## ESTIMATED BUDGET EFFECTS OF THE "ECONOMIC STIMULUS ACT OF 2008," AS ORDERED REPORTED BY THE COMMITTEE ON FINANCE AND SCHEDULED FOR CONSIDERATION ON THE SENATE FLOOR ON JANUARY 30, 2008

## Fiscal Years 2008 - 2018

[Billions of Dollars]

| Provision   | Effective         | 2008   | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2008-13 | 2008-18 |
|---|-------------------|--------|-------|------|------|------|------|------|------|------|------|------|---------|---------|
| I. Tax Relief Provisions  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| A. 2008 Stimulus Rebate for Individuals (\$500  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| single filer (\$1,000 joint filer) plus \$300 per   |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| qualifying child for the child tax credit; credit   |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| reduced by 5% of so much of the taxpayer's  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| adjusted gross income as exceeds \$150,000  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| (\$300,000 for joint filers)); and Treatment of   | 1 12/21/07        | 115 1  | 11.0  |      |      |      |      |      |      |      |      |      | 106.4   | 106.4   |
| the U.S. Possessions [1] [2]  | . tyba 12/31/07   | -115.1 | -11.2 |      |      |      |      |      |      |      |      |      | -126.4  | -126.4  |
| <ul><li>B. Election Among Business Stimulus Incentives</li><li>1. Increase section 179 expensing and phaseout</li></ul> |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| amounts in 2008 (\$250,000 and \$800,000) [3]   | tyba 12/31/07     | -0.9   | -0.6  | 0.5  | 0.3  | 0.2  | 0.2  | 0.1  | 0.1  | [4]  | [4]  | [4]  | -0.3    | -0.1    |
| 2. 50% bonus depreciation in 2008 with half of  | tyba 12/51/07     | -0.9   | -0.0  | 0.5  | 0.5  | 0.2  | 0.2  | 0.1  | 0.1  | [7]  | [ד]  | [7]  | -0.5    | -0.1    |
| bonus deduction suspended for one year [3]  | ppiso/a 1/30/08   | -16.4  | -20.2 | 1.7  | 7.8  | 6.8  | 5.3  | 3.3  | 2.1  | 1.1  | 0.9  | 0.9  | -15.1   | -6.7    |
| 3. 5-year net operating loss carryback and waive  | FF                |        |       |      |      |      |      |      |      |      |      |      |         |         |
| 90% loss limit under alternative minimum tax  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| (NOLs generated in taxable years 2006 through   | NOLai             |        |       |      |      |      |      |      |      |      |      |      |         |         |
| 2008) [3] [5]   | 2006 through 2008 | -15.0  | -8.1  | 3.6  | 3.6  | 3.1  | 2.3  | 1.7  | 1.3  | 1.0  | 0.7  | 0.5  | -10.4   | -5.1    |
| C. Extensions of Energy Provisions  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| 1. Credit for energy efficient appliances (sunset   |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| 12/31/09) [6]   | . apa 12/31/07    | -0.1   | -0.1  | -0.1 | [7]  | [7]  | [7]  | [7]  |      |      |      |      | -0.3    | -0.3    |
| 2. Credit for certain nonbusiness energy property   |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| (sunset 12/31/09)   | ppisa 12/31/07    | -0.2   | -0.7  | -0.7 |      |      |      |      |      |      |      |      | -1.5    | -1.5    |
| 3. Suspension of 100 percent-of-net-income  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| limitation on percentage depletion for oil and  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| natural gas from marginal properties (sunset  | 1 10/01/67        | 0.1    | 0.1   |      |      |      |      |      |      |      |      |      | 0.5     | 0.5     |
| 12/31/09)   | . tyba 12/31/07   | -0.1   | -0.1  | [7]  |      |      |      |      |      |      |      |      | -0.2    | -0.2    |
| 4. 30% credit for residential purchases/  |                   |        |       |      |      |      |      |      |      |      |      |      |         |         |
| installations of solar (electric and hot water)<br>and fuel calls (support $12/21/00$ )                                 | . ppisa 12/31/08  |        | [7]   | [7]  |      |      |      |      |      |      |      |      | [7]     | [7]     |
| and fuel cells (sunset 12/31/09)  | . ppisa 12/31/08  |        | [7]   | [7]  |      |      |      |      |      |      |      |      | [7]     | [7]     |

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| Provision  | Effective      | 2008   | 2009  | 2010 | 2011  | 2012  | 2013  | 2014  | 2015  | 2016 | 2017  | 2018  | 2008-13 | 2008-18 |
|--|----------------|--------|-------|------|-------|-------|-------|-------|-------|------|-------|-------|---------|---------|
| 5. Placed-in-service date for tax credit for   |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| electricity produced from renewable resources  |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| (sunset 12/31/09)  | fpisa 12/31/08 |        | -0.1  | -0.2 | -0.3  | -0.3  | -0.3  | -0.3  | -0.3  | -0.4 | -0.4  | -0.4  | -1.3    | -3.0    |
| 6. Credit for construction of new energy efficient   |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| homes (sunset 12/31/09)  | hpa 12/31/08   |        | [7]   | [7]  | [7]   | [7]   | [7]   | [7]   | [7]   | [7]  |       |       | -0.1    | -0.1    |
| 7. Extension of section 48 energy credit (credit   |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| for business solar energy property, hybrid   |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| solar lighting systems, and business installation  |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| of qualified fuel cells and stationary   |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| microturbine power plants) (sunset 12/31/09)   | ppisa 12/31/08 |        | [7]   | [7]  | [7]   | [7]   | [7]   | [4]   | [4]   | [4]  | [4]   |       | -0.1    | -0.1    |
| 8. Clean renewable energy bonds (\$400 million   |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| additional issuance authority) (sunset   | 1: DOE         | (7)    | (7)   | (7)  | (7)   | (7)   | (7)   | (7)   | (7)   | [7]  | (7)   |       | 0.1     | 0.0     |
| 12/31/09)  | bia DOE        | [7]    | [7]   | [7]  | [7]   | [7]   | [7]   | [7]   | [7]   | [7]  | [7]   | [7]   | -0.1    | -0.2    |
| 9. Energy efficient commercial building property   | 12/21/09       |        | 0.1   | 0.1  | E 4 1 | F 4 1 | F 4 1 | E 4 1 | F 4 1 | [4]  | F 4 1 | E 4 1 | 0.2     | 0.2     |
| deduction (sunset 12/31/09)  | ppisa 12/31/08 |        | -0.1  | -0.1 | [4]   | [4]   | [4]   | [4]   | [4]   | [4]  | [4]   | [4]   | -0.2    | -0.2    |
| 10. Temporary procedures for excise tax refunds  | DOE            | -0.3   | [4]   | [4]  | [4]   | [4]   | [4]   | [4]   | [4]   | [4]  | [4]   | [4]   | -0.1    | -0.1    |
| on exported coal   | DOE            | -0.5   | [4]   | [4]  | [4]   | [4]   | [4]   | [4]   | [4]   | [4]  | [4]   | [4]   | -0.1    | -0.1    |
| D. Expansion of Qualified Mortgage Bonds and<br>Volume Cap Increase for Qualified Mortgage |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| Bonds and Residential Rental Project Exempt  | bia DOE &      |        |       |      |       |       |       |       |       |      |       |       |         |         |
| Facility Bonds (\$10 billion)  | bib 1/1/11     | [7]    | -0.1  | -0.2 | -0.2  | -0.2  | -0.2  | -0.2  | -0.2  | -0.2 | -0.2  | -0.2  | -0.8    | -1.7    |
|  |                |        | -0.1  | -0.2 | -0.2  | -0.2  |       | -0.2  | -0.2  | -0.2 | -0.2  | -0.2  | -0.8    | -1.7    |
| Total of Tax Relief Provisions   | ••••••         | -148.0 | -41.3 | 4.5  | 11.2  | 9.6   | 7.3   | 4.6   | 3.0   | 1.6  | 1.0   | 0.8   | -156.9  | -145.8  |
| II. Extension of Unemployment Insurance  |                |        |       |      |       |       |       |       |       |      |       |       |         |         |
| Benefits [8]   | DOE            | -10.1  | -4.4  | 0.2  | 0.2   | 0.1   | 0.1   | 0.2   | 0.6   | 0.8  | 1.1   | 1.3   | -13.9   | -9.9    |
| NET TOTAL  |                | -158.1 | -45.7 | 4.7  | 11.4  | 9.7   | 7.4   | 4.8   | 3.6   | 2.4  | 2.1   | 2.1   | -170.8  | -155.7  |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be March 1, 2008.

Legend for "Effective" column:

apa = appliances produced after bia = bonds issued after DOE = date of enactment fpisa = facilities placed in service after hpa = homes purchased after NOLai = net operating losses arising in ppiso/a = property placed in service on or after ppisa = property placed in service after tyba = taxable years beginning after Page 3

## Footnotes for JCX-13-08:

|  | 2008 | 2009 | <u>2010</u> | <u>2011</u> | 2012 | <u>2013</u> | 2014 | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2008-13</u> | <u>2008-18</u> |
|--|------|------|-------------|-------------|------|-------------|------|-------------|-------------|-------------|-------------|----------------|----------------|
| [1] Includes the following outlay effects: |      |      |             |             |      |             |      |             |             |             |             |                |                |
| a. Stimulus rebate for individuals         | 47.2 | 4.9  |             |             |      |             |      |             |             |             |             | 52.0           | 52.0           |
| b. Treatment of the U.S. Possessions [9]   | 1.0  | 0.3  |             |             |      |             |      |             |             |             |             | 1.4            | 1.4            |

[2] Taxpayers with either \$3,000 of earnings plus Social Security income, or \$1 of tax liability before the application of the child credit and the refundable credits are eligible for the refundable credit. Taxpayers without valid Social Security numbers and Members of Congress are excluded from the credit.

[3] Taxpayers are limited to elect only one of the following provisions: (1) increase in section 179 limits and phaseouts; (2) 50% bonus depreciation; or (3) 5-year net operating loss carryback.

[4] Gain of less than \$50 million.

[5] Because the provision allows NOLs carried back to prior years to offset alternative minimum taxable income, NOLs can be carried back from 2006 to 1996 in the case of specified liability losses (which can be carried back 10 years).

[6] Estimate is based upon proposed Energy Star standards for 2007.

[7] Loss of less than \$50 million.

[8] Estimate provided by the Congressional Budget Office and should be considered preliminary and subject to change.

[9] Estimated outlay effects provided by the Joint Committee on Taxation in consultation with the Congressional Budget Office.