

**ESTIMATED REVENUE EFFECTS OF
 THE "CARE ACT OF 2003,"
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON FEBRUARY 5, 2003**

Fiscal Years 2003 - 2013

[Millions of Dollars]

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
I. Charitable Giving Incentive Provisions														
1. Provide charitable contribution deduction for non-itemizers with cash contributions in excess of \$250 for individuals and \$500 for joint returns; cap on deduction of \$250 for individuals and \$500 for joint returns	tyba 12/31/02 & tybb 1/1/05	-204	-1,368	-1,218	---	---	---	---	---	---	---	---	-2,790	-2,790
2. Tax-free distributions from IRAs for charitable purposes - taxpayer must have attained age 70-1/2 for contributions made directly to a charitable organization and age 59-1/2 for contributions to a split-interest entity	DOE & tyba 12/31/03	-48	-156	-248	-270	-258	-244	-231	-247	-352	-450	-471	-1,223	-2,974
3. Extend present-law section 170(e)(3) deduction for food inventory to all businesses and provide special basis rule for certain taxpayers; modify the enhanced deduction for charitable contributions of donations of food inventory to equal the lesser of the item's fair market value or twice basis	cma DOE	-59	-154	-173	-185	-193	-201	-209	-217	-225	-234	-246	-965	-2,094
4. Enhanced charitable deduction for contributions of book inventories, with special fair market value rule	cma DOE	-8	-17	-19	-21	-23	-25	-28	-31	-33	-37	-41	-113	-283
5. Expand charitable contribution allowed for scientific property used for research and for computer technology and equipment; and temporary extension of enhanced deduction for qualified computer contributions (through 12/31/05)	generally tyba 12/31/02	-1	-67	-133	-147	-65	-1	-1	-1	-1	-1	-1	-414	-420
6. Encourage contributions of capital gain real property made for conservation purposes	cma DOE	-3	-5	-9	-13	-16	-23	-32	-41	-51	-62	-75	-70	-332
7. 25% capital gain exclusion for sales or exchanges of land or interest in land or water to eligible entities for conservation purposes	soeoa DOE	-7	-56	-60	-67	-70	-74	-78	-82	-86	-91	-95	-334	-766
8. Exclusion for government payments under Partners for Fish and Wildlife Program	pra DOE	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-12	-26
9. Adjustment to basis of S corporation stock for certain charitable contributions	cma DOE	-8	-22	-30	-33	-37	-41	-45	-50	-55	-62	-68	-172	-453
10. Enhanced deduction for charitable contributions of literary, musical, artistic, and scholarly compositions	cma DOE	-2	-4	-4	-5	-5	-6	-6	-6	-7	-7	-7	-26	-59
11. Certain mileage reimbursements to charitable volunteers excluded from gross income	tyba DOE	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	-1	-3
Total of Charitable Giving Incentive Provisions		-341	-1,851	-1,896	-744	-670	-618	-633	-678	-813	-947	-1,007	-6,120	-10,200

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
II. Provisions to Improve Oversight of Tax-Exempt Organizations														
1. Disclosure of written determinations	wdia DOE	----- <i>Negligible Revenue Effect</i> -----												
2. Disclosure of name under which an organization does business and its Internet Web site	rfa 12/31/03	----- <i>Negligible Revenue Effect</i> -----												
3. Modification to private foundation reporting of capital transactions	rfa 12/31/03	----- <i>Negligible Revenue Effect</i> -----												
4. Disclosure that Form 990 is publicly available	pomiora DOE	----- <i>Negligible Revenue Effect</i> -----												
5. Disclosure to State officials of certain tax information related to certain section 501(c) organizations	DOE	----- <i>Negligible Revenue Effect</i> -----												
6. Expansion of penalties to preparers of Form 990	dpa DOE	----- <i>Negligible Revenue Effect</i> -----												
7. Notification requirement for exempt entities not currently required to file	fapba 12/31/03	----- <i>Negligible Revenue Effect</i> -----												
8. Suspension of tax-exempt status of terrorist organizations	DOE	----- <i>Negligible Revenue Effect</i> -----												
Total of Provisions to Improve Oversight of Tax-Exempt Organizations		----- <i>Negligible Revenue Effect</i> -----												
III. Other Charitable and Exempt Organization Provisions														
1. Modify tax on unrelated business taxable income of charitable remainder trusts	tyba 12/31/02	---	-4	-4	-5	-5	-5	-5	-6	-6	-6	-7	-23	-53
2. Modify tax treatment of certain payments to controlling exempt organizations	proaa 12/31/00	-32	-12	-13	-13	-14	-15	-16	-17	-18	-20	-21	-99	-191
3. Simplification of lobbying expenditure limitation	tyba 12/31/02	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-3	-7	-15
4. Expedited review process for certain tax-exemption applications	afa 12/31/03	----- <i>Negligible Revenue Effect</i> -----												
5. Clarification of definition of church tax inquiry	DOE	----- <i>No Revenue Effect</i> -----												
6. Extension of declaratory judgment procedures to non-501(c)(3) tax-exempt organizations	dma 12/31/02	----- <i>Negligible Revenue Effect</i> -----												
7. Definition of convention or association of churches	DOE	----- <i>Negligible Revenue Effect</i> -----												
8. Provide that certain payments by charitable organizations made by reason of the death, injury, wounding, or illness of military personnel incurred as a result of the war on terrorism are deemed consistent with exempt purposes	pma DOE & pmb 9/11/04	----- <i>Negligible Revenue Effect</i> -----												
9. Increase percentage limits for certain employer-related scholarship programs under Revenue Procedure 76-47 to 35% of eligible applicants or 20% of eligible students	gma DOE	---	-6	-9	-11	-12	-14	-15	-17	-19	-22	-25	-52	-150
10. Treatment of certain hospital organizations as qualified organizations for purposes of determining acquisition indebtedness	iia 12/31/03	---	-8	-16	-18	-19	-20	-20	-21	-22	-23	-23	-80	-189
Total of Other Charitable and Exempt Organization Provisions		-33	-31	-43	-48	-51	-55	-58	-63	-67	-73	-79	-261	-598
IV. Restoration of Social Services Block Grant Funding (outlays) [2]														
	[3]	-238	-946	-278	23	16	27	20	---	---	---	---	-1,395	-1,375

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
V. Individual Development Accounts - provide a tax credit to eligible entities with respect to the first 300,000 individual development accounts established for low-income workers	tyea 12/31/04 & tybb 1/1/12	---	---	-24	-44	-39	-61	-76	-90	-104	-48	[1]	-169	-487
VI. Authorization of Appropriations	---	----- <i>No Revenue Effect</i> -----												
VII. Revenue Raising Proposals														
A. Provisions to Curtail Tax Shelters														
1. Clarification of the economic substance doctrine and related penalty provisions	ta 4/15/04	-258	322	1,094	1,017	902	940	1,054	1,188	1,370	1,582	1,823	4,018	11,036
2. Provisions relating to reportable transactions and tax shelters	various dates after DOE [4]	35	92	115	119	120	124	131	139	150	164	179	604	1,366
3. Modification to the substantial understatement penalty [5]	ta 4/15/04	---	---	---	11	19	23	26	30	34	38	38	53	219
4. Actions to enjoin conduct with respect to tax shelters	DOE	----- <i>Negligible Revenue Effect</i> -----												
5. Understatement of taxpayer's liability by income tax return preparer	dpa DOE	----- <i>Negligible Revenue Effect</i> -----												
6. Impose a civil penalty (of up to \$5,000) on failure to report interest in foreign financial accounts	DOE	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	1	3
7. Frivolous tax submissions	[7]	1	3	3	3	3	3	3	3	3	3	3	16	31
8. Regulation of individuals practicing before the Department of Treasury	ata DOE	----- <i>No Revenue Effect</i> -----												
9. Amend Code section 6501 to provide for 6-year statute of limitations for undisclosed listed transactions	tyba DOE	---	---	---	1	1	1	1	1	1	1	1	3	8
10. Amend Code section 163 to disallow a deduction for deficiency interest paid to the IRS on underpayments involving tax motivated transactions	tyba DOE	---	---	---	1	1	3	4	4	4	4	4	5	25
11. Additional \$300 million tax law enforcement authorization for the IRS [2]	DOE	----- <i>No Revenue Effect</i> -----												
B. Other Provisions														
1. Affirmation of consolidated return regulation authority	[8]	----- <i>Negligible Revenue Effect</i> -----												
Total of Revenue Raising Proposals		-222	417	1,212	1,152	1,046	1,094	1,219	1,365	1,562	1,792	2,048	4,700	12,688
NET TOTAL		-834	-2,411	-1,029	339	302	387	472	534	578	724	962	-3,245	28

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

[Legend and Footnotes for Table #03-2 011 R2 appear on the following page]

Legend and Footnotes for Table #03-2 011 R2:

Legend for "Effective" column:

afa = applications filed after
ata = actions taken after
cma = contributions made after
dma = determinations made after
DOE = date of enactment
dpa = documents prepared after
fapba = for annual periods beginning after
gma = grants made after

iiia = indebtedness incurred after
pma = payments made after
pmb = payments made before
pra = payments received after
pomiora = publications or materials
issued or revised after
proaa = payments received or accrued after

rfa = returns filed after
soeoa = sales or exchanges occurring after
ta = transactions after
tyba = taxable years beginning after
tybb = taxable years beginning before
tyea = taxable years ending after
wdia = written determinations issued after

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

[2] Estimate provided by the Congressional Budget Office.

[3] Effective for amounts made available for fiscal year 2003 and for amounts made available each fiscal year thereafter. The proposal requiring annual reports would be with respect to fiscal year 2002 and each fiscal year thereafter.

[4] Effective dates for provisions relating to reportable transactions and tax shelters: the penalty for failure to disclose reportable transactions is effective for returns and statements the due date of which is after the date of enactment; the modification to the accuracy-related penalty for listed or reportable transactions is effective for taxable years ending after the date of enactment; the tax shelter exception to confidentiality privileges is effective for communications made on or after the date of enactment; the material advisor disclosure provision applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment; the investor list provision applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment, and the penalty on promoters of tax shelters is effective for activities after the date of enactment.

[5] Failure or substantial delay of forthcoming regulations for section 6011 of the Internal Revenue Code and other administrative actions to be taken by the Treasury Department or the Internal Revenue Service would reduce the estimated revenue effects of these provisions.

[6] Gain of less than \$1 million.

[7] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).

[8] Effective for all taxable years, whether beginning before, with, or after the date of enactment.