

Changes to S. 2020 made during Senate consideration of HR 4297

Section numbers refer to S.2020 as passed November 18, 2005.

Delete Title I –Tax benefits for areas affected by hurricanes Katrina, Rita, and Wilma.
Interest Suspension Provision.

Extend for two years the following expiring provisions:

- Increased Expensing for Small Business
- Election to deduct State and local general sales taxes.
- Allowance of nonrefundable personal credits against regular and alternative minimum tax liability.
- Extension and modification of research credit.
- Work Opportunity Tax credit and Welfare-to-Work credit.
- Qualified zone academy bonds.
- Deduction for corporate donations of computer technology and equipment.
- Above-the-line deduction for certain expenses of elementary and secondary school teachers.
- Expensing of Brownfields remediation costs.
- Indian employment tax credit.
- Accelerated depreciation for business property on Indian reservation.
- Fifteen-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant improvements.
- Extension of full credit for qualified electric vehicles.

Clarification to Sec. 301. Clarified that nonitemizer/itemizer charity giving provision (including the common floor) sunsets after two years.

Clarification to Sec. 302. Clarified that charitable IRA rollover is allowed on split-interest entities may commence when IRA owner reaches 59.5 (original said 70.5 but intended 59.5 per JCT score).

Change effective date to taxable years beginning after December 31, 2006 and before October 1, 2009, in Sec. 402. Modification to S corporation passive investment income rules.

Modification to Sec. 523. Partial payments required with submission of offers-in-compromise to retain 24 month rule.

Amendments added on Senate floor:

Menendez/Schumer/Kerry/Feinstein/Clinton/Lautenberg/Stabenow Amendment No. 2705. To express the sense of the Senate that protecting middle-class families from the alternative minimum tax should be a higher priority for Congress in 2006 than extending a tax cut that does not expire until the end of 2008.

Talent Amendment No. 2727. To express the sense of the Senate regarding the permanent extension of the amendments to the child tax credit made by the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Byrd/Rockefeller/Santorum/Kerry/Durbin/Obama/McConnell/Bunning Amendment No. 2728. This amendment would provide increased expensing for certain expenditures related to safety equipment for underground mines located in the United States. This provision will encourage mining companies to invest in safety equipment that goes above and beyond current safety equipment requirements. Fifty percent of the advanced mine safety equipment cost could be expensed in the year of purchase. In addition, it will provide tax credits for certain safety training programs.

Grassley Amendment No. 2732. The amendment authorizes additional appropriations for veterans' health care and disability compensation. The amendment also established the Veterans Hospital Improvement Fund creating a new entitlement that would provide at least \$1 billion in new mandatory spending.

Grassley Amendment No. 2736. The amendment provides \$47 billion in mandatory spending to fund military operations.

- 36% for Army operations and maintenance
- 21% for wheeled and tracked combat vehicles for the Army
- 10% for Marine Corps procurement
- 10% for Marine Corps operations and maintenance
- 6% for Navy aircraft procurement
- 17% other