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Congress of the United States

JOINT COMMITTEE ON TAXATION

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SEP 12 2003

Honorable Carolyn Maloney
U.S. House of Representatives
2331 Rayburn House Office Building
Washington, DC 20515

Dear Ms. Maloney:

This letter is in response to your request of June 20, 2003, for an estimate of the revenue effects of H.R. 2418, the "Ending Tax Breaks for Discrimination Act of 2003." The proposal would deny all deductions for business expenses associated with the use of a club that discriminates on the basis of sex, race, or color.

Your bill would deny a trade or business expenses deduction for any amount paid or incurred to any private discriminatory club, for the use or services of any private discriminatory club, or for traveling expenses incurred in connection with the use of any private discriminatory club. Your bill would also deny a trade or business expenses deduction for advertising of any event held at any facility of a discriminatory club or for any product or service if the advertising occurs on any broadcast media during, or in association with, such media's coverage of any such event. The term "private discriminatory club" means any club organized for business, pleasure, recreation, or other social purpose if the club restricts its membership or the use of its facilities on the basis of sex, race, or color.

The bill is to be effective for expenses paid or incurred after the date of enactment, which we assume would be November 1, 2003. We estimate that it would have the following effect on Federal fiscal year budget receipts:

Fiscal Years
[Millions of Dollars]

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2004-08</u>	<u>2004-13</u>
7	5	5	5	5	5	5	5	5	5	26	52

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

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Honorable Carolyn Maloney
U.S. House of Representatives

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I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,



George K. Yin