

**- Committee on Ways and Means -
 ESTIMATED BUDGET EFFECTS OF H.R. _____,
 THE "RENEWABLE ENERGY AND JOB CREATION TAX ACT OF 2008"**

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Energy Tax Incentives													
A. Energy Production Incentives													
1. Extension and modification of the section 45 renewable energy credit - extend by 2.75 years (one year for wind facilities) the section 45 placed-in-service period (excluding refined coal, Indian coal, and solar facilities); place cap on annual allowable credit; add marine and hydrokinetic energy as qualified energy resource; allow new biomass units to qualify for credit; clarify definition of trash combustion facilities; change definition of qualified hydropower production (sunset 12/31/09 and 9/30/11).....	[1]	-157	-370	-545	-667	-719	-742	-767	-794	-811	-862	-2,458	-6,434
2. Extension and modification of the section 48 energy credit - add CHP at 10% credit, increase fuel cell credit cap to \$1,500 per half KW, waive public utility rule, and allow against AMT; (sunset 12/31/16).....	[2]	-150	-188	-224	-203	-194	-207	-218	-211	-119	-51	-960	-1,765
3. Extend and modify credit for residential energy efficient property - allow credit against AMT, remove solar electric property cap; and add small wind (\$4,000 cap) and geothermal (\$2,000 cap) property (sunset 12/31/16).....	seua DOE & tyba 12/31/07	-51	-143	-130	-135	-140	-146	-152	-157	-156	-106	-599	-1,316
4. Extension and modification of special rule to implement FERC and State electric restructuring policy (sunset 12/31/09).....	[3]	-519	-39	90	90	90	90	109	72	16	---	-287	---

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
7. Extension and modification of alternative fuel vehicle refueling property credit (sunset 12/31/17 (nondepreciable natural gas), 12/31/14 (hydrogen and depreciable natural gas), and 12/31/10 (other)...	[8]	-19	-64	-53	-27	-23	-20	-9	-7	-8	-7	-186	-237
8. Income and gains from storage or transportation of alcohol fuels and mixtures, biodiesel fuels and mixtures, and alternative fuels and mixtures treated as qualifying income for publicly traded partnerships.....	tyba DOE	-2	-4	-5	-6	-7	-8	-9	-10	-12	-13	-24	-76
C. Energy Conservation and Efficiency Provisions													
1. Extension and modification of credit for energy efficiency improvements to existing homes (sunset 12/31/09).....	ppisa 12/31/08	-10	-715	---	---	---	---	---	---	---	---	-725	-725
2. Extension of energy efficient commercial buildings deduction (sunset 12/31/13).....	DOE	-113	-183	-193	-197	-201	-59	17	15	13	10	-888	-891
3. Extension and modification of energy efficient appliance credit.....	apa 12/31/07	-182	-65	-36	-26	-11	-2	---	---	---	---	-320	-323
4. 10-year applicable recovery period for qualified smart electric distribution property, 150 declining balance method	ppisa DOE	-5	-18	-35	-53	-71	-90	-115	-144	-177	-213	-182	-921
5. Extend qualified green building and sustainable design project bonds (sunset 9/30/12).....	DOE	---	-1	-3	-5	-6	-6	-6	-6	-6	-6	-15	-45
Total of Energy Tax Incentives		-2,037	-2,188	-1,381	-1,507	-1,515	-1,221	-1,138	-1,116	-1,097	-1,050	-8,630	-14,251
II. Extension of Temporary Provisions													
A. Extensions Primarily Affecting Individuals													
1. Deduction for State and local general sales taxes (sunset 12/31/09).....	tyba 12/31/07	-1,628	-1,461	-214	---	---	---	---	---	---	---	-3,303	-3,304
2. Deduction for qualified tuition and related expenses (denies deduction for certain AMT taxpayers) (sunset 12/31/09).....	tyba 12/31/07	-1,458	-939	---	---	---	---	---	---	---	---	-2,397	-2,397
3. Treatment of certain dividends of regulated investment companies (sunset 12/31/09).....	[9]	-71	-63	---	---	---	---	---	---	---	---	-134	-134
4. Tax-free distributions from IRAs to certain public charities from age 70 1/2 or older, not to exceed \$100,000 per taxpayer per year (sunset 12/31/09)....	Da 12/31/07	-433	-157	-21	-23	-24	-25	-26	-27	-29	-30	-658	-795

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
5. Above-the-line deduction of up to \$250 for teacher classroom expenses (sunset 12/31/09).....	tyba 12/31/07	-214	-196	---	---	---	---	---	---	---	---	-410	-410
6. Estate tax look-through for certain RIC stock held by nonresidents (sunset 12/31/09).....	dda 12/31/07	----- <i>Negligible Revenue Effect</i> -----											
7. Extend the treatment of RICs as "qualified investment entities" under section 897 (FIRPTA) (sunset 12/31/09).....	1/1/08	-15	-5	---	---	---	---	---	---	---	---	-20	-20
8. Additional standard deduction for property tax for 2009.....	tyba 12/31/08	-374	-1,121	---	---	---	---	---	---	---	---	-1,495	-1,495
B. Extensions Primarily Affecting Businesses													
1. Tax credit for R&E expenses (sunset 12/31/09).....	apoaia 12/31/07	-7,949	-3,142	-1,639	-1,398	-1,195	-991	-723	-416	-240	-204	-15,323	-17,898
2. Indian employment tax credit (sunset 12/31/09).....	tyba 12/31/07	-70	-38	-10	-1	---	---	---	---	---	---	-119	-119
3. New markets tax credit (sunset 12/31/09).....	ima 12/31/08	-106	-168	-170	-192	-205	-202	-202	-77	[5]	7	-841	-1,315
4. 50% tax credit for certain expenditures for maintaining railroad tracks (sunset 12/31/09).....	epoid tyba 12/31/07	-231	-99	[6]	[6]	---	---	---	---	---	---	-331	-331
5. 15-year straight-line cost recovery for qualified leasehold and restaurant improvements (sunset 12/31/09).....	ppisa 12/31/07	-1,865	-1,559	-527	-502	-418	-342	-393	-445	-443	-296	-4,872	-6,791
6. 7-year recovery period for certain motorsports racing track facilities (sunset 12/31/09).....	ppisa 12/31/07	-109	-18	-9	-3	-1	-2	2	10	15	15	-140	-100
7. Accelerated depreciation for business property on Indian reservations (sunset 12/31/09).....	ppisa 12/31/07	-486	-311	-66	80	159	176	122	48	-3	-13	-624	-295
8. Expensing of "Brownfields" environmental remediation costs (sunset 12/31/09).....	epoia 12/31/07	-572	-116	44	52	53	47	42	36	30	27	-539	-357
9. Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico (sunset 12/31/09).....	tyba 12/31/07	-175	-68	---	---	---	---	---	---	---	---	-243	-243
10. Modify tax treatment of certain payments under existing arrangements to controlling exempt organizations (sunset 12/31/09).....	proaa 12/31/07	-33	-13	-1	[6]	---	---	---	---	---	---	-47	-47
11. Extension and modification of credit to holders of qualified zone academy bonds - allocations of bond authority (sunset 12/31/09).....	oia DOE	-6	-19	-32	-43	-49	-48	-47	-46	-45	-44	-149	-379
12. Tax Incentives for Investment in the District of Columbia (sunset 12/31/09).....	tyba 12/31/07	-78	-20	-12	-11	-11	-10	-10	-9	-9	-7	-132	-179
13. Extension of economic development credit for American Samoa (sunset 12/31/09).....	tyba 12/31/07	-22	-11	---	---	---	---	---	---	---	---	-33	-33

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
14. Enhanced charitable deduction for contributions of food inventory (sunset 12/31/09).....	cma 12/31/07	-83	-40	---	---	---	---	---	---	---	---	-123	-123
15. Enhanced charitable deduction for contributions of book inventories to public schools (sunset 12/31/09).....	cma 12/31/07	-34	-15	---	---	---	---	---	---	---	---	-49	-49
16. Enhanced charitable deduction for qualified computer contributions (sunset 12/31/09).....	cma 12/31/07	-267	-89	---	---	---	---	---	---	---	---	-356	-356
17. Basis adjustment to stock of S corporations making charitable contributions of property (sunset 12/31/09).....	tyba 12/31/07	-59	-27	-7	-6	-6	-6	-6	-6	-6	-5	-104	-132
18. Work opportunity tax credit for Hurricane Katrina employees (sunset 08/28/09).....	8/28/07	-14	-8	-4	-2	-1	[6]	[6]	---	---	---	-28	-29
19. Exception under subpart F for active financing income (sunset 12/31/09).....	tyba 12/31/08	-960	-3,010	---	---	---	---	---	---	---	---	-3,970	-3,970
20. Look-through treatment of payments between related CFCs under foreign personal holding company income rules (sunset 12/31/09).....	tyba 2008	-143	-468	---	---	---	---	---	---	---	---	-611	-611
21. Extension of treatment of certain qualified film and television productions (sunset 12/31/09).....	qfatpca 12/31/08	-55	-8	20	8	6	5	4	4	3	2	-29	-11
C. Other Extensions													
1. Permanent authority to disclose information related to terrorist activities.....	da DOE	----- <i>No Revenue Effect</i> -----											
2. Permanent authority for undercover operations.....	1/1/08	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
3. Increase in Limit on Cover Over of Rum Excise Tax Revenues (from \$10.50 to \$13.25 per proof gallon) to Puerto Rico and the Virgin Islands (sunset 12/31/09) [10] [11].....	abiUSa 12/31/07	-172	-20	---	---	---	---	---	---	---	---	-192	-192
Total of Extensions of Temporary Provisions		-17,682	-13,209	-2,648	-2,041	-1,692	-1,398	-1,237	-928	-727	-548	-37,272	-42,115
III. Additional Tax Relief and Other Tax Provisions													
1. Set refundable threshold for the child tax credit at \$8,500 for 2009.....	tyba 12/31/08	-3,419	---	---	---	---	---	---	---	---	---	-3,419	-3,419
2. Provisions related to film and television productions:													
a. Modify treatment of certain qualified film and television productions (sunset 12/31/09).....	qfatpca 12/31/07	-285	-51	100	43	30	25	22	18	15	12	-163	-71

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
b. Modification of domestic production activities deduction for film production under section 199.....	tyba 2007	-18	-25	-34	-37	-39	-42	-45	-49	-52	-56	-153	-397
3. Exemption of excise tax on certain wooden and fiberglass arrows designed for use by children [12].	sfsa DOE	-1	-1	-1	[6]	-1	-1	-1	-1	-1	-1	-2	-6
4. Modification of penalty on understatement of taxpayer's liability by tax return preparer.....	rpa 5/25/07	-1	-1	-2	-2	-2	-2	-2	-3	-3	-3	-9	-22
Total of Additional Tax Relief and Other Tax Provisions		-3,724	-78	63	4	-12	-20	-26	-35	-41	-48	-3,746	-3,915
IV. Provisions That Raise Revenue													
1. Freeze at 6% the section 199 deduction for income attributable to domestic production of oil, gas, or primary products thereof.....	tyba 12/31/08	---	226	450	483	519	557	598	642	690	741	1,678	4,906
2. Eliminate the distinction between FOGEI and FORI and apply present-law FOGEI rules to all foreign income from the production and sale of oil and gas product.....	tyba 12/31/08	89	194	204	214	225	236	248	260	273	287	926	2,230
3. Broker reporting of customer's basis in securities transactions.....	[13]	---	---	---	42	264	457	983	1,482	1,669	1,773	306	6,670
4. One-year extension for the FUTA surtax of 0.2 percent (sunset 12/31/09) [11].....	wpa 12/31/08	1,061	413	---	---	---	---	---	---	---	---	1,474	1,474
5. Extend and increase excise tax rate for the Oil Spill Liability Trust Fund (\$0.08 through 12/31/16, and \$0.09 for 1/1/17 through 12/31/17); eliminate the provision that suspends the tax when the trust fund unobligated balance exceeds \$2.7 billion.....	[14] & DOE	155	157	159	161	162	163	164	165	206	221	795	1,715
6. Modify the tax treatment of nonqualified deferred compensation from certain tax indifferent parties....	spa 12/31/08 [15]	1,752	2,407	2,200	2,172	2,018	1,509	948	468	7,973	3,319	10,548	24,766
7. Delay implementation of worldwide allocation of interest expense until 2017 and apply 45% limitation in the first year of worldwide interest allocation [16].....	DOE	---	---	549	1,362	3,077	3,200	3,328	3,461	2,694	916	4,988	18,587

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
8. Modify timing for corporate estimated tax payment [17].....	DOE	---	---	---	---	30,793	-30,793	---	---	---	---	30,793	---
Total of Provisions that Raise Revenue		3,057	3,397	3,562	4,434	37,058	-24,671	6,269	6,478	13,505	7,257	51,508	60,348
NET TOTAL		-20,386	-12,078	-404	890	33,839	-27,310	3,868	4,399	11,640	5,611	1,860	67

Joint Committee on Taxation

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

Legend for "Effective" column:

abiUSa = articles brought into the United States after

apa = appliances produced after

apoia = amounts paid or incurred after

cma = contributions made after

da = disclosures after

Da = distributions after

dda = decedents dying after

DOE = date of enactment

ea = expenditures after

epoia = expenditures paid or incurred after

epoid = expenses paid or incurred during

fpsoua = fuels produced, sold, or used after

frap = Federal regulations are prescribed

ima = investments made after

oia = obligations issued after

pa = payments after

ppisa = property placed in service after

proaa = payments received or accrued after

qfatpca = qualified film and television

productions commencing after

rpa = returns prepared after

seua = solar electric uncapped after

sfsa = shafts first sold after

soia = sales or installation after

spa = services performed after

tyba = taxable years beginning after

wpa = wages paid after

[1] The proposal is generally effective for property originally placed in service after December 31, 2008. The repeal of the credit phaseout is effective for taxable years ending after December 31, 2008. The production credit for marine renewables is effective for electricity produced and sold after the date of enactment in taxable years ending after the date of enactment. The cap on the allowable annual credit is effective for property originally placed in service after December 31, 2009.

[2] The provision extending the 30-percent credit is generally effective on the date of enactment. The CHP credit and the increase in the credit cap for fuel cells apply to periods after the date of enactment, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code (the "Code") (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The provision relating to the restrictions on public utility property applies to periods after February 13, 2008, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Code (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The allowance of the credit against the alternative minimum tax is effective for taxable years beginning after the date of enactment.

[3] The extension and change in definition applies to transactions after December 31, 2007. The change in timing of transfer of operational control is effective as if included in the American Jobs Creation Act of 2004. The exception for property located outside the United States applies to transactions after the date of enactment.

[4] Estimate is preliminary and subject to change.

[Footnotes for Table 08-1 157 R2 are continued on the following page]

Footnotes for Table 08-1 157 R2 continued:

[5] Gain of less than \$500,000.

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

[7] Effective for claims for credit or payment made on or after May 15, 2008.

[8] Effective for property placed in service after the date of enactment, in taxable years ending after such date.

[9] Effective for dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

[10] Estimate is preliminary and subject to change.

[11] Estimate provided by the Congressional Budget Office.

[12] The provision includes the following fiscal year effects on outlays (a

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2009-13</u>	<u>2009-18</u>
positive number represents an increase in outlays and a negative number represents a decrease in outlays)	---	[6]	-1	-1	-2	-2	-2	-2	-3	-3	-3	-17

[13] Generally effective for transactions on or after January 1, 2011, for stock in a corporation; January 1, 2012, for mutual funds; and January 1, 2013, for other securities.

[14] Effective for the first quarter that begins more than 60 days after the date of enactment.

[15] In the case of compensation attributable to services performed on or before December 31, 2008, effective for last tax year beginning before 2018.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2009-13</u>	<u>2009-18</u>
[16] If H.R. 6983 is enacted into law, worldwide interest allocation is delayed until 2019. The additional revenue effect would be as follows.....	---	---	---	---	---	---	---	---	916	2,829	---	3,745

[17] Increase by 58 percentage points the required corporate estimated tax payments factor for corporations with assets of at least \$1 billion for payments due in July, August, and September 2013.