

**ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK , AS MODIFIED, OF  
THE "HEARTLAND, HABITAT, HARVEST AND HORTICULTURE ACT OF 2007,"  
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON OCTOBER 4, 2007**

Fiscal Years 2008 - 2017

[Millions of Dollars]

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
<b>I. Supplemental Agricultural Disaster Assistance from the Agricultural Disaster Relief Trust Fund (the authority provided by the provision expires at the same time as the 2007 Farm Bill) [1] [2] [3].....</b>													
	DOE	-693	-998	-1,074	-1,137	-1,198	---	---	---	---	---	-5,100	-5,100
<b>II. Conservation Provisions</b>													
1. Provide an option to elect tax credits in lieu of payments under Conservation Reserve Program [4] [5] [6] [7].....	DOE	---	-935	-937	-949	-950	---	---	---	---	---	-3,771	-3,771
2. Exclusion of Conservation Reserve Program Payments from SECA tax for individuals receiving Social Security retirement or disability benefits [7].....	pma 12/31/07	[8]	-21	-22	-22	-22	-23	-24	-24	-24	-24	-87	-206
3. Make permanent the special rule for contributions of qualified conservation contributions.....	cmi tyba 12/31/07	-36	-46	-57	-69	-83	-86	-90	-94	-98	-102	-291	-761
4. Provide a tax credit for recovery and restoration of endangered species.....	tyba 12/31/07	-13	-79	-122	-201	-250	-262	-202	-135	-67	-33	-665	-1,364
5. Allow a deduction for endangered species recovery expenditures.....	epoia DOE	-14	-21	-24	-29	-35	-40	-47	-54	-63	-73	-122	-399
6. Provide an exclusion for certain payments and programs relating to fish, wildlife, forest protection and pest management.....	pra DOE	-4	-7	-7	-7	-7	-7	-7	-7	-7	-7	-32	-69
7. Provide an option to elect tax credits in lieu of payments under conservation programs:													
a. Wetlands Reserve Program.....	[9]	----- Negligible Revenue Effect -----											
b. Working Grasslands Program.....	[9]	-15	-15	-15	-15	-15	---	---	---	---	---	-75	-75
8. Forest conservation bonds .....	[10]	-3	-10	-19	-27	-32	-33	-33	-33	-33	-33	-92	-257
9. Deduction for qualified timber gain and timber REIT provisions (sunset one year after the date of enactment)....	tyba DOE	-173	-102	-17	-14	-12	-6	-2	-2	-2	-2	-318	-332
<b>Total of Conservation Provisions .....</b>		<b>-258</b>	<b>-1,236</b>	<b>-1,220</b>	<b>-1,333</b>	<b>-1,406</b>	<b>-457</b>	<b>-405</b>	<b>-349</b>	<b>-294</b>	<b>-274</b>	<b>-5,453</b>	<b>-7,234</b>
<b>III. Energy Provisions</b>													
1. Credit for wind property - provide 30% credit, capped at \$4,000, for residential and commercial applications of small wind (sunset 12/31/08).....	ea 12/31/07	-2	-3	[8]	[8]	[8]	[11]	[11]	---	---	---	-5	-5
2. Landowner incentive to encourage electric transmission build-out of section 45 facilities (exclusion applies only to payments received related to transmission lines and equipment used to transmit electricity at 230 or more kilovolts).....	pra DOE	-5	-16	-17	-18	-18	-19	-20	-21	-23	-23	-74	-179

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
3. Small producer credit for up to 60 million gallons of cellulosic alcohol fuel production [12].....	apa 12/31/07	---	-2	-19	-80	-139	-210	-294	-85	---	---	-239	-828
4. Extend for two years the small ethanol producer credit (sunset 12/31/12).....	DOE	---	---	---	-15	-43	-41	-28	-30	-15	---	-57	-172
5. Extend for two years the \$1.00 and 50 cent production credits for biodiesel (sunset 12/31/10) and extend for four years the 10 cent credit for small agri-biodiesel producers (sunset 12/31/12), add camelina to the nonexclusive list of sources for agri-biodiesel .....	DOE	---	-84	-128	-42	-10	-3	---	---	---	---	-264	-267
6. 25 cent small producer credit for fossil-free producers of alcohol (sunset 12/31/12).....	apa 12/31/07	-9	-18	-35	-70	-110	-36	---	---	---	---	-242	-278
7. Expansion of special depreciation allowance for cellulosic biomass ethanol plant property.....	[13]	---	-1	-1	-1	-2	---	1	1	1	1	-4	-1
8. Extension and modification of renewable diesel incentives (sunset 12/31/10).....	DOE & fsoua DOE	25	-59	-132	-44	---	---	---	---	---	---	-211	-211
9. Include biobased liquid propane and compressed natural gas in alternative fuels excise tax credit definition.....	DOE & fsoua DOE	[8]	[8]	[8]	---	---	---	---	---	---	---	[8]	[8]
10. Extension of credit for installation of alternative fuel refueling property (sunset 2010 for non-hydrogen refueling property).....	DOE	---	---	-49	-42	-15	-11	-7	[8]	2	2	-107	-119
11. Extension of temporary duty on ethyl alcohol through 12/31/10 [1] [14].....	DOE	---	9	13	3	---	---	---	---	---	---	25	25
12. Elimination of certain refunds of duty imposed on ethanol [1].....	[15]	6	1	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	8	10
13. Modification of the incentives relating to alcohol fuels (VEETC).....	DOE	---	294	438	121	---	---	---	---	---	---	854	854
14. Treatment of qualified fuel mixtures as taxable fuel with additional reporting requirements.....	freosa 12/31/07	4	1	1	1	1	-6	---	---	---	---	8	2
15. Exclude volume of denaturants from the alcohol fuels credit.....	fsoua 12/31/07	59	91	102	32	---	---	---	---	---	---	284	284
16. Modify treatment of certain USDA energy grants/loans used for renewable power facilities.....	fpisa DOE	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-14
<b>Total of Energy Provisions .....</b>		<b>77</b>	<b>212</b>	<b>172</b>	<b>-156</b>	<b>-337</b>	<b>-327</b>	<b>-349</b>	<b>-136</b>	<b>-36</b>	<b>-21</b>	<b>-30</b>	<b>-899</b>
<b>IV. Agricultural Provisions</b>													
1. Qualified small issue bonds for farming - increase loan limit from \$250,000 to \$450,000 and index; and eliminate the dollar limitation in definition of substantial farmer.....	bia DOE	[8]	[8]	-1	-1	-2	-2	-3	-3	-4	-4	-4	-19
2. Modification of installment sale rules for certain farm property.....	sa DOE	-8	-31	-30	-29	-28	-27	-25	-24	-23	-22	-125	-246
3. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock.....	eca DOE	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	-1	-2
4. Rural renaissance tax credit bonds.....	bia DOE & bio/b 12/31/08	-6	-18	-23	-22	-20	-19	-17	-16	-14	-13	-89	-168
5. Agricultural business security tax credit.....	DOE	-2	-3	-3	-3	-3	-1	[11]	[11]	[11]	[11]	-14	-14
6. Credit for drug safety and effectiveness testing for minor species .....	eia DOE	-1	-5	-9	-12	-13	-15	-15	-16	-16	-17	-41	-121

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008-12	2008-17
7. Reduce the recovery period for certain farming business machinery or equipment from seven to five years (sunset 12/31/09).....	ppisa DOE	-160	-327	-383	-320	-287	-62	415	652	390	82	-1,477	[16]
8. Expensing of broadband internet access expenditures (sunset 12/31/10).....	eia DOE	-117	-175	-234	28	98	76	67	62	64	58	-399	-72
<b>Total of Agricultural Provisions</b> .....		<b>-294</b>	<b>-559</b>	<b>-683</b>	<b>-359</b>	<b>-255</b>	<b>-50</b>	<b>422</b>	<b>655</b>	<b>397</b>	<b>84</b>	<b>-2,150</b>	<b>-642</b>
<b>V. Revenue Provisions</b>													
1. Limitation on farming losses of certain taxpayers.....	tyba 12/31/07	40	64	60	59	56	51	44	35	27	19	279	456
2. Increase and index dollar threshold for farm optional method and nonfarm optional method for computing net earnings from self-employment [7].....	tyba 12/31/07	5	10	10	11	11	11	12	13	13	14	46	110
3. Information reporting for Commodity Credit Corporation transactions.....	lro/a 1/1/07	----- No Revenue Effect -----											
4. Modification of section 1031 treatment for certain real estate.....	eca DOE	3	3	2	2	2	2	3	3	3	3	12	27
5. Modify the effective date for the application of the AJCA 2004 leasing (SILO) provision - apply loss limitation to leases with foreign entities regardless of when the lease was entered into.....	tyba 12/31/06	2,680	896	407	290	288	260	135	-239	-629	-854	4,561	3,235
6. Increase by 6.75 Percentage Points the Required Corporate Estimated Tax Payments Factor for Corporations with Assets of at Least \$1 Billion for Payments Due in July, August, and September 2012.....	DOE	---	---	---	---	4,181	-4,181	---	---	---	---	4,181	---
<b>Total of Revenue Provisions</b> .....		<b>2,728</b>	<b>973</b>	<b>479</b>	<b>362</b>	<b>4,538</b>	<b>-3,857</b>	<b>194</b>	<b>-188</b>	<b>-586</b>	<b>-818</b>	<b>9,079</b>	<b>3,828</b>
<b>NET TOTAL</b> .....		<b>1,560</b>	<b>-1,608</b>	<b>-2,326</b>	<b>-2,623</b>	<b>1,342</b>	<b>-4,691</b>	<b>-138</b>	<b>-18</b>	<b>-519</b>	<b>-1,029</b>	<b>-3,654</b>	<b>-10,047</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be December 1, 2007.

Legend for "Effective" column:

apa = alcohol produced after  
 bia = bonds issued after  
 bio/b = bonds issued on or before  
 cmi = contributions made in  
 DOE = date of enactment  
 ea = expenditures after  
 eca = exchanges contracted after

eia = expenses incurred after  
 epoia = expenditures paid or incurred after  
 fpisa = facilities placed in service after  
 freosa = fuels removed, entered, or sold after  
 fsoua = fuel sold or used after  
 lro/a = loans repaid on or after

pma = payments made after  
 ppisa = property placed in service after  
 pra = payments received after  
 sa = sales after  
 spa = services performed after  
 tyba = taxable years beginning after

**Footnotes for JCX-97-07:**

[1] Estimate provided by the Congressional Budget Office and is preliminary and subject to change.

[2] Reduction in funds available to the general fund of the U.S. Government.	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2008-12</u>	<u>2008-17</u>
The proposal will also result in an increase in outlays of the following amounts.....	872	978	1,021	1,034	1,046	69	---	---	---	---	4,949	5,019

[3] Estimate provided by the Congressional Budget Office and includes clarification of the definition of farm-raised fish to include the propagation and rearing of aquatic species in controlled or selected environments and the expansion of the definition of livestock to include horses. The Congressional Budget Office also estimates that the provision will have a negligible effect on outlays.

[4] Tax credits would be excludable from income for income and SECA tax purposes.

[5] The proposal will also result in a decrease in outlays of the following amounts. ....	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2008-12</u>	<u>2008-17</u>
	---	750	750	750	750	---	---	---	---	---	3,000	3,000

[6] Estimate includes a reduction in SECA taxes of \$425 million over the fiscal years 2008 through 2012.

[7] Revenue estimate does not include any resulting effects on Social Security and Medicare outlays. These will be estimated by the Congressional Budget Office.

[8] Loss of less than \$500,000.

[9] Effective for easements granted after September 30, 2007, in taxable years ending after such date.

[10] Effective for obligations issued on or after the date which is 180 days after the enactment of this Act.

[11] Gain of less than \$500,000.

[12] The small cellulosic alcohol producer credit terminates at the later of December 31, 2012 or December 31 of the calendar year in which the Secretary, in consultation with the Environmental Protection Agency, certifies that one billion gallons of cellulosic alcohol has been produced or imported into the United States.

[13] Effective for property placed in service after the date of enactment in taxable years ending after the date of enactment.

[14] The estimate contains interaction with the provision to eliminate certain refunds of duty imposed on ethanol.

[15] Effective for goods exported on or after the date that is 15 days after the date of enactment.

[16] Negligible revenue effect