

- Senator Gregg and Senator Wyden -
ESTIMATED REVENUE EFFECTS OF S. 3018,
THE "BIPARTISAN TAX FAIRNESS AND SIMPLIFICATION ACT OF 2010" [1]

Fiscal Years 2011 - 2020

[Billions of Dollars]

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20
I. Individual Income Tax Reforms													
1. Impose a 15%, 25%, and 35% marginal tax rate structure for the individual income tax.....	tyba 12/31/10	-53.7	-83.1	-92.1	-101.1	-108.5	-114.5	-120.2	-125.4	-131.1	-137.3	-438.5	-1,067.0
2. Increase the standard deduction.....	tyba 12/31/10	-104.0	-156.0	-164.7	-171.7	-176.2	-179.6	-183.4	-186.7	-191.0	-195.5	-772.6	-1,708.8
3. Permanent extension of expansion of earned income credit.....	tyba 12/31/10	[2]	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.5	-2.5	-2.6	-9.6	-22.1
4. Permanent extension of expansion of dependent care credit.....	tyba 12/31/10	-0.1	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-1.6	-3.8
5. Permanent extension of child tax credit.....	tyba 12/31/10	-5.9	-29.7	-30.0	-30.2	-30.3	-30.5	-30.6	-30.8	-31.0	-31.2	-126.2	-280.2
6. Permanent repeal of limitations on personal exemptions and itemized deductions.....	tyba 12/31/10	-9.9	-21.5	-24.5	-27.5	-30.3	-32.7	-34.9	-36.9	-39.0	-41.2	-113.7	-298.4
7. Elimination of individual miscellaneous itemized deductions.....	tyba 12/31/10	4.9	9.9	10.3	10.7	11.1	11.7	12.3	12.8	13.4	13.9	46.9	111.0
8. Treatment of capital gains.....	tyba 12/31/10	4.2	-10.2	-6.3	-6.9	-6.8	-6.8	-6.9	-7.2	-7.4	-7.7	-25.9	-61.9
9. 35% exclusion of dividends received by individuals.....	tyba 12/31/10	-2.8	-8.6	-10.0	-11.7	-14.2	-16.0	-17.5	-18.6	-19.5	-20.4	-47.4	-139.4
10. Nonrefundable personal credit for interest on State and local bonds [3].....	oia 12/31/10	[4]	0.2	0.7	1.5	2.1	2.7	3.3	4.0	4.7	5.5	4.5	24.7
11. Retirement Savings Accounts and Lifetime Savings Accounts.....	tyba 12/31/10	1.3	2.6	1.7	1.1	0.2	-0.6	-1.4	-2.1	-2.8	-3.5	6.9	-3.4
12. Consolidation of tax credits and deductions for education expenses.....	[5]	-0.1	-0.3	-0.2	-0.4	-0.5	-0.5	-0.7	-0.7	-0.5	-0.6	-1.3	-4.4
13. Termination of various exclusions, exemptions, deductions, and credits:													
a. Exclusion of certain employee achievement awards.....	tyba 12/31/10	0.1	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	1.5	3.4
b. Exclusion of group term life insurance purchased for employees [6].....	tyba 12/31/10	1.8	2.4	2.5	2.6	2.8	2.9	2.9	3.0	3.0	3.1	12.2	27.1

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c. Exclusion of meals or lodging furnished for the convenience of the employer.....	tyba 12/31/10	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.5
d. Exclusion of cafeteria plan benefits.....	tyba 12/31/10	41.4	60.3	63.3	65.5	67.5	68.6	69.1	69.2	69.7	70.7	298.0	645.2
e. Certain fringe benefits, except exclusion of qualified transportation fringe.....	tyba 12/31/10	2.7	6.1	6.1	6.4	6.5	6.7	7.0	7.3	7.5	7.8	27.9	64.2
f. Deduction for moving expenses.....	tyba 12/31/10	0.2	0.7	0.7	0.8	0.8	0.9	1.0	1.0	1.0	1.1	3.2	8.2
g. Deferral of tax on obligations issued at discount.....	tyba 12/31/10	0.5	1.1	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.5	3.4	5.9
h. Tax-exempt status of voluntary employees' beneficiary associations.....	tyba 12/31/10	0.6	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	5.0	11.0
i. Exclusion of earned income of citizens or residents of the United States living abroad.....	tyba 12/31/10	2.2	6.1	6.4	6.7	7.0	7.3	7.7	8.1	8.5	8.9	28.4	68.9
j. Exemption for certain allowances.....	tyba 12/31/10	----- Proposal Requires Additional Specification -----											
14. Simplified tax return preparation.....	1/1/11	----- Proposal Requires Additional Specification -----											
Total of Individual Income Tax Reforms		-116.5	-221.3	-236.5	-254.9	-269.6	-281.0	-292.9	-303.8	-315.2	-327.2	-1,098.7	-2,619.4
II. Corporate and Business Income Tax Reforms													
1. Corporate flat tax.....	tyba 12/31/10	-58.0	-99.7	-108.3	-115.7	-117.8	-118.6	-120.2	-122.4	-123.1	-127.1	-499.5	-1,110.9
2. Treatment of travel on corporate aircraft.....	tyba 12/31/10	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	0.1
3. Unlimited expensing of depreciable assets and inventories for certain small businesses.....	tyba 12/31/10	-2.8	-7.5	-6.4	-5.7	-4.3	-3.0	-1.9	-1.4	-1.3	-1.5	-26.7	-35.8
4. Termination of various preferential treatments:													
a. Enhanced oil recovery credit.....	tyba 12/31/10	----- No Revenue Effect -----											
b. Income attributable to domestic production activities.....	tyba 12/31/10	4.1	13.1	13.9	14.7	15.6	16.5	17.5	18.6	19.6	20.7	61.4	154.3
c. Intangible drilling and development costs in the case of oil and gas wells and geothermal wells...	tyba 12/31/10	1.0	1.5	1.3	1.0	0.8	0.6	0.3	0.1	0.1	0.1	5.6	6.8
d. Exception from net operating loss limitations for corporations in bankruptcy proceeding.....	---	----- Proposal Requires Additional Specification -----											
e. Special rules for sales or dispositions to implement Federal Energy Regulatory Commission or State electric restructuring policy.....	ta 12/31/10	----- No Revenue Effect -----											
f. Special rules for nondealers.....	---	----- Presently Unavailable -----											
g. Special rules for long-term home construction contracts or other short-term construction contracts.....	---	----- Proposal Requires Additional Specification -----											
h. Percentage depletion in case of oil and gas wells.....	tyba 12/31/10	0.3	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	2.5	5.9

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20
i. Development costs for mines and other natural deposits (except oil and gas wells).....	tyba 12/31/10	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	0.2	0.3
j. Inventory property sales source rule exception.....	tyba 12/31/10	3.2	7.1	7.3	7.5	7.8	8.1	8.4	8.7	9.0	9.4	32.9	76.5
k. Full tax rate on nuclear decommission reserve fund.....	tyba 12/31/10	[4]	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	1.2
l. Include the active income of controlled foreign corporations in subpart F.....	tyba 12/31/10	----- <i>Estimate Included in Item II.10.</i> -----											
m. Depreciation on equipment in excess of alternative depreciation system.....	ppisa 12/31/10	13.7	40.6	61.8	73.5	78.1	75.8	69.1	58.1	51.4	46.5	267.7	568.6
5. Pass-through business entity transparency.....	nlt 90da DOE	----- <i>No Revenue Effect</i> -----											
6. Modification of effective date of leasing provisions of the American Jobs Creation Act of 2004.....	[7]	----- <i>Provision Tentatively Dropped</i> -----											
7. Revaluation of LIFO inventories of large integrated oil companies.....	ltyei 2010	4.5	---	---	---	---	---	---	---	---	---	4.5	4.5
8. Modifications of foreign tax credit rules applicable to large integrated oil companies which are dual capacity taxpayers.....	tpoi tyba DOE	0.3	0.7	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	3.1	7.4
9. Repeal of lower of cost or market value of inventory rule.....	tyba DOE	0.8	1.9	0.3	[4]	[4]	[4]	[4]	[4]	[4]	[4]	3.0	3.0
10. Apply per-country foreign tax credit rules and include active income of controlled foreign corporations in Subpart F income.....	tyba 12/31/10	35.1	68.2	66.2	64.3	62.5	60.7	58.9	57.2	55.6	54.0	296.3	582.7
11. Application of rules treating inverted corporations as domestic corporations to certain transactions occurring after March 20, 2002.....	tyba 12/31/10	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.9	2.2
12. Index corporate interest deduction for inflation.....	tyba 12/31/10	10.8	15.5	11.1	10.6	11.7	14.9	18.8	21.7	23.3	24.5	59.7	162.7
13. Prohibition of advance refunding of bonds.....	rbio/a DOE	0.4	1.0	1.1	1.1	1.2	1.2	1.3	1.4	1.4	1.4	4.8	11.5
14. CBO study on government spending on businesses.....	nlt 1ya DOE	----- <i>No Revenue Effect</i> -----											
15. Interaction among certain corporate items [8].....	---	-25.2	-52.0	-55.1	-57.0	-57.5	-56.9	-55.6	-52.7	-50.6	-48.9	-246.9	-511.6
Total of Corporate and Business Income Tax Reforms		-11.7	-8.8	-5.2	-4.1	-0.3	1.0	-1.7	-8.7	-12.6	-18.9	-30.0	-70.6
III. Repeal of the Alternative Minimum Tax ("AMT")													
A. Repeal the Individual AMT.....	tyba 12/31/10	-13.1	-45.5	-51.2	-56.6	-62.3	-69.7	-78.6	-88.8	-101.0	-114.0	-228.7	-680.9
B. Repeal the Corporate AMT.....	tyba 12/31/10	-2.3	-5.0	-3.3	-2.3	-1.9	-1.5	-1.4	-1.4	-1.5	-1.5	-14.9	-22.2
Total of Repeal of the Alternative Minimum Tax		-15.4	-50.5	-54.5	-58.9	-64.2	-71.2	-80.0	-90.2	-102.5	-115.5	-243.6	-703.1

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20
V. Other Provisions													
A. Improvements in Tax Compliance													
1. Information reporting on payments to corporations [9].....	pma 12/31/10	[4]	0.4	-0.2	---	---	---	---	---	---	---	0.2	0.2
2. Additional reporting requirements by regulation.....	pma 12/31/10	----- Proposal Requires Additional Specification -----											
3. Increase in information return penalties.....	irrtbfo/a 1/1/11	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	0.1	0.1
4. E-filing requirement for certain large organizations.....	tyeo/a 12/31/10	----- No Revenue Effect -----											
5. Implementation of standards clarifying when employee leasing companies can be held liable for their clients' Federal employment taxes.....	[10]	----- Negligible Revenue Effect -----											
6. Expansion of IRS access to information in National Directory of New Hires for tax administration purposes.....	DOE	----- No Revenue Effect -----											
7. Modification of criminal penalties for willful failures involving tax payments and filing requirements.....	aaftaa DOE	----- Negligible Revenue Effect -----											
8. Penalties for failure to file certain returns electronically.....	rrtbfo/a 1/1/11	----- No Revenue Effect -----											
9. Reporting on identification of beneficial owners of certain foreign financial accounts.....	pma 12/31/10	----- Overlaps With Provisions Enacted in H.R. 2847, the "Hiring Incentives to Restore Employment ('HIRE') Act" -----											
B. Codify "Economic Substance" Doctrine, Impose Penalties, and Deny Interest Deductions [11].....	teia DOE & ta DOE	---	---	---	---	---	---	---	---	---	---	---	---
C. Internet Gambling Taxation and Regulation [12].....	bowpa DOE & [13]	---	0.3	0.4	0.5	0.6	0.6	0.7	0.7	0.8	0.8	1.8	5.4
D. Miscellaneous													
1. Denial of deduction for punitive damages.....	dpoio/a DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	0.1	0.3
2. Application of Medicare payroll tax to all State and local government.....	spa DOE	0.3	0.3	0.2	0.1	0.1	0.1	[4]	[4]	[4]	[4]	1.0	1.1
3. Corrections for CPI overstatement in cost-of-living indexation.....	tyba 12/31/12	---	---	2.6	4.0	5.8	9.6	12.8	17.0	20.0	23.3	12.4	95.1
Total of Other Provisions		0.3	1.0	3.0	4.6	6.5	10.3	13.5	17.7	20.8	24.1	15.6	102.2

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20
Technical and Conforming Amendments.....	nlt 90da DOE	----- No Revenue Effect -----											
TOTAL		-143.3	-279.6	-293.2	-313.3	-327.6	-340.9	-361.1	-385.0	-409.5	-437.5	-1,356.7	-3,290.9
"Current Policy Baseline" as Defined in the President's Fiscal Year 2011 Budget Proposal.....		-200.2	-294.4	-333.9	-355.0	-378.1	-399.1	-421.4	-444.9	-470.5	-498.0	-1,561.5	-3,795.4

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be taxable years beginning after December 31, 2010.

Legend for "Effective" column:

aaftaa = actions and failure to act after

bowpa = bets or wagers placed after

DOE = date of enactment

dpoio/a = damages paid or incurred on or after

irrtbfo/a = information returns required to be filed on or after

nlt = no later than

oia = obligations issued after

pma = payments made after

rbio/a = refunding bonds issued on or after

rrtbfo/a = returns required to be filed on or after

spa = services performed after

ta = transactions after

teia = transactions entered into after

tpoai = taxes paid or accrued in

tyba = taxable years beginning after

tyeo/a = taxable years ending on or after

90da = 90 days after

1ya = 1 year after

- [1] Estimates are preliminary and subject to change as we update our models and baseline to reflect passage of the "Patient Protection and Affordable Care Act."
- [2] Loss of less than \$50 million.
- [3] Estimate assumes that interest on all State or local bonds (including private activity bonds) issued after December 31, 2010, is includible in gross income and that corporations are not eligible for the 25-percent refundable credit.
- [4] Gain of less than \$50 million.
- [5] Effective for expenses paid after December 31, 2010, for education furnished in academic periods beginning after such date.
- [6] Estimate includes changes in payroll taxes.
- [7] Effective as if included in the enactment of the "American Jobs Creation Act of 2004."
- [8] Interaction among provisions not elsewhere accounted. This item includes the interaction between the corporate rate reduction and the repeal of accelerated depreciation, indexing the corporate interest deduction, the repeal of deferral of active income of foreign corporations, the reinstatement of the per-country foreign tax credit limitation, and the repeal of the domestic production deduction.
- [9] An expanded version of this provision was enacted in H.R. 3590, the "Patient Protection and Affordable Care Act ('PPACA')," but is effective one year later.
- [10] Effective for employment tax returns required to be filed with respect to wages paid on or after January 1, 2011.
- [11] A substantially similar provision was enacted in H.R. 3590, the "Patient Protection and Affordable Care Act ('PPACA')."
- [12] Estimate provided by the Joint Committee on Taxation in collaboration with the Congressional Budget Office.
- [13] The report is effective before the end of the one-year period beginning on the effective date of the regulations prescribed under section 327(a), and annually thereafter, the Secretary shall submit a report to Congress on the licensing and regulation of Internet gambling operators.