federal farm production payments are taxable in the year of receipt (ignore election to take the payments in an earlier year unless exercised)	DOE	----- <i>Negligible Revenue Effect</i> -----					
6. Coordinate farmer income averaging and the AMT and provide the same income averaging relief to commercial fishermen	tyba 12/31/00	---	-1	-2	-2	-2	-6
7. Repeal the occupational taxes relating to distilled spirits, wine, and beer	7/1/01	---	-68	-80	-80	-80	-308
Total of Small Business Provisions		---	-989	-2,569	-2,200	-1,421	-7,179
III. Pension Provisions							
A. Provisions for Expanding Coverage							
1. Increase contribution and benefit limits:							
a. Increase limitation on exclusion for elective deferrals to \$11,000 in 2001, \$12,000 in 2002, \$13,000 in 2003, \$14,000 in 2004; index in \$500 increments thereafter [1]							
	yba 12/31/00	---	-131	-315	-465	-574	-1,485
b. Increase limitation on SIMPLE elective contributions to \$7,000 in 2001, \$8,000 in 2002, \$9,000 in 2003, \$10,000 in 2004; index in \$500 increments thereafter [1]							
	yba 12/31/00	---	-5	-14	-22	-27	-67

Provision	Effective	2000	2001	2002	2003	2004	2000-04
c. Increase defined benefit dollar limit to \$160,000	yba 12/31/00	---	-18	-31	-40	-45	-134
d. Lower early retirement age to 62; lower normal retirement age to 65	yba 12/31/00	---	-3	-4	-4	-4	-16
e. Increase annual addition limitation for defined contribution plans to \$40,000 [1]	yba 12/31/00	---	-6	-11	-13	-14	-44
f. Increase qualified plan compensation limit to \$200,000 [1]	yba 12/31/00	---	-40	-69	-78	-83	-270
g. Increase limits on deferrals under deferred compensation plans of State-local governments and tax-exempt organizations to \$11,000 in 2001, \$12,000 in 2002, \$13,000 in 2003, and \$14,000 in 2004 [1]	yba 12/31/00	---	-52	-92	-107	-118	-369
2. Plan loans for subchapter S owners, partners, and sole proprietors	yba 12/31/00	---	-20	-30	-32	-35	-117
3. Modification of top-heavy rules	pyba 12/31/00	---	-4	-9	-11	-12	-36
4. Elective deferrals not taken into account for purposes of deduction limits	yba 12/31/00	---	-38	-71	-81	-85	-275
5. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations	yba 12/31/00	---	-16	-22	-22	-22	-82
6. Elimination of user fee for certain requests regarding employer pension plans; waiver applies only for request made during first 5 plan years [2]	rma 12/31/00	---	-9	-5	-5	---	-19
7. Definition of compensation for purposes of deduction limits [1]	yba 12/31/00	---	-1	-2	-3	-3	-9
8. Option to treat elective deferrals as after-tax contributions	tyba 12/31/00	---	50	100	131	144	426
9. Reduce PBGC premium for new plans of small employers [2]	pea 12/31/00	---	---	[3]	[3]	[3]	-1
10. Phase-in of additional PBGC premium for new plans; include additional variable premium relief for small employers [2]	pea 12/31/00	---	---	[3]	[3]	[3]	-9
Subtotal of Provisions for Expanding Coverage		---	-293	-578	-755	-881	-2,507
B. Provisions for Enhancing Fairness for Women							
1. Additional catch-up contributions for individual age 50 and above - increase in maximum contribution limits for pension plans by 10% annually beginning in 2001, not to exceed 40%	yba 12/31/00	---	-73	-151	-130	-97	-451
2. Equitable treatment for contributions of employees to defined contribution plans [1]	yba 12/31/00	---	-51	-77	-83	-90	-301
3. Faster vesting of certain employer matching contributions	pyba 12/31/00	-----	-----	-----	-----	-----	-----
							<i>Negligible Revenue Effect</i>

Provision	Effective	2000	2001	2002	2003	2004	2000-04
4. Simplify and update the minimum distribution rules by modifying post-death distribution rules, reducing (to 10%) the excise tax on failures to make minimum distributions, and directing the Treasury to simplify and finalize regulations relating to the minimum distribution rules	yba 12/31/00	---	-118	-212	-239	-268	-837
5. Clarification of tax treatment of division of section 457 plan benefits upon divorce	tdapma 12/31/00	----- Negligible Revenue Effect -----					
6. Modification of safe harbor relief for hardship withdrawals from 401(k) plans	yba 12/31/00	----- Negligible Revenue Effect -----					
Subtotal of Provisions for Enhancing Fairness for Women		---	-242	-440	-452	-455	-1,589
C. Provisions for Increasing Portability for Participants							
1. Rollovers allowed among governmental section 457 plans, section 403(b) plans, and qualified plans	dma 12/31/00	---	-7	-11	-12	-12	-41
2. Rollovers of IRAs to workplace retirement plans	dma 12/31/00	----- Negligible Revenue Effect -----					
3. Rollovers of after-tax retirement plan contributions	dma 12/31/00	----- Negligible Revenue Effect -----					
4. Waiver of 60-day rule	dma 12/31/00	----- Negligible Revenue Effect -----					
5. Treatment of forms of qualified plan distributions	yba 12/31/00	----- Negligible Revenue Effect -----					
6. Rationalization of restrictions on distributions	da 12/31/00	----- Negligible Revenue Effect -----					
7. Purchase of service credit in governmental defined benefit plans	ta 12/31/00	----- Negligible Revenue Effect -----					
8. Employers may disregard rollovers for cash-out amounts	da 12/31/00	----- Negligible Revenue Effect -----					
Subtotal of Provisions for Increasing Portability for Participants		---	-7	-11	-12	-12	-41
D. Provisions for Strengthening Pension Security and Enforcement							
1. Phase-in repeal of 150% of current liability funding limit; extend maximum deduction rule	yba 12/31/00	---	-7	-21	-33	-36	-98
2. Missing plan participants	[4]	----- Negligible Revenue Effect -----					
3. Periodic pension benefits statements	pyba 12/31/00	----- No Revenue Effect -----					
4. Civil penalties for breach of fiduciary responsibility [5]	voo/a DOE	----- No Revenue Effect -----					
5. Excise tax relief for sound pension funding	yba 12/31/00	---	-2	-3	-3	-3	-11
6. Notice of significant reduction in plan benefit accruals	pateo/a DOE	----- Negligible Revenue Effect -----					
7. Protection of investment of employee contributions to 401(k) plans	aiii TRA'97	----- Negligible Revenue Effect -----					
8. Repeal 100% of compensation limit for multiemployer plans	yba 12/31/00	---	-2	-4	-4	-4	-13
9. Technical correction to Saver Act	DOE	----- No Revenue Effect -----					
10. Model spousal consent language and qualified domestic relations order	DOE	----- No Revenue Effect -----					
11. Elimination of ERISA double jeopardy	aaocpo/a DOE	----- Negligible Revenue Effect -----					
Subtotal of Provisions for Strengthening Pension Security and Enforcement		---	-11	-28	-40	-43	-122

Provision	Effective	2000	2001	2002	2003	2004	2000-04
E. Provisions for Reducing Regulatory Burdens							
1. Modification of timing of plan valuations	pyba 12/31/00	----- <i>Negligible Revenue Effect</i> -----					
2. ESOP dividends may be reinvested without loss of dividend deduction	tyba 12/31/00	---	-19	-44	-56	-61	-180
3. Repeal transition rule relating to certain highly compensated employees	pyba 12/31/00	---	-2	-3	-3	-3	-10
4. Employees of tax-exempt entities [6]	DOE	----- <i>Negligible Revenue Effect</i> -----					
5. Treatment of employer-provided retirement advice	yba 12/31/00	----- <i>Negligible Revenue Effect</i> -----					
6. Pension plan reporting simplification [6]	1/1/01	----- <i>Negligible Revenue Effect</i> -----					
7. Improvement to Employee Plans Compliance Resolution System [6]	DOE	----- <i>Negligible Revenue Effect</i> -----					
8. Substantial owner benefits in terminated plans [2]	DOE	----- <i>Negligible Revenue Effect</i> -----					
9. Clarification of exclusion for employer-provided transit passes	tyba 12/31/00	---	-6	-10	-13	-14	-43
10. Repeal of multiple use test	yba 12/31/00	----- <i>Considered in Other Provisions</i> -----					
11. Flexibility in nondiscrimination and line of business rules [6]	DOE	----- <i>Negligible Revenue Effect</i> -----					
12. Extension to international organization of moratorium on application of certain nondiscrimination rules applicable to State and local government plans	yba 12/31/00	----- <i>Negligible Revenue Effect</i> -----					
13. Notice and consent period regarding distributions	yba 12/31/00	----- <i>No Revenue Effect</i> -----					
14. Annual report dissemination	rf yba 12/31/98	----- <i>No Revenue Effect</i> -----					
15. Excess benefit plans	yba 12/31/99	----- <i>Negligible Revenue Effect</i> -----					
16. Benefit suspension notice	pyba 12/31/99	----- <i>No Revenue Effect</i> -----					
17. Clarification of church welfare plan status under State insurance law	DOE	----- <i>No Revenue Effect</i> -----					
Subtotal of Provisions for Reducing Regulatory Burdens		---	-27	-57	-72	-78	-233
F. Provisions relating to plan amendments	DOE	----- <i>No Revenue Effect</i> -----					
Total of Pension Provisions		---	-580	-1,114	-1,331	-1,469	-4,492
IV. Extension of Expiring Provisions							
1. Work opportunity tax credit; credit cannot be claimed until after 9/30/00 (through 12/31/01)	wpoifibwa 6/30/99	---	-550	-293	-151	-58	-1,051
2. Welfare-to-work tax credit; credit cannot be claimed until after 9/30/00 (through 12/31/01)	wpoifibwa 6/30/99	---	-127	-79	-47	-19	-272
Total of Extension of Expiring Provisions		---	-677	-372	-198	-77	-1,323

Provision	Effective	2000	2001	2002	2003	2004	2000-04
V. Estate and Gift Tax Relief Provisions							
1. Reduction in estate, gift, and generation-skipping transfer taxes: beginning in 2001, convert the unified credit into a true exemption, repeal the 5% "bubble" (which phases out the lower rates); repeal rates in excess of 53%; in 2002, repeal rates in excess of 50%; in 2003 through 2004, reduce all rates by 1 percentage point a year; proportionately reduce State tax credit rates	dda & gma 12/31/00 ta 12/31/99	---	---	-4,166	-5,612	-6,379	-16,157
2. Provide deemed allocation of GST exemption		---	-1	-3	-4	-4	-12
3. Provide retroactive allocation of GST for unnatural orders of death	generally ea 12/31/99	---	-4	-5	-6	-6	-21
4. Allow severances of trusts holding property having an inclusion ratio of greater than zero	---	----- Included in Estate and Gift Item 3. -----					
5. Modify certain valuation rates	---	----- Included in Estate and Gift Item 3. -----					
6. Provide relief from late elections	---	----- Included in Estate and Gift Item 3. -----					
7. Provide rule of substantial compliance	---	----- Included in Estate and Gift Item 3. -----					
8. Expand estate tax rule for conservation easements - increase the 25-mile limit to 50 miles; increase 10-mile limit to 25 miles, and clarify that the date for determining easement compliance	dda 12/31/99 & dda 12/31/97	---	-10	-13	-19	-20	-62
Total of Estate and Gift Tax Relief Provisions		---	-15	-4,187	-5,641	-6,409	-16,252
VI. Distressed Communities and Industries Provisions							
A. "American Community Renewal Act of 1999"							
1. Designate 15 renewal communities within 36 months; provide various incentives (zero capital gains tax on certain 5-year investments; special deduction for real estate revitalization expenditures; special expensing for certain business property; work opportunity tax credit; environmental remediation expenses; family development accounts) beginning 1/1/01 and ending 12/31/07	DOE	---	-104	-202	-208	-205	-720
B. Timber Incentives							
1. Increase maximum reforestation expenses qualifying for amortization and credit from \$10,000 to \$25,000; remove cap on amortization of reforestation costs in 2001 through 2003	tyba 12/31/00	---	-5	-15	-22	-27	-70
Total of Distressed Communities and Industries Provisions		---	-109	-217	-230	-232	-790

Provision	Effective	2000	2001	2002	2003	2004	2000-04
VII. Real Estate Provisions							
A. Improvements in the Low-Income Housing Credit - increase per capita credit by \$0.10 per year through 2004; thereafter COLA; \$2 million small State minimum beginning in 2001; COLA beginning in 2005; modify stacking rules and credit allocation rules; certain Native American housing assistance disregarded in determining whether building is Federally subsidized for purposes of the low-income housing credit	tyba 12/31/00	---	-5	-26	-75	-153	-259
B. Real Estate Investment Trust (REIT) Provisions							
1. Impose 10% vote or value test	tyba 12/31/00	---	2	8	8	8	26
2. Treatment of income and services provided by taxable REIT subsidiaries	tyba 12/31/00	---	60	158	53	23	294
3. Personal property treatment for determining rents from real property for REITs	tyba 12/31/00	---	-1	-1	-1	-1	-3
4. Special foreclosure rule for health care REITs	tyba 12/31/00	----- Negligible Revenue Effect -----					
5. Conformity with RIC 90% distribution rules	tyba 12/31/00	---	1	1	1	1	3
6. Clarification of definition of independent operators for REITs	tyba 12/31/00	----- Negligible Revenue Effect -----					
7. Modification of earnings and profits rules	da 12/31/00	---	-6	-3	-3	-3	-16
C. Accelerate 5-Year Phasein of Private Activity Bond Volume Cap	cyba 12/31/00	---	-9	-36	-75	-117	-237
D. Exclusion from Gross Income for Certain Forgiven Mortgage Obligations	doia 12/31/00	---	-2	-6	-6	-6	-20
Total of Real Estate Provisions		---	40	95	-98	-248	-212
NET TOTAL		---	-2,330	-8,364	-9,698	-9,856	-30,248

Joint Committee on Taxation

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

Legend for "Effective" column:

aaocpo/a = any action or claim pending on or after
 aiii TRA'97 = as if included in the Taxpayer Relief Act of 1997
 cyba = calendar years beginning after
 da = distributions after
 doia = discharges of indebtedness after
 dda = decedents dying after
 dma = distributions made after
 DOE = date of enactment
 ea = events after
 gma = gifts made after
 pateo/a = plan amendments taking effect on or after

pea = plans established after
 pyba = plan years beginning after
 rf = reports for
 rma = requests made after
 ta = transfers after
 tdapma = transfers, distributions, and payments made after
 tyba = taxable years beginning after
 voo/a = violations occurring on or after
 wpoifbwa = wages paid or incurred for individuals beginning work after
 yba = years beginning after

[Footnotes for JCX-81-99 appear on the following page]

Footnotes for JCX-81-99:

- [1] Provision includes interaction with other provisions in Provisions for Expanding Coverage.
- [2] Estimate provided by the Congressional Budget Office.
- [3] Loss of less than \$5 million.
- [4] Effective for distributions from terminating plans that occur after the PBGC has adopted final regulations implementing provision.
- [5] Department of Labor penalties.
- [6] Directs the Secretary of the Treasury to modify rules through regulations.