

**ESTIMATED BUDGET EFFECTS OF THE TAX PROVISIONS CONTAINED IN PROPOSED AMENDMENTS TO DIVISION C. OF H.R. 3221,  
 THE "HOUSING AND ECONOMIC RECOVERY ACT OF 2008"**

**Fiscal Years 2008 - 2018**

*[Millions of Dollars]*

<b>Provision</b>	<b>Effective</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2008-13</b>	<b>2008-18</b>
<b>I. Housing Tax Incentives</b>														
A. Multi-Family Housing														
1. Low-Income Housing Tax Credit														
a. Temporary increase in volume cap for low-income housing tax credit (\$0.20 per capita in each of 2008 and 2009).....	DOE	[1]	-35	-76	-112	-123	-123	-123	-123	-123	-123	-123	-469	-1,084
b. Determination of credit rate (sunset 12/31/12).....	aa DOE	[1]	[1]	-1	-1	-1	-1	-1	[1]	[1]	[1]	[1]	-4	-7
c. Modifications to definition of eligible basis....	bpisa DOE	[1]	-4	-5	-8	-11	-11	-15	-16	-19	-21	-23	-39	-133
d. Other simplification and reform of low-income housing tax credit.....	bpisa DOE	[1]	-2	-3	-4	-5	-6	-8	-9	-10	-11	-12	-19	-68
e. GAO study regarding modifications to LIHC.....	DOE	----- <i>No Revenue Effect</i> -----												
f. Modify tenant income limitation for military families (sunset 12/31/11).....	da DOE	[1]	[1]	-2	-3	-4	-4	-4	-4	-4	-4	-4	-13	-33
g. Tenant selection preferences for certain low-income housing projects.....	dbo/a DOE	[1]	[1]	[1]	-1	-1	-1	-1	-1	-1	-1	-1	-4	-13
2. Modifications to Tax-Exempt Housing Bond Rules														
a. Volume cap exception for certain refundings of qualified residential projects.....	rolra DOE	[1]	-1	-4	-8	-14	-25	-41	-63	-89	-116	-147	-52	-509
b. Coordination of certain rules applicable to low-income housing credit and qualified residential rental project exempt facility bonds.....	biob/a DOE	[1]	[1]	[1]	-1	-1	-1	-1	-1	-1	-2	-2	-3	-10

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
3. Reforms Related to the Low-Income Housing Credit and Tax-Exempt Housing Bonds														
a. Hold harmless for reductions in area median gross income.....	pbacy 2006	[1]	-2	-3	-4	-5	-7	-8	-9	-10	-12	-12	-21	-72
b. Exception from the annual recertification requirement for projects which are entirely low-income use.....	yea DOE	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1
<b>B. Single Family Housing</b>														
1. Refundable First-Time Homebuyer Credit (\$8,000) (\$75,000/150,000 income caps).....	po/a 4/9/08	-512	-8,705	-2,806	1,245	1,542	1,369	1,195	1,021	783	385	150	-7,865	-4,332
2. Additional Standard Deduction for State and Local Property Taxes (cap at \$500 (\$1,000 for joint returns)) (sunset 1/1/09).....	tyba 12/31/07	---	-1,537	---	---	---	---	---	---	---	---	---	-1,537	-1,537
<b>C. General Provisions</b>														
1. Modifications to Qualified Private Activity Bond Rules for Housing (\$11 billion volume cap increase).....	bia DOE	-6	-92	-156	-170	-168	-163	-155	-149	-142	-137	-137	-755	-1,475
2. Repeal of Alternative Minimum Tax Limitations on Tax-Exempt Housing Bonds, Low-Income Housing Credit, and Rehabilitation Credit [2].....	[3]	-30	-210	-206	-207	-206	-203	-203	-204	-206	-208	-210	-1,062	-2,093
3. Bonds Guaranteed by Federal Home Loan Banks Eligible for Treatment as Tax-Exempt Bonds [4].....	[5]	[1]	49	-81	-13	-21	-15	-9	-9	-9	-9	-9	-81	-126
4. Modification of Rules Pertaining to FIRPTA Nonforeign Affidavits.....	doUSrpia DOE	[1]	-1	-2	-2	-2	-2	-2	-2	-2	-2	-3	-9	-20
5. Modify Rehabilitation Credit Tax-Exempt Use Safe Harbor .....	ea 12/31/07	-8	-16	-22	-23	-24	-25	-26	-27	-29	-30	-31	-118	-262
6. Relax Mortgage Revenue Bond Limitations for Presidentially Declared Disaster Areas.....	bia 5/1/08 & bib 1/1/10	[1]	-3	-8	-11	-11	-11	-11	-11	-11	-11	-11	-44	-96
<b>Total of Housing Tax Incentives .....</b>		<b>-556</b>	<b>-10,559</b>	<b>-3,375</b>	<b>677</b>	<b>945</b>	<b>771</b>	<b>587</b>	<b>393</b>	<b>127</b>	<b>-302</b>	<b>-575</b>	<b>-12,095</b>	<b>-11,871</b>
<b>II. Real Estate Investment Trust ("REIT") Modifications</b>														
A. Foreign Currency and Other Qualified Activities.....	[6]	[1]	[1]	[1]	-1	-1	-2	-2	-3	-3	-3	-4	-5	-20

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
B. Conforming Taxable REIT Subsidiary Asset														
Test.....	tyba DOE	[1]	-1	-2	-4	-7	-9	-11	-12	-14	-16	-17	-22	-92
C. Holding Period Under Safe Harbor.....	sma DOE	2	36	21	7	2	[1]	-1	-2	-3	-3	-5	68	53
D. Determining Value of Sales Under Safe Harbor...	sma DOE	[1]	-1	-2	-5	-8	-11	-13	-15	-17	-19	-21	-28	-114
E. Conformity for Health Care Facilities.....	tyba DOE	[1]	-1	-4	-9	-14	-18	-22	-26	-30	-33	-36	-46	-193
<b>Total of Real Estate Investment Trust</b>														
<b>Modifications [7] .....</b>		<b>3</b>	<b>38</b>	<b>14</b>	<b>-12</b>	<b>-29</b>	<b>-40</b>	<b>-50</b>	<b>-60</b>	<b>-69</b>	<b>-76</b>	<b>-82</b>	<b>-26</b>	<b>-365</b>
<b>III. Revenue Provisions</b>														
A. General Provisions														
1. Election to Accelerate AMT and R&E Credits in Lieu of Bonus Depreciation Including Election Requirement to use Straight-Line Method [8].....														
	tyea 3/31/08	-27	-1,280	119	69	39	25	18	12	10	10	9	-1,054	-996
2. Extension and Expansion of Certain GO Zone Incentives:														
a. Election to amend returns with hurricane-related casualty losses for Louisiana, Mississippi, Alabama, Texas, and Florida.....														
	DOE	-784	-218	-20	---	---	---	---	---	---	---	---	-1,022	-1,022
b. Waive the commencement date requirement for certain GO Zone extension property.....														
	ppisa 12/31/07	---	-92	-173	-72	-6	-1	3	6	8	10	10	-344	-308
c. Inclusion of certain counties in GO Zone for purposes of tax-exempt bond financing.....														
	[9]	[1]	-2	-1	---	---	---	---	---	---	---	---	-3	-3
B. Revenue Offsets														
1. Require Information Reporting on Payment Card and Third Party Payment Transactions.....														
	[10]	---	---	---	24	620	860	1,262	1,630	1,717	1,802	1,888	1,504	9,802
2. Exclusion of Gain on Sale of Principal Residence Exclusion Not to Apply to Nonqualified Use.....														
	soea 12/31/08	---	---	20	108	102	111	139	171	207	246	290	341	1,394
3. Increase in Information Return Penalties.....														
	rrtbfa 12/31/08	---	---	8	41	41	42	42	43	43	43	44	132	347
4. Increase Penalties for Failure to File S Corporation Returns to \$100 Per Shareholder.....														
	rrtbfa DOE	---	2	14	14	15	15	16	17	17	18	18	61	146
5. Increase Penalties for Failure to File Partnership Returns to \$100 Per Partner.....														
	rrtbfa DOE	---	3	19	19	20	21	21	22	23	24	25	82	197

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-13	2008-18
6. Increase the Minimum Penalty for Failure to File a Tax Return from \$135 to \$225.....	rrtbfa DOE	---	6	22	23	23	23	23	24	24	24	25	97	217
<b>Total of Revenue Provisions .....</b>		<b>-811</b>	<b>-1,581</b>	<b>8</b>	<b>226</b>	<b>854</b>	<b>1,096</b>	<b>1,524</b>	<b>1,925</b>	<b>2,049</b>	<b>2,177</b>	<b>2,309</b>	<b>-206</b>	<b>9,774</b>
<b>NET TOTAL .....</b>		<b>-1,364</b>	<b>-12,102</b>	<b>-3,353</b>	<b>891</b>	<b>1,770</b>	<b>1,827</b>	<b>2,061</b>	<b>2,258</b>	<b>2,107</b>	<b>1,799</b>	<b>1,652</b>	<b>-12,327</b>	<b>-2,462</b>

Joint Committee on Taxation  
-----

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be July 1, 2008.

Legend for "Effective" column:

aa = allocations after

bia = bonds issued after

bib = bonds issued before

biob/a = bonds issued on, before or after

bpisa = buildings placed in service after

da = determinations after

dbo/a = determinations before, on, or after

DOE = date of enactment

doUSRpia = dispositions of U.S. real property interests after

ea = expenditures after

pbacy = plans beginning after calendar year

po/a = purchases on or after

ppisa = property placed in service after

rolra = repayments of loans received after

sma = sales made after

soea = sales or exchanges after

tyba = taxable years beginning after

tyea = taxable years ending after

yea = years ending after

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

[2] Estimate includes interaction with item I.C.5.

[3] Effective date applies to low income housing credits attributable to buildings placed in service after December 31, 2007, to prehistoric rehabilitation expenditures after 12/31/07, and bonds issued after the date of enactment.

[4] The estimate includes effects estimated by the Congressional Budget Office of revenues and outlays related to the Affordable Housing Program of the Federal Home Loan Banks and outlays of the Department of the Treasury for interest on bonds issued by the Resolution Funding Corporation.

[5] Effective for guarantees made in connection with bonds issued after date of the enactment and before December 31, 2010 (or a renewal or extension of a guarantee so made).

[6] Generally effective for taxable years beginning after the date of enactment. Under section 3031(a) and (c), effective for gains and items of income recognized after the date of enactment. Under section 3031(b), effective for transactions entered into after the date of enactment. Under section 3033(a), effective for gains recognized after the date of enactment. Under section 3033(b), effective for gains and deductions recognized after the date of enactment.

[7] The revenue estimates for each provision and for Title II. are measured against present law. The sum of provision estimates for each year do not add to the total for the year because of interactions among the provisions.

[8] Estimate includes effects on receipts and outlays.

[9] Effective as if included in the provisions of the Gulf Opportunity Zone Act of 2005 to which it relates.

[10] Generally effective for information returns for reportable transactions for calendar years beginning after December 31, 2010. The amendments to backup withholding apply to amounts paid after December 31, 2011.