

**ESTIMATED REVENUE EFFECTS OF CERTAIN PROVISIONS CONTAINED IN THE CONFERENCE AGREEMENT FOR H.R.1,
THE "MEDICARE PRESCRIPTION DRUG, IMPROVEMENT, AND MODERNIZATION ACT OF 2003"**

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
1. Indirect tax effects of reductions in employer costs for prescription drug insurance and Medicare subsidies to employers [1] [2]	[3]	2	4	1,580	2,301	2,648	2,903	3,264	3,569	4,102	4,571	6,535	24,944
2. Tax exclusion for certain subsidies to employers [2] [4]	tyba DOE	---	---	-1,130	-1,644	-1,889	-2,070	-2,322	-2,540	-2,923	-3,257	-4,664	-17,775
3. Health Savings Accounts	tyba 12/31/03	-160	-474	-533	-597	-650	-704	-754	-801	-849	-897	-2,414	-6,419
4. Exception to form 1099 information reporting requirements for certain health arrangements	pma 12/31/02	-23	-24	-24	-25	-26	-27	-27	-28	-29	-30	-122	-263
NET TOTAL		-181	-494	-107	35	83	102	161	200	301	387	-665	487

Joint Committee on Taxation

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

Legend for "Effective" column:

DOE = date of enactment

pma = payments made after

tyba = taxable years beginning after

[1] The estimate includes the indirect revenue effect that would exist if the Medicare subsidies to employers were taxable but the employers responded to the subsidies as if they were excludable.

[2] Estimate provided by the Congressional Budget Office. Estimate is subject to change based on review of final legislative language.

[3] The indirect tax effects that begin in fiscal year 2004 are attributable to provisions in Title XI (enhancing generic competition, drug importation) which are effective upon the date of enactment. The provisions of Title I that affect employers (Part D program and related subsidies) are effective January 1, 2006.

[4] Although the tax exclusion will be effective for taxable years beginning after the date of enactment, the exclusion will have no effect until January 1, 2006, when the Medicare subsidies to employers will begin to be paid.