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General Explanations  
of the  
Administration's Fiscal Year 2013  
Revenue Proposals  
Table of Revenue Estimates

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Department of the Treasury  
February 2012

Table 1: Revenue Estimates of FY 2013 Budget Proposals 1/ 2/ 3/

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
<b>Temporary tax relief to create jobs and jumpstart growth:</b>													
Extend temporary reduction in the Social Security payroll tax rate for employees and self-employed individuals .....	-63,153	-31,159	0	72	-41	-17	-8	-2	-2	-1	0	-31,145	-31,158
Extend 100-percent first-year depreciation deduction for certain property .....	-35,046	-14,830	13,709	10,284	7,293	5,376	3,503	2,246	1,377	1,029	935	21,832	30,922
Provide a temporary 10-percent tax credit for new jobs and wage increases 4/ .....	-14,227	-12,601	-1,054	-1,162	-1,048	-881	-461	-458	-389	-230	-164	-16,746	-18,448
Provide additional tax credits for investment in qualified property used in a qualified advanced energy manufacturing project .....	-170	-779	-1,309	-1,215	-418	-26	67	111	57	21	7	-3,747	-3,484
Provide tax credit for energy-efficient commercial building property expenditures in place of existing tax deduction .....	0	-400	-517	-367	-232	-115	-32	2	2	2	2	-1,631	-1,655
Reform and extend Build America Bonds 4/ .....	-17	-55	-95	-118	-119	-118	-119	-119	-119	-119	-120	-505	-1,101
<b>Subtotal, temporary tax relief to create jobs and jumpstart growth .....</b>	<b>-112,613</b>	<b>-59,824</b>	<b>10,734</b>	<b>7,494</b>	<b>5,435</b>	<b>4,219</b>	<b>2,950</b>	<b>1,780</b>	<b>926</b>	<b>702</b>	<b>660</b>	<b>-31,942</b>	<b>-24,924</b>
<b>Tax cuts for families and individuals:</b>													
Extend the American opportunity tax credit 4/ .....	0	-672	-12,673	-12,962	-14,066	-14,154	-15,217	-15,610	-16,588	-17,070	-18,358	-54,527	-137,370
Provide for automatic enrollment in IRAs, including a small employer tax credit, and double the tax credit for small employer plan start-up costs 4/ .....	0	0	-733	-1,203	-1,285	-1,383	-1,555	-1,784	-2,024	-2,333	-2,722	-4,604	-15,022
Expand the earned income tax credit (EITC) for larger families 4/ .....	0	-73	-1,436	-1,469	-1,487	-1,521	-1,545	-1,605	-1,635	-1,663	-1,663	-5,986	-14,009
Expand the child and dependent care tax credit 4/ .....	0	-310	-1,088	-1,098	-1,111	-1,114	-1,117	-1,112	-1,099	-1,090	-1,078	-4,721	-10,217
Extend exclusion from income for cancellation of certain home mortgage debt .....	0	-1,153	-1,261	-292	0	0	0	0	0	0	0	-2,706	-2,706
Provide exclusion from income for student loan forgiveness for students after 25 years of income-based or income-contingent repayment .....													
Provide exclusion from income for student loan forgiveness and for certain scholarship amounts for participants in the Indian Health Service Health Professions Programs .....	0	0	-2	-2	-2	-2	-2	-2	-2	-3	-3	-8	-20
<b>Subtotal, tax cuts for families and individuals .....</b>	<b>0</b>	<b>-2,208</b>	<b>-17,193</b>	<b>-17,026</b>	<b>-17,951</b>	<b>-18,174</b>	<b>-19,436</b>	<b>-20,083</b>	<b>-21,318</b>	<b>-22,131</b>	<b>-23,824</b>	<b>-72,552</b>	<b>-179,344</b>
<b>Incentives for expanding manufacturing and insourcing jobs in America:</b>													
Provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas .....	0	-8	-8	-8	-8	-8	-9	-10	-10	-10	-11	-40	-90
Provide new Manufacturing Communities tax credit .....	0	-19	-103	-242	-394	-517	-617	-702	-732	-644	-456	-1,275	-4,426
Target the domestic production activities deduction to domestic manufacturing activities and double the deduction for advanced manufacturing activities 5/ .....													
Enhance and make permanent the research & experimentation tax credit .....	-4,012	-7,048	-7,834	-8,677	-9,553	-10,441	-11,314	-12,157	-12,991	-13,832	-14,688	-43,553	-108,535
Provide a tax credit for the production advanced technology vehicles .....	-7	-53	-163	-257	-413	-610	-461	-434	-166	282	280	-1,496	-1,995
Provide a tax credit for medium- and heavy-duty alternative-fuel commercial vehicles .....	0	-44	-227	-261	-310	-371	-389	-177	42	25	15	-1,213	-1,697
Extend and modify certain energy incentives 4/ .....	-460	-625	-1,781	-700	-282	-109	-20	-58	-86	-100	-109	-3,497	-3,870
<b>Subtotal, incentives for expanding manufacturing and insourcing jobs .....</b>	<b>-4,479</b>	<b>-7,797</b>	<b>-10,116</b>	<b>-10,145</b>	<b>-10,960</b>	<b>-12,056</b>	<b>-12,810</b>	<b>-13,538</b>	<b>-13,943</b>	<b>-14,279</b>	<b>-14,969</b>	<b>-51,074</b>	<b>-120,613</b>
<b>Tax relief for small business:</b>													
Eliminate capital gains taxation on investments in small business stock .....	0	0	0	0	0	-214	-619	-1,018	-1,525	-2,079	-2,536	-214	-7,991
Double the amount of expensed start-up expenditures .....	-76	-322	-316	-313	-311	-310	-307	-302	-299	-297	-296	-1,572	-3,073
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance 4/ .....	-512	-1,077	-1,777	-2,168	-1,987	-1,672	-1,409	-1,215	-1,101	-981	-774	-8,681	-14,161
<b>Subtotal, tax relief for small business .....</b>	<b>-588</b>	<b>-1,399</b>	<b>-2,093</b>	<b>-2,481</b>	<b>-2,298</b>	<b>-2,196</b>	<b>-2,335</b>	<b>-2,535</b>	<b>-2,925</b>	<b>-3,357</b>	<b>-3,606</b>	<b>-10,467</b>	<b>-25,225</b>
<b>Incentives to promote regional growth:</b>													
Extend and modify the New Markets tax credit .....	-14	-72	-184	-306	-397	-465	-513	-528	-466	-310	-129	-1,424	-3,370
Designate Growth Zones 4/ .....	0	0	-577	-1,048	-990	-934	-886	-119	518	477	409	-3,549	-3,150
Restructure assistance to New York City, provide tax incentives for transportation infrastructure .....	0	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-1,000	-2,000
Modify tax-exempt bonds for Indian tribal governments .....	0	-2	-4	-8	-11	-15	-19	-24	-27	-31	-35	-40	-176
Allow current refundings of State and local governmental bonds 6/ .....	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Reform and expand the Low-Income Housing tax credit (LIHTC):</i>													
Encourage mixed income occupancy by allowing LIHTC-supported projects to elect a criterion employing a restriction on average income .....	0	-1	-2	-4	-7	-10	-13	-16	-19	-22	-26	-24	-120
Make LIHTC beneficial to Real Estate Investment Trusts (REITs) .....													
Provide 30-percent basis "boost" to properties that receive an allocation of tax-exempt bond volume cap and that consume that allocation .....	-1	-4	-15	-31	-48	-66	-85	-103	-123	-143	-165	-164	-783
Require LIHTC-supported buildings to provide protections to victims of domestic violence .....													
<i>Subtotal, reform and expand the LIHTC .....</i>	<i>-1</i>	<i>-5</i>	<i>-17</i>	<i>-35</i>	<i>-55</i>	<i>-76</i>	<i>-98</i>	<i>-119</i>	<i>-142</i>	<i>-165</i>	<i>-191</i>	<i>-188</i>	<i>-903</i>
<b>Subtotal, incentives to promote regional growth .....</b>	<b>-15</b>	<b>-279</b>	<b>-982</b>	<b>-1,597</b>	<b>-1,653</b>	<b>-1,690</b>	<b>-1,716</b>	<b>-990</b>	<b>-317</b>	<b>-229</b>	<b>-146</b>	<b>-6,201</b>	<b>-9,599</b>

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
<b>Continue certain expiring provisions through calendar year 2013 4/ 7/</b> .....	<b>-5,414</b>	<b>-13,599</b>	<b>-9,067</b>	<b>-1,066</b>	<b>-541</b>	<b>-259</b>	<b>-209</b>	<b>-238</b>	<b>-278</b>	<b>-354</b>	<b>-394</b>	<b>-24,532</b>	<b>-26,005</b>
<b>Upper-income tax provisions:</b>													
<i>Sunset the Bush tax cuts for those with income in excess of \$250,000 (\$200,000 if single):</i>													
Reinstate the limitation on itemized deductions for upper-income taxpayers .....	0	4,374	9,144	10,038	11,066	12,118	13,149	14,171	15,207	16,285	17,433	46,740	122,985
Reinstate the personal exemption phaseout for upper-income taxpayers .....	0	1,510	3,173	3,450	3,745	4,083	4,429	4,793	5,169	5,574	6,016	15,961	41,942
Reinstate the 36-percent and 39.6-percent tax rates for upper-income taxpayers .....	0	23,101	32,492	35,507	39,133	42,744	46,268	49,839	53,509	57,394	61,567	172,977	441,554
Tax qualified dividends as ordinary income for upper-income taxpayers .....	0	21,537	10,483	15,624	20,183	22,269	22,529	22,776	23,085	23,615	24,314	90,096	206,415
Tax net long-term capital gains at a 20-percent rate for upper-income taxpayers .....	0	<u>5,811</u>	<u>-4,226</u>	<u>-1,718</u>	<u>2,286</u>	<u>4,681</u>	<u>5,141</u>	<u>5,484</u>	<u>5,822</u>	<u>6,165</u>	<u>6,520</u>	<u>6,834</u>	<u>35,966</u>
<i>subtotal, sunset the Bush tax cuts</i> .....	0	56,333	57,066	62,901	76,413	85,895	91,516	97,063	102,792	109,033	115,850	332,608	848,862
Reduce the value of certain tax expenditures .....	0	<u>27,096</u>	<u>43,935</u>	<u>47,457</u>	<u>51,764</u>	<u>57,015</u>	<u>62,263</u>	<u>66,736</u>	<u>71,195</u>	<u>75,899</u>	<u>80,837</u>	<u>227,267</u>	<u>584,197</u>
<b>Subtotal, upper-income tax provisions</b> .....	<b>0</b>	<b>83,429</b>	<b>95,001</b>	<b>110,358</b>	<b>128,177</b>	<b>142,910</b>	<b>153,779</b>	<b>163,799</b>	<b>173,987</b>	<b>184,932</b>	<b>196,687</b>	<b>559,875</b>	<b>1,433,059</b>
<b>Modify estate and gift tax provisions:</b>													
Restore the estate, gift, and generation-skipping transfer tax parameters in effect in 2009 ..	103	150	8,552	9,851	10,791	11,828	12,970	14,191	15,458	16,856	18,150	41,172	118,797
Require consistency in value for transfer and income tax purposes .....	0	149	165	172	182	192	204	217	230	244	259	860	2,014
Modify rules on valuation discounts .....	0	766	1,422	1,516	1,626	1,748	1,889	2,038	2,189	2,354	2,531	7,078	18,079
Require a minimum term for grantor retained annuity trusts .....	0	40	85	144	206	273	347	426	509	599	705	748	3,334
Limit duration of generation-skipping transfer tax exemption .....						<i>Negligible revenue effect</i>							
Coordinate certain income and transfer tax rules applicable to grantor trusts .....	0	22	31	39	50	65	82	105	133	169	214	207	910
Extend the lien on estate tax deferrals provided under section 6166 .....	<u>2</u>	<u>5</u>	<u>9</u>	<u>13</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>60</u>	<u>160</u>
<b>Subtotal, estate and gift tax provisions</b> .....	<b>105</b>	<b>1,132</b>	<b>10,264</b>	<b>11,735</b>	<b>12,871</b>	<b>14,123</b>	<b>15,510</b>	<b>16,996</b>	<b>18,539</b>	<b>20,243</b>	<b>21,881</b>	<b>50,125</b>	<b>143,294</b>
<b>Reform U.S. international tax system:</b>													
Defer deduction of interest expense related to deferred income of foreign subsidiaries .....	0	3,487	5,926	6,156	6,420	6,693	3,436	1,215	1,258	1,306	1,356	28,682	37,253
Determine the foreign tax credit on a pooling basis .....	0	3,211	5,457	5,668	5,911	6,163	6,403	6,630	6,865	7,128	7,399	26,410	60,835
Tax currently excess returns associated with transfers of intangibles offshore .....	0	1,498	2,653	2,621	2,550	2,460	2,375	2,290	2,231	2,178	2,117	11,782	22,973
Limit shifting of income through intangible property transfers .....	0	28	62	88	115	143	172	203	235	269	308	436	1,623
Disallow the deduction for excess non-taxed reinsurance premiums paid to affiliates .....	0	111	211	229	241	248	260	274	290	311	311	1,040	2,449
Limit earnings stripping by expatriated entities .....	0	222	382	401	421	442	464	487	512	537	564	1,868	4,432
Modify the tax rules for dual capacity taxpayers .....	0	530	912	965	1,023	1,081	1,139	1,192	1,245	1,301	1,336	4,511	10,724
Tax gain from the sale of partnership interest on look-through basis .....	0	158	218	229	240	252	265	278	292	307	322	1,097	2,561
Prevent use of leveraged distributions from related foreign corporations to avoid dividend treatment .....	0	175	298	310	323	337	350	362	375	389	404	1,443	3,323
Extend section 338(h)(16) to certain asset acquisitions .....	0	60	100	100	100	100	100	100	100	100	100	460	960
Remove foreign taxes from a section 902 corporation's foreign tax pool when earnings are eliminated .....	0	<u>10</u>	<u>20</u>	<u>27</u>	<u>36</u>	<u>46</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>139</u>	<u>389</u>
<b>Subtotal, reform U.S. international tax system</b> .....	<b>0</b>	<b>9,490</b>	<b>16,239</b>	<b>16,794</b>	<b>17,380</b>	<b>17,965</b>	<b>15,014</b>	<b>13,081</b>	<b>13,437</b>	<b>13,855</b>	<b>14,267</b>	<b>77,868</b>	<b>147,522</b>
<b>Reform treatment of financial and insurance industry institutions and products:</b>													
Impose a financial crisis responsibility fee .....	0	0	3,252	6,462	6,506	6,784	7,058	7,317	7,652	7,982	8,329	23,004	61,342
Require accrual of income on forward sale of corporate stock .....	0	4	11	18	26	34	38	40	42	44	46	93	303
Require ordinary treatment of income from day-to-day dealer activities for certain dealers of equity options and commodities .....	37	152	240	254	270	286	303	321	341	361	383	1,202	2,911
Modify the definition of "control" for purposes of section 249 .....	3	11	17	17	18	19	20	21	22	23	24	82	192
Modify rules that apply to sales of life insurance contracts .....	0	14	38	46	58	70	84	99	115	133	154	226	811
Modify proration rules for life insurance company general and separate accounts .....	0	461	788	776	808	840	846	840	805	788	754	3,673	7,706
Expand pro rata interest expense disallowance for corporate-owned life insurance .....	0	<u>21</u>	<u>67</u>	<u>173</u>	<u>260</u>	<u>411</u>	<u>620</u>	<u>856</u>	<u>1,216</u>	<u>1,628</u>	<u>2,058</u>	<u>932</u>	<u>7,310</u>
<b>Subtotal, reform treatment of financial and insurance industry     institutions and products</b> .....	<b>40</b>	<b>663</b>	<b>4,413</b>	<b>7,746</b>	<b>7,946</b>	<b>8,444</b>	<b>8,969</b>	<b>9,494</b>	<b>10,193</b>	<b>10,959</b>	<b>11,748</b>	<b>29,212</b>	<b>80,575</b>
<b>Eliminate fossil fuel preferences:</b>													
<i>Eliminate oil and gas preferences:</i>													
Repeal enhanced oil recovery credit 6/ .....	0	0	0	0	0	0	0	0	0	0	0	0	0
Repeal credit for oil and gas produced from marginal wells 6/ .....	0	0	0	0	0	0	0	0	0	0	0	0	0
Repeal expensing of intangible drilling costs .....	0	3,490	2,398	1,867	1,760	1,453	1,012	709	508	388	317	10,968	13,902
Repeal deduction for tertiary injectants .....	0	7	11	11	11	11	10	10	10	10	9	51	100
Repeal exemption to passive loss limitation for working interests in oil and natural gas properties .....	0	9	11	10	9	8	8	7	7	7	6	47	82
Repeal percentage depletion for oil and natural gas wells .....	0	612	1,046	1,083	1,122	1,166	1,206	1,242	1,274	1,329	1,385	5,029	11,465
Increase geological and geophysical amortization period for independent producers to seven years .....	0	<u>61</u>	<u>225</u>	<u>339</u>	<u>310</u>	<u>226</u>	<u>146</u>	<u>68</u>	<u>15</u>	<u>3</u>	<u>7</u>	<u>1,161</u>	<u>1,400</u>
<i>subtotal, repeal oil and gas preferences</i> .....	0	4,179	3,691	3,310	3,212	2,864	2,382	2,036	1,814	1,737	1,724	17,256	26,949

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
<i>Eliminate coal preferences:</i>													
Repeal expensing of exploration and development costs .....	0	26	44	46	48	50	50	48	46	43	39	214	440
Repeal percentage depletion for hard mineral fossil fuels .....	0	185	177	172	168	168	170	174	175	176	179	870	1,744
Repeal capital gains treatment for royalties .....	0	11	25	31	38	43	47	51	55	58	63	148	422
<i>subtotal, eliminate coal preferences</i> .....	0	222	246	249	254	261	267	273	276	277	281	1,232	2,606
<b>Subtotal, eliminate fossil fuel preferences 5/</b> .....	<b>0</b>	<b>4,401</b>	<b>3,937</b>	<b>3,559</b>	<b>3,466</b>	<b>3,125</b>	<b>2,649</b>	<b>2,309</b>	<b>2,090</b>	<b>2,014</b>	<b>2,005</b>	<b>18,488</b>	<b>29,555</b>
<b>Other revenue changes and loophole closers:</b>													
Increase the Oil Spill Liability Trust Fund financing rate by one cent and update the law to include other sources of crudes .....	0	55	72	72	72	73	75	74	75	75	74	344	717
<i>Reinstate and extend Superfund taxes:</i>													
Reinstate and extend Superfund excise taxes .....	0	589	790	805	822	840	855	867	877	887	893	3,846	8,225
Reinstate Superfund environmental income tax .....	0	856	1,296	1,231	1,133	1,273	1,338	1,380	1,388	1,394	1,444	5,789	12,733
<i>subtotal, reinstate and extend Superfund taxes</i> .....	0	1,445	2,086	2,036	1,955	2,113	2,193	2,247	2,265	2,281	2,337	9,635	20,958
Make unemployment insurance surtax permanent .....	0	974	1,363	1,386	1,410	1,435	1,454	1,466	1,475	1,486	1,487	6,568	13,936
Provide short-term tax relief to employers and expand Federal Unemployment Tax Act base .....	0	-2,990	-3,634	7,856	9,862	8,941	8,752	5,472	4,407	5,043	4,134	20,035	47,843
Repeal last-in, first-out method of accounting for inventories .....	0	0	5,535	8,834	8,399	8,376	8,782	8,738	8,338	8,421	8,359	31,144	73,782
Repeal lower-of-cost-or-market inventory accounting method .....	0	0	930	5,638	2,315	1,520	1,347	305	320	334	350	10,403	13,059
Eliminate special depreciation rules for purchases of general aviation passenger aircraft .....	0	54	174	268	304	357	376	278	162	119	114	1,157	2,206
Repeal gain limitation for dividends received in reorganization exchanges .....	0	48	81	84	86	89	92	94	97	100	103	388	874
Tax carried (profits) interests as ordinary income .....	0	1,287	1,935	1,918	1,703	1,426	1,165	1,106	1,171	1,017	768	8,269	13,496
Expand the definition of substantial built-in loss for purposes of partnership loss transfers .....	0	0	6	6	7	7	7	7	8	8	8	26	64
Extend partnership basis limitation rules to nondeductible expenditures .....	0	6	67	74	83	89	94	97	100	105	111	319	826
Limit the importation of losses under section 267 .....	0	5	63	69	77	82	87	90	94	97	103	296	767
Deny deduction for punitive damages .....	0	0	24	35	35	36	36	37	37	39	40	130	319
Eliminate the deduction for contributions of conservation easements on golf courses .....	3	37	51	53	55	59	61	64	68	71	74	255	593
<b>Subtotal, other revenue changes and loophole closers</b> .....	<b>3</b>	<b>921</b>	<b>8,753</b>	<b>28,329</b>	<b>26,363</b>	<b>24,603</b>	<b>24,521</b>	<b>20,075</b>	<b>18,617</b>	<b>19,196</b>	<b>18,062</b>	<b>88,969</b>	<b>189,440</b>
<b>Reduce the tax gap and make reforms:</b>													
<i>Expand information reporting:</i>													
Require information reporting for private separate accounts of life insurance companies .....	0	0	1	1	1	1	1	1	1	1	2	4	10
Require a certified Taxpayer Identification Number from contractors and allow certain withholding .....	0	28	65	110	151	158	165	172	180	188	196	512	1,413
<i>subtotal, expand information reporting</i> .....	0	28	66	111	152	159	166	173	181	189	198	516	1,423
<i>Improve compliance by businesses:</i>													
Require greater electronic filing of returns .....													<i>No Revenue Effect</i>
Authorize the Department of the Treasury to require additional information to be included in electronically filed Form 5500 Annual Reports .....													<i>No Revenue Effect</i>
Implement standards clarifying when employee leasing companies can be held liable for their clients' Federal employment taxes .....	0	4	5	6	6	6	7	7	8	8	8	27	65
Increase certainty with respect to worker classification .....	6	15	247	621	782	872	966	1,062	1,162	1,267	1,378	2,537	8,372
Repeal special estimated tax payment provision for certain insurance companies .....													<i>Negligible revenue effect</i>
Eliminate special rules modifying the amount of estimated tax payments by corporations .....	-300	300	-54,700	5,600	46,350	2,750	0	-5,600	5,600	0	0	300	300
<i>subtotal, improve compliance by businesses</i> .....	-294	319	-54,448	6,227	47,138	3,628	973	-4,531	6,770	1,275	1,386	2,864	8,737
<i>Strengthen tax administration:</i>													
Streamline audit and adjustment procedures for large partnerships .....	0	50	221	105	128	161	192	210	214	216	217	665	1,714
Revise offer-in-compromise application rules .....	0	2	2	2	2	2	2	2	2	2	2	10	20
Expand IRS to access information in the National Directory of New Hires for tax administration purposes .....													<i>No Revenue Effect</i>
Make repeated willful failure to file a tax return a felony .....	0	0	0	0	1	1	1	1	2	2	2	2	10
Facilitate tax compliance with local jurisdictions .....	0	0	0	1	1	1	1	1	1	1	1	3	8
Extend statute of limitations where State adjustment affects Federal tax liability .....	0	0	0	0	1	4	4	4	4	4	4	5	25
Improve investigative disclosure statute .....	0	0	0	0	1	1	1	1	2	2	2	2	10
Require taxpayers who prepare their returns electronically but file their returns on paper to print their returns with a 2-D bar code .....													<i>No Revenue Effect</i>
Allow the IRS to absorb credit and debit card processing fees for certain tax payments .....	0	1	2	2	2	2	2	2	2	2	2	9	19
Improve and make permanent the provision authorizing the IRS to disclose certain return information to certain prison officials .....													<i>Negligible revenue effect</i>
Extend IRS math error authority in certain circumstances 4/ .....	0	7	17	17	16	17	18	19	20	20	22	74	173

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
Impose a penalty on failure to comply with electronic filing requirements .....	0	0	0	0	1	1	1	1	2	2	2	2	10
<i>subtotal, strengthen tax administration</i> .....	0	60	242	127	153	190	222	241	249	251	254	772	1,989
<b>Subtotal, reduce the tax gap and make reforms</b> .....	<b>-294</b>	<b>407</b>	<b>-54,140</b>	<b>6,465</b>	<b>47,443</b>	<b>3,977</b>	<b>1,361</b>	<b>-4,117</b>	<b>7,200</b>	<b>1,715</b>	<b>1,838</b>	<b>4,152</b>	<b>12,149</b>
<b>Simplify the tax system:</b>													
Simplify the rules for claiming the EITC for workers without qualifying children 4/ .....	0	-41	-553	-563	-572	-582	-589	-598	-608	-619	-630	-2,311	-5,355
Eliminate minimum required distribution rules for IRA plan balances of \$75,000 or less .....	0	-4	-8	-12	-18	-25	-34	-44	-56	-70	-84	-67	-355
Allow all inherited IRA balances to be rolled over within 60 days .....					<i>Negligible revenue effect</i>								
Clarify exception to recapture unrecognized gain on sale of stock to an ESOP .....					<i>Negligible revenue effect</i>								
Repeal non-qualified preferred stock designation .....	0	30	49	49	48	45	42	37	33	29	26	221	388
Repeal preferential dividend rule for publicly offered REITs .....					<i>Negligible revenue effect</i>								
Reform excise tax based on investment income of private foundations .....	0	-4	-4	-5	-5	-5	-5	-6	-6	-7	-7	-23	-54
Remove bonding requirements for certain taxpayers subject to Federal excise taxes on distilled spirits, wine, and beer .....					<i>Negligible revenue effect</i>								
<i>Simplify tax-exempt bonds:</i>													
Simplify arbitrage investment restrictions .....	0	-2	-10	-18	-28	-38	-46	-58	-68	-76	-87	-96	-431
Simplify single-family housing mortgage bond targeting requirements .....	0	0	0	0	-1	-1	-1	-3	-3	-3	-3	-2	-15
Streamline private business limits on governmental bonds .....	0	-1	-4	-5	-8	-9	-12	-15	-16	-19	-21	-27	-110
<i>subtotal, simplify tax-exempt bonds</i> .....	0	-3	-14	-23	-37	-48	-59	-76	-87	-98	-111	-125	-556
<b>Subtotal, simplify the tax system</b> .....	<b>0</b>	<b>-22</b>	<b>-530</b>	<b>-554</b>	<b>-584</b>	<b>-615</b>	<b>-645</b>	<b>-687</b>	<b>-724</b>	<b>-765</b>	<b>-806</b>	<b>-2,305</b>	<b>-5,932</b>
<b>User fees:</b>													
Reform inland waterways funding .....	0	82	113	113	113	113	113	113	113	113	114	534	1,100
<b>Subtotal, user fees</b> .....	<b>0</b>	<b>82</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>114</b>	<b>534</b>	<b>1,100</b>
<b>Other initiatives:</b>													
Allow offset of Federal income tax refunds to collect delinquent state income taxes for out-of-state residents .....													
Authorize the limited sharing of business tax return information to improve the accuracy of important measures of our economy .....													
Eliminate certain reviews conducted by the U.S. Treasury Inspector General for Tax Administration .....													
Modify indexing to prevent deflationary adjustments .....													
<b>Subtotal, other initiatives</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Program integrity initiatives:</b>													
Increase levy authority for payments to Medicare providers with delinquent tax debt .....	16	56	66	68	70	72	74	76	77	78	80	332	717
Implement a program integrity statutory cap adjustment for the IRS .....	0	421	1,123	2,251	3,455	4,694	5,585	6,200	6,483	6,661	6,779	11,944	43,652
<b>Subtotal, program integrity initiatives</b> .....	<b>16</b>	<b>477</b>	<b>1,189</b>	<b>2,319</b>	<b>3,525</b>	<b>4,766</b>	<b>5,659</b>	<b>6,276</b>	<b>6,560</b>	<b>6,739</b>	<b>6,859</b>	<b>12,276</b>	<b>44,369</b>
<b>Total Effect of FY 2013 Budget Proposals Relative to the Adjusted Baseline</b> .....	<b>-123,239</b>	<b>15,874</b>	<b>56,522</b>	<b>162,043</b>	<b>218,732</b>	<b>189,255</b>	<b>193,374</b>	<b>191,735</b>	<b>212,157</b>	<b>219,353</b>	<b>230,376</b>	<b>642,426</b>	<b>1,689,421</b>
Total receipt effect .....	-121,856	17,893	67,876	173,785	232,182	204,157	210,212	210,249	232,836	241,879	255,449	695,893	1,846,518
Total outlay effect .....	1,383	2,019	11,354	11,742	13,450	14,902	16,838	18,514	20,679	22,526	25,073	53,467	157,097

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Notes:

- 1/ Presentation in this table does not reflect the order in which these proposals were estimated.
- 2/ Table 2 below details the budgetary impact of adjusting the Budget Enforcement Act baseline to extend certain tax policies. These extensions were estimated before the policy proposals shown in this table.
- 3/ Table 15-3 in the Analytical Perspectives of the FY 2013 Budget includes the effects of a number of proposals that are not reflected here. These proposals would levy a fee on the production of hardrock minerals to restore abandoned mines, expand Short-Time Compensation unemployment program, extend Federal unemployment benefits and invest in program integrity, increase fees for Migratory Bird Hunting and Conservation Stamps, establish a mandatory surcharge for air traffic services, reauthorize special assessment on domestic nuclear utilities, establish Reconstruction Opportunity Zones, increase employee contributions to civil service retirement and the Federal employee retirement system, and authorize the Bureau of Engraving and Printing to conduct a coupon program to distribute electronic currency readers.
- 4/ This provision affects both receipts and outlays. The combined effects are shown here and the outlay effects included in these estimates are detailed in Table 3.
- 5/ The Administration proposes to repeal the domestic production activities deduction for oil and gas and other fossil fuel production. The revenue raised by this repeal, \$11,883 million over the FY 2013 - FY 2022 period, is included in the estimate of the Administration's proposal to target the domestic production activities deduction to domestic manufacturing activities and double the deduction for advanced manufacturing activities.
- 6/ This provision is estimated to have zero receipt effect under the Administration's current economic projections.
- 7/ Detail on the estimates included in this item are reported in Table 4.

**Table 2: Adjustments to the Budget Enforcement Act Baseline for the Adjusted Baseline 1/**

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
<b>Permanently Extend the 2001 and 2003 Tax Cuts for All Taxpayers:</b>													
Tax dividends with a 0%/15% rate structure .....	0	-25,376	-18,309	-24,571	-30,304	-33,305	-34,228	-35,024	-35,784	-36,742	-37,846	-131,865	-311,489
Tax capital gains with a 0%/15% rate structure .....	0	-7,704	740	-2,762	-7,804	-10,848	-11,639	-12,228	-12,739	-13,224	-13,727	-28,378	-91,935
Expand expensing for small businesses .....	0	-4,957	-7,342	-6,068	-5,151	-4,542	-4,214	-4,075	-4,079	-4,172	-4,278	-28,060	-48,878
Reduce marginal individual income tax rates .....	0	-63,153	-88,039	-92,066	-96,180	-100,892	-105,043	-108,786	-112,491	-116,336	-120,161	-440,330	-1,003,147
Repeal the personal exemption phase-out .....	0	-1,330	-2,731	-2,899	-3,122	-3,364	-3,605	-3,862	-4,124	-4,401	-4,706	-13,446	-34,144
Repeal the limitation on itemized deductions .....	0	-4,771	-9,990	-10,968	-12,065	-13,191	-14,295	-15,393	-16,501	-17,652	-18,877	-50,985	-133,703
Increase the child credit 2/ .....	0	-6,086	-42,981	-43,611	-44,275	-44,791	-45,096	-45,440	-45,655	-45,821	-45,943	-181,744	-409,699
<i>Marriage penalty relief:</i>													
Increase the standard deduction for married taxpayers .....	0	-2,089	-2,985	-2,941	-2,830	-2,797	-2,725	-2,617	-2,506	-2,370	-2,274	-13,642	-26,134
Expand the 15% income tax bracket for married taxpayers .....	0	-2,865	-4,107	-4,030	-3,902	-3,860	-3,792	-3,766	-3,813	-3,930	-4,070	-18,764	-38,135
EITC modification and simplification 2/ .....	0	-249	-4,338	-4,388	-4,404	-4,419	-4,439	-4,480	-4,526	-4,594	-4,680	-17,798	-40,517
<i>subtotal, marriage penalty relief</i> .....	0	-5,203	-11,430	-11,359	-11,136	-11,076	-10,956	-10,863	-10,845	-10,894	-11,024	-50,204	-104,786
Provide education incentives .....	0	-887	-1,913	-2,046	-2,084	-2,166	-2,309	-2,359	-2,483	-2,567	-2,642	-9,096	-21,456
Increase and expand dependent care tax credit .....	0	-310	-811	-850	-822	-850	-887	-879	-910	-897	-892	-3,643	-8,108
Extend the employer provided child care credit .....	0	0	-5	-8	-10	-10	-12	-12	-12	-13	-13	-33	-95
Increase and expand adoption credit and exclusion .....	0	-62	-424	-494	-528	-569	-677	-701	-701	-637	-739	-2,077	-5,532
<b>Subtotal, make permanent the 2001 and 2003 tax cuts</b> .....	<b>0</b>	<b>-119,839</b>	<b>-183,235</b>	<b>-197,702</b>	<b>-213,481</b>	<b>-225,604</b>	<b>-232,961</b>	<b>-239,622</b>	<b>-246,324</b>	<b>-253,356</b>	<b>-260,848</b>	<b>-939,861</b>	<b>-2,172,972</b>
Extend estate, gift, and generation-skipping transfer taxes at 2012 parameters .....	-1,501	-4,870	-31,856	-35,799	-39,783	-43,612	-47,696	-51,433	-55,120	-58,805	-62,110	-155,920	-431,084
Extend and index to inflation the 2011 parameters of the AMT .....	-19,112	-120,232	-114,744	-129,652	-148,260	-169,058	-191,515	-215,921	-241,680	-268,951	-298,300	-681,946	-1,898,313
<b>Total Effect of Adjustments to the BEA Baseline</b> .....	<b>-20,613</b>	<b>-244,941</b>	<b>-329,835</b>	<b>-363,153</b>	<b>-401,524</b>	<b>-438,274</b>	<b>-472,172</b>	<b>-506,976</b>	<b>-543,124</b>	<b>-581,112</b>	<b>-621,258</b>	<b>-1,777,727</b>	<b>-4,502,369</b>
Total receipt effect .....	-20,613	-243,573	-302,486	-335,585	-373,822	-410,421	-444,319	-479,013	-515,102	-553,031	-593,124	-1,665,887	-4,250,476
Total outlay effect .....	0	1,368	27,349	27,568	27,702	27,853	27,853	27,963	28,022	28,081	28,134	111,840	251,893

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Notes:

1/ Proposals in this table were estimated before the proposals shown in Table 1.

2/ This provision affects both receipts and outlays. The combined effects are shown here and the outlay effects included in these estimates are detailed in Table 3 below.

**Table 3: Outlay Effect Included in Revenue Estimates**

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
Increase the child credit .....	0	1,159	23,172	23,347	23,469	23,617	23,613	23,701	23,737	23,759	23,766	94,764	213,340
Provide marriage penalty relief .....	0	209	4,177	4,221	4,233	4,236	4,240	4,262	4,285	4,322	4,368	17,076	38,553
Provide a temporary 10-percent tax credit for new jobs and wage increases .....	0	615	0	0	0	0	0	0	0	0	0	615	615
Reform and extend Build America Bonds .....	105	607	1,610	2,854	4,185	5,614	7,127	8,703	10,331	12,019	13,973	14,870	67,023
Extend American opportunity tax credit .....	0	0	5,940	6,018	6,477	6,494	6,950	7,041	7,538	7,649	8,210	24,929	62,317
Provide for automatic enrollment in IRAs, including a small employer tax credit, and double the tax credit for small employer plan start-up costs .....	0	0	140	218	220	225	231	234	238	244	247	803	1,997
Expand the earned income tax credit (EITC) for larger families .....	0	71	1,429	1,462	1,481	1,515	1,539	1,569	1,599	1,629	1,657	5,958	13,951
Expand the child and dependent care tax credit .....	0	0	314	324	337	346	359	369	375	384	391	1,321	3,199
Extend and modify certain energy incentives .....	1,147	178	706	209	95	65	0	0	0	0	0	1,253	1,253
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance .....	34	73	120	147	134	113	95	82	74	67	53	587	958
Designate Growth Zones .....	0	0	23	24	27	27	29	0	0	0	0	101	130
<i>Continue certain expiring provisions through calendar year 2013:</i>													
Credit for prior year AMT liability made refundable after a period of years .....	0	0	187	0	0	0	0	0	0	0	0	187	187
Expansion of the adoption credit .....	0	359	384	0	0	0	0	0	0	0	0	743	743
Temporary 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 .....	97	96	24	0	0	0	0	0	0	0	0	120	120
Extend IRS math error authority in certain circumstances .....	0	-4	-9	-9	-9	-9	-10	-10	-11	-11	-12	-40	-94
Simplify the rules for claiming the EITC for workers without qualifying children .....	0	24	486	495	503	512	518	526	535	545	554	2,020	4,698
<b>Total Outlay Effect of Proposals</b> .....	<b>1,383</b>	<b>3,387</b>	<b>38,703</b>	<b>39,310</b>	<b>41,152</b>	<b>42,755</b>	<b>44,691</b>	<b>46,477</b>	<b>48,701</b>	<b>50,607</b>	<b>53,207</b>	<b>165,307</b>	<b>408,990</b>

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**Table 4: Supplementary Detail on the Effects of Continuing Certain Expiring Provisions Through Calendar Year 2013 1/**

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
<i>Energy:</i>													
Incentives for biodiesel and renewable diesel .....	-107	-432	-169	-3	-2	-1	-1	0	0	0	0	-607	-608
Credit for construction of energy efficient new homes .....	-25	-63	-52	-20	-6	-2	-1	0	0	0	0	-143	-144
Incentives for alternative fuel and alternative fuel mixtures .....	-31	-149	-115	0	0	0	0	0	0	0	0	-264	-264
Special rule to implement electric transmission restructuring .....	-69	-347	-272	88	111	111	111	111	102	52	0	-309	67
Cellulosic biofuel producer credit .....	0	-9	-8	-2	-2	-1	-1	0	0	0	0	-22	-23
Special depreciation allowance for cellulosic biofuel plant property .....	0	-6	-5	2	1	1	2	2	2	1	0	-7	0
Alternative fuel vehicle refueling property (non-hydrogen refueling property) .....	-8	-8	-9	-5	-2	0	1	1	1	1	1	-24	-19
Extension and modification of section 25C nonbusiness energy property .....	-447	-1,001	-566	0	0	0	0	0	0	0	0	-1,557	-1,557
Credit for energy efficient appliances .....	-90	-221	-223	-135	-62	-27	-8	0	0	0	0	-668	-676
Plug-in hybrid conversion credit .....	-3	-17	-17	0	0	0	0	0	0	0	0	-34	-34
Green bonds .....	0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
<i>subtotal, energy</i> .....	-780	-2,254	-1,427	-76	37	80	102	113	104	53	0	-3,640	-3,268
<i>Individual tax relief:</i>													
Above-the-line deduction of up to \$250 for teacher classroom expenses .....	-19	-191	-174	0	0	0	0	0	0	0	0	-365	-365
Deduction of State and local general sales taxes .....	-999	-2,533	-1,552	0	0	0	0	0	0	0	0	-4,085	-4,085
Contributions of capital gain real property made for qualified conservation purposes .....	0	-6	-27	0	0	0	0	0	0	0	0	-33	-33
Deduction for qualified tuition and related expenses .....	-42	-418	-371	0	0	0	0	0	0	0	0	-789	-789
Tax-free distributions from IRAs to certain public charities for individuals age 70 1/2 or older, not to exceed \$100,000 per taxpayer per year .....	-231	-437	-245	-61	-41	-33	-27	-22	-14	-8	-4	-817	-892
Estate tax look-through for certain RIC stock held by nonresidents .....	0	-2	-5	-1	0	0	0	0	0	0	0	-8	-8
Parity for exclusion for employer-provided mass transit and parking benefits .....	-35	-81	-46	0	0	0	0	0	0	0	0	-127	-127
Allow electing Alaska Native Settlement Trusts to tax income to the Trust not the beneficiaries .....	0	-4	-1	0	0	0	0	0	0	0	0	-5	-5
Credit for prior year AMT liability made refundable after a period of years 2/ .....	0	-75	-858	0	0	0	0	0	0	0	0	-933	-933
Premiums for mortgage insurance deductible as interest that is qualified residence interest .....	-308	-790	-477	38	31	24	16	9	2	0	0	-1,174	-1,147
Expansion of the adoption credit 2/ .....	17	-272	-265	29	20	22	17	13	9	0	0	-466	-427
<i>subtotal, individual tax relief</i> .....	-1,617	-4,809	-4,021	5	10	13	6	0	-3	-8	-4	-8,802	-8,811
<i>Business Tax Relief:</i>													
Indian employment tax credit .....	-8	-21	-22	-18	-15	-11	-9	-8	-6	-5	-3	-87	-118
50% tax credit for certain expenditures for maintaining railroad tracks .....	-52	-113	-110	-67	-33	-16	-8	-4	-2	-1	0	-339	-354
Mine rescue team training credit .....	-2	-2	0	0	0	0	0	0	0	0	0	-2	-2
Employer wage credit for activated military reservists .....	-1	-2	-2	0	0	0	0	0	0	0	0	-4	-4
15-year straight line cost recovery for qualified leasehold, restaurant and retail improvements .....	-39	-156	-242	-263	-270	-277	-285	-291	-297	-301	-301	-1,208	-2,683
7-year recovery period for certain motorsports racing track facilities .....	-4	-15	-24	-20	-11	-7	-6	-4	3	11	15	-77	-58
Accelerated depreciation for business property on Indian reservations .....	-154	-426	-364	-53	118	185	159	75	14	-18	-23	-540	-333
Enhanced charitable deduction for contributions of food inventory .....	0	-12	-21	0	0	0	0	0	0	0	0	-33	-33
Enhanced charitable deduction for contributions of book inventories to public schools .....	0	-43	-77	0	0	0	0	0	0	0	0	-120	-120
Enhanced charitable deduction for corporate contributions of computer inventory for educational purposes .....	0	-102	-68	0	0	0	0	0	0	0	0	-170	-170
Election to expense mine safety equipment .....	-1	-1	0	1	0	0	0	0	0	0	0	0	0
Special expensing rules for certain film and television productions .....	-75	-166	-130	-81	-57	-26	-10	-2	0	0	0	-460	-472
Expensing of "Brownfields" environmental remediation costs .....	-53	-464	-91	24	23	22	22	20	19	19	18	-486	-388
Deduction allowable with respect to income attributable to domestic production activities in Puerto Rico .....	-58	-61	-41	0	0	0	0	0	0	0	0	-102	-102
Modify tax treatment of certain payments under existing arrangements to controlling exempt organizations .....	0	-8	-6	0	0	0	0	0	0	0	0	-14	-14
Treatment of certain dividends of regulated investment companies .....	-7	-46	-35	0	0	0	0	0	0	0	0	-81	-81
Extend the treatment of RICs as "qualified investment entities" under section 897 .....	-11	-18	-6	0	0	0	0	0	0	0	0	-24	-24
Exception under subpart F for active financing income .....	-1,850	-3,175	-1,295	0	0	0	0	0	0	0	0	-4,470	-4,470
Look-through treatment of payments between related CFCs under foreign personal holding company income rules .....	-402	-690	-281	0	0	0	0	0	0	0	0	-971	-971
Basis adjustment to stock of S corporations making charitable contributions of property .....	0	-8	-12	0	0	0	0	0	0	0	0	-20	-20
Extend Incentives for Empowerment Zones and the DC Enterprise Zone .....	-60	-505	-195	30	29	13	-3	-13	-17	-18	-14	-628	-693
Temporary 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 2/ .....	-97	-96	-24	0	0	0	0	0	0	0	0	-120	-120

	Fiscal Years												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2017	2013-2022
	(in millions of dollars)												
Economic development credit for American Samoa .....	-6	-8	0	0	0	0	0	0	0	0	0	-8	-8
Work opportunity tax credit .....	-26	-176	-421	-476	-301	-162	-103	-50	-19	-11	-8	-1,536	-1,727
Qualified zone academy bonds .....	0	0	0	0	0	0	0	0	0	0	0	0	0
LIHTC treatment of military housing allowances .....	0	0	-1	-1	-2	-2	-3	-3	-4	-5	-5	-6	-26
<i>subtotal, business tax relief</i> .....	-2,906	-6,314	-3,468	-924	-519	-281	-246	-280	-309	-329	-321	-11,506	-12,991
<i>Temporary disaster provisions:</i>													
New York Liberty Zone: tax exempt bond financing .....	-3	-12	-17	-17	-17	-17	-17	-17	-17	-17	-17	-80	-165
GO Zone													
Extend the higher credit rate for GO Zone rehabilitation .....	-13	-31	-24	-6	0	0	0	0	0	0	0	-61	-61
Extend the placed-in-service deadline for GO zone low-income housing credits .....	-1	-7	-18	-28	-32	-34	-34	-34	-34	-34	-33	-119	-288
Tax-exempt bond financing .....	0	-7	-30	-30	-30	-30	-30	-30	-30	-30	-30	-127	-277
Bonus depreciation for specified GO Zone extension property .....	-94	-165	-62	10	10	10	10	10	11	11	11	-197	-144
<i>subtotal, temporary disaster relief</i> .....	-111	-222	-151	-71	-69	-71	-71	-71	-70	-70	-69	-584	-935
<b>Total Effect of Extending Expiring Provisions Through 2013 .....</b>	<b>-5,414</b>	<b>-13,599</b>	<b>-9,067</b>	<b>-1,066</b>	<b>-541</b>	<b>-259</b>	<b>-209</b>	<b>-238</b>	<b>-278</b>	<b>-354</b>	<b>-394</b>	<b>-24,532</b>	<b>-26,005</b>
Total receipt effect .....	-5,317	-13,144	-8,472	-1,066	-541	-259	-209	-238	-278	-354	-394	-23,482	-24,955
Total outlay effect .....	97	455	595	0	0	0	0	0	0	0	0	1,050	1,050

Department of the Treasury

Notes:

1/ Trade provisions are excluded from this table; extending expiring trade provisions would reduce receipts by \$124 million in 2013 and \$228 million in 2014.

2/ This provision affects both receipts and outlays. The combined effects are shown here and the outlay effects included in these estimates are detailed in Table 3.