



Legislative Bulletin.....September 28, 2008

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- H.R. 7202 - Temporary Tax Relief Act

The Majority just announced that the House will be considering two tax bills tonight. The texts of these two bills were made available at about 6:15pm on Sunday, September 28th, will go before the Rules Committee shortly, and will be on the House floor tonight, subject to a closed rule. Obviously, there is no time for a thorough analysis of the bills, but here are broad overviews on both. More details on the provisions contained in these bills can be found in the summaries for bills floated and considered earlier this week. See earlier emails from Paul Teller with “tax” somewhere in the subject line.

NOTE: Neither bill includes a “patch” of the Alternative Minimum Tax (AMT), and neither bill includes the disaster tax relief passed earlier in the week.

See the texts of these bills here:

- http://www.rules.house.gov/bills_details.aspx?NewsID=4095
- http://www.rules.house.gov/bills_details.aspx?NewsID=4094

H.R. 7201

- Includes all the energy tax extenders (about \$14 billion-worth over ten years) included in [H.R. 7060](#), [as passed](#) by the House on September 26, 2008, with 165 Republicans voting no.
- Includes some of the tax increases included in H.R. 7060, including the three separate tax increases on oil and gas, stock broker basis reporting, and the corporate estimated tax payment shift gimmick.
- According to the Ways & Means Committee, the tax relief in this bill is fully offset by tax increases. Thus, there is **no net tax relief**.

H.R. 7202

- Includes all the non-energy tax extenders (about \$42 billion-worth over ten years) included in [H.R. 7060](#), [as passed](#) by the House on September 26, 2008, with 165 Republicans voting no. The vast majority of the extenders are for two years. Examples include the state and local sales tax deduction and the research and development tax credit.

- Includes mental health parity.
- Includes Secure Rural Schools.
- Includes some of the tax increases included in H.R. 7060, including the surtax on unemployment insurance, deferred compensation, an increase and extension of the Oil Spill Liability Trust Fund tax (also in H.R. 7201 above, though a different amount), an eight-year delay in the application of worldwide interest allocation, and the corporate estimated tax payment shift gimmick.
- According to the Ways & Means Committee, the tax relief in this bill is fully offset by tax increases. Thus, there is **no net tax relief**.

Possible Conservative Concern: Some Members may be concerned that both bills fully offset tax relief with tax increases, providing **no net tax relief**.

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