

**ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4297,
THE "TAX RELIEF EXTENSION RECONCILIATION ACT OF 2005,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON NOVEMBER 15, 2005**

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
I. Extension and Modification of Certain Provisions													
Expiring in 2005													
1. Treatment of nonrefundable personal credits under the individual alternative minimum tax (sunset 12/31/06) [1].....	tyba 12/31/05	-565	-2,260	---	---	---	---	---	---	---	---	-2,825	-2,825
2. Tax incentives for business activities on Indian reservations:													
a. Indian employment tax credit (sunset 12/31/06)	tyba 12/31/05	-21	-29	-11	-1	---	---	---	---	---	---	-62	-62
b. Accelerated depreciation for business property on Indian reservations (sunset 12/31/06)	ppisa 12/31/05	-161	-280	-104	23	77	120	98	52	6	-10	-445	-179
3. Extend and modify the work opportunity tax credit (sunset 12/31/06).....	wpoifibwa 12/31/05	-125	-193	-87	-38	-23	-13	-2	---	---	---	-466	-480
4. Welfare-to-work tax credit (sunset 12/31/06).....	wpoifibwa 12/31/05	-12	-27	-24	-12	-6	-3	-1	[2]	---	---	-80	-85
5. Enhanced deduction for qualified computer contributions (sunset 12/31/06)	cmd tyba 12/31/05	-66	-55	---	---	---	---	---	---	---	---	-121	-121
6. Availability of Archer medical savings accounts (sunset 12/31/06)	DOE	----- Negligible Revenue Effect -----											
7. 15-year straight-line cost recovery for qualified leasehold improvements (sunset 12/31/06).....	ppisa 12/31/05	-46	-138	-181	-177	-171	-155	-146	-155	-152	-150	-714	-1,472
8. 15-year straight-line cost recovery for qualified restaurant improvements (sunset 12/31/06).....	ppisa 12/31/05	-22	-56	-68	-68	-68	-67	-67	-65	-63	-57	-283	-601
9. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells (sunset 12/31/06)	tyba 12/31/05	-46	-25	---	---	---	---	---	---	---	---	-70	-70
10. Tax incentives for investment in the District of Columbia (sunset 12/31/06)	tyba 12/31/05	-58	-30	-2	-1	-4	-13	-46	-23	-21	-23	-95	-221
11. Phaseout possession tax credit with respect to American Samoa (sunset tyba 12/31/06).....	tyba 12/31/05	-2	-8	---	---	---	---	---	---	---	---	-10	-10
12. Parity in the application of certain limits to mental health benefits (sunset 12/31/06) [3]	DOE	-3	-45	-10	---	---	---	---	---	---	---	-58	-58
Total of Extension and Modification of Certain Provisions Expiring in 2005		-1,127	-3,146	-487	-274	-195	-131	-164	-191	-230	-240	-5,229	-6,184
II. Other Extensions and Modifications													
1. Extend and expand to petroleum products the expensing of "Brownfields" environmental remediation costs (sunset 12/31/07).....	epoia 12/31/05	-219	-375	-130	47	54	56	49	44	38	32	-625	-406

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2. Controlled foreign corporations:													
a. Exception under subpart F for active financing income (sunset 12/31/08).....	[4]	---	-775	-2,339	-1,682	---	---	---	---	---	---	-4,796	-4,796
b. Look-through treatment of payments between related CFCs under foreign personal holding company income rules (sunset 12/31/08).....	[5]	-82	-237	-260	-167	---	---	---	---	---	---	-746	-746
3. Tax capital gains and dividends with a 15%/0% rate structure:													
a. Capital gains (sunset 12/31/10).....	tyba 12/31/08	---	---	-1,549	-8,375	2,672	-54	-12,698	[2]	[2]	---	-7,252	-20,004
b. Dividends (sunset 12/31/10).....	tyba 12/31/08	---	---	-860	-4,431	-8,008	-9,368	-6,326	-1,224	-450	-112	-13,299	-30,779
Total of Other Extensions and Modifications.....		-301	-1,387	-5,138	-14,608	-5,282	-9,366	-18,975	-1,180	-412	-80	-26,718	-56,731
NET TOTAL		-1,428	-4,533	-5,625	-14,882	-5,477	-9,497	-19,139	-1,371	-642	-320	-31,947	-62,915

Joint Committee on Taxation

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

Legend for "Effective" column:

cmd = contributions made during
epoia = expenses paid or incurred after
DOE = date of enactment

ppisa = property placed in service after
tyba = taxable years beginning after

wpoifibwa = wages paid or incurred for
individuals beginning work after

- [1] The "Economic Growth and Tax Relief Reconciliation Act of 2001" provides that the child tax credit and adoption tax credit are allowed for purposes of the alternative minimum tax for 2002 through 2010.
- [2] Loss of less than \$500,000.
- [3] This provision will have a negligible effect on penalty excise tax receipts. However it will have an indirect effect on income tax receipts through increases in employer-contributions for health insurance and corresponding decreases in cash wages. The table shows this indirect revenue effect, which was estimated by the Congressional Budget Office.
- [4] Effective for taxable years of foreign corporations beginning after December 31, 2006, and before January 1, 2009, and to taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.
- [5] Effective for taxable years of foreign corporations beginning after December 31, 2005, and before January 1, 2009, and to taxable years of U.S. shareholders with or within which such taxable years of such foreign corporations end.