

ESTIMATED REVENUE EFFECTS OF THE TAX PROVISIONS CONTAINED IN H.R. 1591,
 AS PASSED BY THE SENATE ON MARCH 29, 2007

Fiscal Years 2007 - 2017

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-12	2007-17	
A. Tax Provisions Contained in Title IV, Section 403															
1. Increase information return penalties.....	irrtbfo/a 1/1/08	---	---	---	35	85	83	82	81	81	79	78	202	603	
2. Repeal of suspension of certain penalties and interest under section 6404(g)	[1]	---	171	259	261	263	264	266	267	268	269	270	1,218	2,558	
3. Permit governmental 457(b) plans to adopt accounts that accept elective deferrals that receive Roth treatment.....	tyba 12/31/07	---	3	16	37	68	121	151	158	160	161	161	245	1,035	
Total of Tax Provisions Contained in Title IV, Section 403.....		---	174	275	333	416	468	499	506	509	509	509	1,665	4,196	
B. Tax Provisions Contained in Title V, Subtitle B, the "Small Business and Work Opportunity Act of 2007"															
I. Small Business Provisions															
A. General Provisions															
1. Extension of increased expensing for small business - increase section 179 expensing from \$25,000 to \$100,000 and increase the phaseout threshold amount from \$200,000 to \$400,000; include software in section 179 property; and extend indexing of both the deduction limit and the phaseout threshold (sunset 12/31/10).....	tyba 12/31/09	---	---	---	-2,964	-1,897	1,732	1,092	792	613	375	192	-3,129	-64	
2. Extension of the 15-year straight-line cost recovery period for qualified leasehold and restaurant improvements (sunset 12/31/08).....	ppisa 12/31/07 ppisa 12/31/07	---	-100	-293	-381	-373	-363	-332	-315	-331	-325	-317	-1,511	-3,132	
3. 15-year recovery period for new restaurant buildings (sunset 12/31/08).....	ppisa DOE	-22	-89	-154	-171	-171	-169	-168	-165	-161	-153	-145	-777	-1,567	
4. 15-year straight-line recovery period for qualified retail improvement property (sunset 12/31/08).....	ppisa DOE	-22	-94	-173	-197	-192	-181	-166	-165	-169	-167	-145	-859	-1,670	
5. Increase gross receipts threshold for cash accounting to \$10M regardless of inventories, index for inflation, and reset testing period.....	tyba DOE	-9	-278	-151	-52	-57	-63	-69	-76	-84	-92	-100	-610	-1,031	
6. Extension and modification of combined Work Opportunity Tax Credit and Welfare-to-work credit - expansions on post 9/11 disabled veterans, high-risk youth, and vocational rehabilitation referrals; include high out-migration counties (sunset 12/31/12).....	wpoifibwa 12/31/07	[2]	-154	-423	-586	-677	-747	-609	-313	-152	-84	-46	-2,586	-3,789	
7. Treatment of certified professional employer organizations as employers.....	[3]	---	---	-2	-3	-4	-4	-4	-5	-5	-6	-6	-13	-39	
8. Accelerated depreciation for investment in high out-migration counties.....	ppisa DOE & before 4/1/08	-109	-207	-108	-4	20	23	16	11	1	3	13	-385	-340	
9. One-year extension to special increase in expensing under section 179 for GO Zone property (sunset 12/31/08).....	tyba DOE	---	-14	-10	7	5	3	3	2	1	1	---	-9	-2	

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B. Subchapter S Provisions														
1. Exclude capital gains from passive investment income.....	tyba DOE	---	-15	-30	-32	-34	-35	-37	-40	-43	-46	-49	-146	-361
2. Treatment of qualifying director shares.....	tyba 12/31/06	-4	-10	-14	-18	-20	-21	-22	-23	-23	-23	-24	-87	-201
3. Recapture of bad debt reserves.....	tyba 12/31/06	11	27	-22	-40	-36	-23	-21	-22	-23	-24	-26	-83	-199
4. Treatment of sale of interest in a qualified subchapter S subsidiary.....	tyba 12/31/06	-1	-3	-3	-4	-4	-4	-5	-5	-5	-6	-6	-19	-46
5. Elimination of all earnings and profits attributable to pre-1983 years.....	tyba DOE	-3	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-13	-21
6. Expansion of qualifying beneficiaries of an electing small business trust.....	DOE	---	-1	-2	-3	-4	-4	-4	-5	-5	-5	-5	-14	-37
7. Permit interest deduction to an electing small business trust to acquire S corporation stock.....	tyba 12/31/06	---	-2	-3	-4	-5	-5	-6	-8	-9	-11	-12	-18	-64
Total of Small Business Provisions		-159	-942	-1,390	-4,454	-3,451	137	-334	-339	-397	-565	-678	-10,259	-12,563
II. Revenue Provisions														
1. Modify the effective date for the application of the AJCA 2004 leasing (SILO) provision - apply loss limitation to leases with foreign entities regardless of when the lease was entered into	tyba 12/31/06	1,018	1,662	896	407	290	288	260	135	-239	-629	-854	4,561	3,235
2. Tax treatment of inversion transactions.....	tyba 2006	42	86	99	107	115	123	123	143	153	162	170	572	1,323
3. Denial deduction for punitive damages.....	dpoio/a DOE	3	37	29	30	31	32	33	34	35	36	37	162	337
4. Denial of deduction for certain fines, penalties, and other amounts.....	apoio/a DOE	25	87	31	15	15	15	15	15	15	15	15	188	263
5. Impose mark-to-market on individuals who expatriate	[4]	13	57	54	50	46	43	41	39	38	36	34	263	451
6. Limitation on annual amounts which may be deferred under nonqualified deferred compensation arrangements.....	tyba 12/31/06	43	59	60	63	83	94	97	100	103	106	105	401	910
7. Increase in certain criminal penalties.....	aaftaoa DOE	---	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	2	5
8. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements	oyo/a DOE	1	1	1	1	1	1	1	1	1	1	1	6	11
9. Increase in penalty for bad checks and money orders.....	comora DOE	2	2	2	2	2	2	2	2	2	2	2	12	22
10. Change the tax treatment of contingent convertible debt instruments	dliio/a DOE	8	37	52	62	63	58	49	45	39	35	31	280	479
11. Extension of IRS user fees (sunset 9/30/16) [6]	ra 9/30/14	---	---	---	---	---	---	---	---	30	30	---	---	60
12. Modification of collection due process procedures for employment tax liabilities.....	lio/a 120da DOE	---	58	50	28	20	17	20	23	26	29	32	173	303
13. Modifications to Whistleblower reforms [7].....	ipo/a DOE	1	6	15	23	32	42	51	63	79	90	97	119	499
14. Modify definition of covered employee for denial of deduction for excessive employee remuneration.....	tyba 12/31/06	1	3	4	5	7	10	14	18	20	23	25	30	130
15. Increase in age of minor children whose unearned income is taxed as if parent's income.....	tyba DOE	---	34	139	144	148	143	146	156	163	174	185	608	1,432
16. Increase information return penalties	irrtbfo/a 1/1/08	----- Estimate Contained in Item A.1. -----												
17. Require e-filing by certain large organizations.....	tyeo/a 12/31/08	----- No Revenue Effect -----												
18. Allow IRS access to information in the National Directory of New Hires	DOE	----- No Revenue Effect -----												
19. Disclosure of prisoner return information to Federal Bureau of Prisons.....	do/a 1/1/08	---	---	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	2	5
20. Understatement of taxpayer liability by return preparers.....	rpa DOE	---	3	5	6	8	9	9	10	10	11	11	31	82
21. Penalty for filing erroneous refund claims.....	rfo/a 1/1/08	---	---	---	5	10	11	12	13	14	16	17	26	98
22. Suspension of certain penalties and interest under section 6404(g) (36-month rule).....	[1]	----- Subsumed by Item A.2. -----												

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23. Termination of installment agreements.....	foo/a DOE	----- No Revenue Effect -----												
24. Office of chief counsel review of offers-in-compromise.....	oicsopo/a DOE	----- No Revenue Effect -----												
25. Authorization for Financial Management Service retention of transaction fees from levied amounts.....	ala DOE	----- Estimate to be Provided by the Congressional Budget Office -----												
26. Extension of IRS authority to fund undercover operations . (sunset 12/31/08).....	1/1/08	---	[5]	[5]	---	---	---	---	---	---	---	---	[5]	[5]
27. Increase in penalty excise taxes on the political and excess lobbying activities of section 501(c)(3) organizations.....	tyba DOE	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	1	2
28. Increase in penalties for failure to file for exempt organizations.....	rfo/a 1/1/08	---	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	[8]	2	5
29. Impose penalty on failure to comply with electronic filing requirements.....	rrtbe/a 1/1/08	----- Negligible Revenue Effect -----												
Total of Revenue Provisions		1,157	2,132	1,437	948	871	888	873	797	489	137	-92	7,439	9,652
III. General Provisions - Disability Preference Program for Tax Collection Contracts	tcao/a DOE	----- Negligible Revenue Effect -----												
IV. Treasury Study Regarding Extension of The Earned Income Credit to all Eligible Individuals	---	----- No Revenue Effect -----												
Total of Tax Provisions Contained in Title V, Subtitle B, the "Small Business and Work Opportunity Act of 2007"		998	1,190	47	-3,506	-2,580	1,025	539	458	92	-428	-770	-2,820	-2,911
NET TOTAL		998	1,364	322	-3,173	-2,164	1,493	1,038	964	601	81	-261	-1,155	1,285

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be July 1, 2007.

Legend for "Effective" column:

aaftaoa = actions and failures to act occurring after
 ala = amounts levied after
 apoio/a = amounts paid or incurred on or after
 comora = checks or money orders received after
 diio/a = debt instrument issued on or after
 DOE = date of enactment
 do/a = disclosures on or after
 dpoio/a = damages paid or incurred on or after
 foo/a = failures occurring on or after

ipo/a = information provided on or after
 irrtbfo/a = information returns required to be filed on or after
 lio/a = levies issued on or after
 oicsopo/a = offers-in-compromise submitted or pending on or after
 oyo/a = open years on or after
 ppisa = property placed in service after
 ra = requests after
 rpa = returns prepared after

rfo/a = returns filed on or after
 rrtbe/a = returns required to be electronically filed on or after
 tcao/a = tax collection contracts awarded on or after
 tyba = taxable years beginning after
 tyeo/a = taxable years ending on or after
 wpoifibwa = wages paid or incurred for individuals beginning work after
 120da = 120 days after

- [1] Effective for IRS notices issued after the date which is six months after the date of enactment.
- [2] Loss of less than \$500,000.
- [3] Effective with respect to wages paid for services performed on or after January 1 of the first calendar year beginning more than 12 months after the date of enactment.
- [4] Generally effective for U.S. citizens who expatriate or long-term residents who terminate their residency on or after the date of enactment.
- [5] Gain of less than \$1 million.
- [6] Estimate provided by the Congressional Budget Office.
- [7] Net of outlays.
- [8] Gain of less than \$500,000.