

**ESTIMATED BUDGET EFFECTS OF
THE "TELEPHONE EXCISE TAX REPEAL AND TAXPAYER PROTECTION AND ASSISTANCE ACT OF 2006,"
AS REPORTED BY THE COMMITTEE ON FINANCE**

Fiscal Years 2007 - 2016

[Millions of Dollars]

| Provision | Effective | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2007-11 | 2007-16 |
|---|------------------|---------------------------------------|--------|------|------|------|------|------|------|------|------|---------|---------|
| I. Repeal Excise Tax on Telephone and Other Communications Services | | | | | | | | | | | | | |
| | [1] | -1,225 | -1,020 | -622 | -386 | -316 | -268 | -213 | -169 | -146 | -140 | -3,569 | -4,505 |
| II. Taxpayer Protection and Assistance | | | | | | | | | | | | | |
| 1. Low-income taxpayer clinics [2]..... | gma DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 2. Clarification of enrolled agent credentials..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 3. Regulation of tax return preparers [2]..... | DOE | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] |
| 4. Contract authority for examinations of preparers..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 5. Regulation of refund anticipation loan facilitators [2]..... | 1ya DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 6. Taxpayer access to financial institutions [2]..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| Total of Taxpayer Protection and Assistance | | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] |
| III. Improvements in Tax Administration and Taxpayer Safeguards | | | | | | | | | | | | | |
| 1. Waiver of user fee for installment agreements using automated withdrawals [2]..... | aeio/a 180da DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 2. Termination of installment agreements | foo/a DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 3. Individuals held harmless on improper levy on individual retirement plan | lartia 12/31/05 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 4. Office of Chief Counsel Review of offers-in-compromise..... | oicsopo/a DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 5. Elimination of restriction on offsetting refunds from former residents..... | rpf tyea DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 6. Revisions relating to termination of employment of IRS employees for misconduct..... | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 7. Modification of collection due process procedures for employment tax liabilities..... | lia 12/31/06 | 56 | 47 | 26 | 18 | 17 | 17 | 20 | 23 | 26 | 29 | 164 | 278 |
| 8. Extend time limit for contesting IRS levy to 2 years..... | [4] | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 9. Authorization for the IRS to require increased electronic filing of returns prepared by paid return preparers..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 10. Require IRS to develop direct electronic filing [2]..... | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 11. Modifications to FreeFile program..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 12. Study of clarifying recordkeeping responsibilities..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 13. Modification of TIGTA reporting requirements..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 14. Streamline reporting process for National Taxpayer Advocate..... | [5] | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 15. Whistleblower reforms [2]..... | ipo/a DOE | 3 | 8 | 20 | 31 | 42 | 54 | 66 | 79 | 94 | 102 | 103 | 499 |

| Provision | Effective | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2007-11 | 2007-16 |
|--|---------------|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
| 16. Authorization for the Financial Management Service to retain transaction fees from levied amounts [2]..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 17. Clarification of definition of church tax inquiry | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 18. Treatment of funds from Indian tribal governments as public support for purposes of public charity-private foundation classification..... | [6] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | [7] | -1 |
| 19. Tax Court review of requests for equitable relief from joint and several liability..... | lftaoru/a DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 20. Authorization of appropriations for tax law enforcement relating to human trafficking..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 21. Regulation of payroll tax deposit agents..... | 1/1/07 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 22. Extension of the statute of limitations to file claims for refunds relating to disability determinations by the Department of Veteran's Affairs..... | cfcorfa DOE | -2 | -1 | -1 | -1 | -2 | -2 | -2 | -2 | -2 | -2 | -8 | -16 |
| Total of Improvements in Tax Administration and Taxpayer Safeguards | | 57 | 54 | 45 | 48 | 57 | 69 | 84 | 100 | 118 | 129 | 259 | 760 |
| IV. Reform of Penalties and Interest | | | | | | | | | | | | | |
| 1. Individual estimated tax | tyba 12/31/06 | -97 | -101 | -105 | -109 | -113 | -115 | -117 | -124 | -131 | -139 | -524 | -1,150 |
| 2. Simplify corporate estimated tax penalty by increasing exception for small amount of tax from \$500 to \$1,000..... | tyba 12/31/06 | -45 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | -42 | -38 |
| 3. Increase the amount of taxable income used to define large corporations for purposes of estimated tax payments from \$1,000,000 to \$1,500,000 in \$50,000 increments from 2007 through 2016..... | tyba 12/31/06 | -92 | -91 | -89 | -86 | -86 | -87 | -88 | -88 | -90 | -92 | -444 | -889 |
| 4. Expansion of interest netting..... | iaa 12/31/10 | --- | --- | --- | --- | -214 | -222 | -230 | -237 | -244 | -251 | -214 | -1,398 |
| 5. Clarification of application of Federal tax deposit penalty | DOE | -1 | -5 | -5 | -5 | -6 | -6 | -6 | -6 | -7 | -7 | -22 | -54 |
| 6. Frivolous tax submissions | [8] | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 15 | 30 |
| 7. Understatement of taxpayer's liability by tax return preparers..... | rpa DOE | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | 1 | 2 |
| 8. Penalty for aiding and abetting the understatement of tax liability..... | aoa DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 9. Increase in criminal monetary penalty limitation for the underpayment or overpayment of tax due to fraud..... | aaftaoa DOE | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] |
| 10. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements | oyo/a DOE | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 5 | 10 |
| 11. Increase in penalty for bad checks and money orders..... | comora DOE | [3] | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 8 | 18 |
| 12. Increase the amount of penalty excise taxes for excess lobbying and political campaign activity of section 501(c)(3) organizations..... | tyba DOE | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | [3] | 1 | 2 |
| 13. Penalty on erroneous refund claims..... | [9] | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 9 | 19 |
| Total of Reform of Penalties and Interest | | -230 | -188 | -190 | -191 | -410 | -421 | -432 | -446 | -463 | -480 | -1,207 | -3,448 |
| V. Confidentiality and Disclosure | | | | | | | | | | | | | |
| 1. Collection activities with respect to a joint return disclosable based on oral request | rma DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |

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|--|--------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| 14. Disclosure of written determinations | wdia DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 15. Disclosure of Internet web site and name under which an organization does business..... | rfa 12/31/06 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 16. Modification to private foundation reporting of capital transactions | rfa 12/31/06 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 17. Disclosure that Form 990 is publicly available | pomiora DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| 18. Expedited review process for certain tax-exemption applications | afa 12/31/06 | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 19. Extension of declaratory judgment procedures to non-501(c)(3) tax-exempt organizations | [15] | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 20. Include wireless telecommunications equipment in the definition of qualified technological equipment for purposes of determining the depreciation treatment for such equipment (sunset after 12/31/10) | ppisa DOE | -80 | -124 | -148 | -155 | -124 | -33 | 51 | 92 | 129 | 144 | -630 | -247 |
| 21. Permanent extension of Internet tax moratorium..... | DOE | ----- Negligible Revenue Effect ----- | | | | | | | | | | | |
| 22. Simplification through elimination of inoperative provisions..... | DOE | ----- No Revenue Effect ----- | | | | | | | | | | | |
| Total of Miscellaneous Provisions | | -200 | -243 | -303 | -377 | -74 | 88 | 146 | 167 | 190 | 200 | -1,198 | -410 |
| VIII. Revenue Offset Provisions | | | | | | | | | | | | | |
| 1. Clarification of economic substance doctrine and related penalty provisions..... | teia DOE | 402 | 1,127 | 1,270 | 1,427 | 1,631 | 1,877 | 2,154 | 2,445 | 2,643 | 2,722 | 5,857 | 17,698 |
| 2. Tax treatment of certain inverted corporate entities..... | tyba 2005 | 137 | 86 | 92 | 99 | 107 | 115 | 123 | 133 | 143 | 153 | 521 | 1,188 |
| Total of Revenue Offset Provisions | | 539 | 1,213 | 1,362 | 1,526 | 1,738 | 1,992 | 2,277 | 2,578 | 2,786 | 2,875 | 6,378 | 18,886 |
| NET TOTAL | | -1,059 | -184 | 292 | 620 | 995 | 1,460 | 1,862 | 2,230 | 2,485 | 2,584 | 663 | 11,283 |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2006.

Legend for "Effective" column:

aaftaoa = actions and failures to act occurring after
aenio/a = agreements entered into on or after
afa = applications filed after
aoa = actions occurring after
boaa = before, on, and after
cfcorfa = claims for credit or refunds filed after
cma = contributions made after
comora = checks or money orders received after
dma = disclosures made after
DOE = date of enactment
eia = expenditures incurred after
fo/a = failures occurring on or after
iaa = interest accrued after

ipo/a = information provided on or after
lartia = levied amounts returned to individuals after
lia = levies issued after
lftaoru/a = liability for taxes arising or remaining unpaid on or after
oicsopo/a = offers in compromise submitted or pending on or after
oyo/a = open years on or after
pomiora = publications or materials issued or revised after
ppisa = property placed in service after
rma = requests made after
rfa = returns filed after

rff = returns filed for
rpa = returns prepared after
rpf = refunds payable for
tyba = taxable years beginning after
tyea = taxable years ending after
teia = transactions entered into after
uada = use and disclosures after
wdia = written determinations issued after
wfspo/a = wages for services performed on or after
180da = 180 days after
1ya = 1 year after

[Footnotes for the Table appear on the following page]

Footnotes for the Table:

- [1] Effective for bills first rendered more than 90 days after the date of enactment.
- [2] Estimates of outlays and spending authority to be provided by Congressional Budget Office.
- [3] Gain of less than \$500,000.
- [4] Effective with respect to levies made after the date of enactment and levies made on or before the date of enactment provided that the nine-month period for filing suit has not expired as of the date of enactment.
- [5] The provision combining the reports is effective for reports in 2007 and thereafter. The provision authorizing reports on significant issues affected taxpayer rights is effective on the date of enactment.
- [6] Effective for support received, before, on, or after the date of enactment and for the determination of the status of any organization with respect to any taxable year beginning after the date of enactment.
- [7] Loss of less than \$500,000.
- [8] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).
- [9] Effective for any claim filed after the date of enactment or filed prior to such date but not withdrawn before the date which is 30 days after such date of enactment.
- [10] Provision applies to requests and consents made after the date which is three months after the date of enactment.
- [11] Estimate provided by the Congressional Budget Office.
- [12] Effective the date the United States Tax Court adopts a personnel management system after the date of enactment.
- [13] Generally effective for kerosene sold after September 30, 2005. The special rule applicable to kerosene purchased prior to October 1, 2005 and used in aviation on a farm for farming purposes is effective on the date of enactment.
- [14] Effective for requests for relief that relate to transfers made before, on, or after the date of enactment.
- [15] Effective for pleadings filed with respect to determinations (or requests for determinations) made after December 13, 2006.