

**ESTIMATED REVENUE EFFECTS OF THE CONFERENCE AGREEMENT FOR H.R. 1308,
 THE "WORKING FAMILIES TAX RELIEF ACT OF 2004"**

Fiscal Years 2005 - 2014

[Millions of Dollars]

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2005-09	2005-14
Tax Reduction Provisions													
1. Extension of Family Tax Provisions:													
a. Extend \$1,000 child tax credit through 12/31/09.....	tyba 12/31/04	-2,638	-13,193	-13,198	-13,227	-12,376	-6,942	---	---	---	---	-54,632	-61,574
b. Extend marriage penalty relief through 12/31/08.....	tyba 12/31/04	-5,415	-5,412	-3,050	-1,493	-323	---	---	---	---	---	-15,693	-15,693
c. Extend 10% bracket through 12/31/10.....	tyba 12/31/04	-4,262	-6,423	-6,796	-4,330	-3,229	-3,315	-1,006	---	---	---	-25,040	-29,361
2. Accelerate refundability of child credit to 2004.....	tyba 12/31/03	-1,993	---	---	---	---	---	---	---	---	---	-1,993	-1,993
3. Extend individual AMT relief through 12/31/05.....	tyba 12/31/04	-9,031	-13,546	---	---	---	---	---	---	---	---	-22,577	-22,577
4. Inclusion of combat pay in earned income for purposes of the child tax credit and for purposes of earned income credit at taxpayer's election.....	[1]	-49	-50	-24	-21	-18	-19	-17	---	---	---	-162	-199
Total of Tax Reduction Provisions		-23,388	-38,624	-23,068	-19,071	-15,946	-10,276	-1,023	0	0	0	-120,097	-131,397
Uniform Definition of a Qualifying Child for the Dependency Exemption, the Child Credit, the EIC, the Dependent Care Credit, and Head-of-Household Filing Status													
	tyba 12/31/04	-84	-206	-209	-218	-225	-229	-183	-75	-75	-76	-942	-1,579
Extension of Certain Expiring Provisions													
1. Extension of the R&E credit (sunset 12/31/05).....	epoia 6/30/04	-3,480	-1,986	-936	-678	-390	-90	---	---	---	---	-7,470	-7,560
2. Parity in the application of certain limits to mental health benefits (sunset 12/31/05) [2]	DOE	-4	-43	-10	---	---	---	---	---	---	---	-57	-57
3. Work opportunity tax credit (sunset 12/31/05)	wpoifibwa 12/31/03	-278	-181	-81	-39	-23	-9	-1	---	---	---	-603	-614
4. Welfare-to-work tax credit (sunset 12/31/05)	wpoifibwa 12/31/03	-35	-39	-28	-14	-7	-4	-1	[3]	---	---	-122	-127
5. Qualified zone academy bonds (sunset 12/31/05)	oia 12/31/03	-3	-10	-20	-27	-28	-28	-28	-28	-28	-28	-89	-231
6. 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 12/31/05).....	abiUSa 12/31/03	-151	-18	---	---	---	---	---	---	---	---	-169	-169
7. Extension of enhanced deduction for qualified computer contributions (sunset for taxable years beginning after 12/31/05).....	cmd tyba 12/31/03	-198	-62	---	---	---	---	---	---	---	---	-260	-260
8. Above-the-line deduction for teacher classroom expenses capped at \$250 annually (sunset 12/31/05)	tyba 12/31/03	-227	-192	---	---	---	---	---	---	---	---	-419	-419
9. Expensing of "Brownfields" environmental remediation costs (sunset 12/31/05)	epoia 12/31/03	-409	-93	32	38	39	34	30	26	22	20	-394	-261

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2005-09	2005-14
10. New York Liberty Zone bond provisions [4]:													
a. Extend authority to issue Liberty Zone bonds (sunset 12/31/09); add municipal assistance corporation to eligible advance refunding bonds.....	generally 1/1/05	-4	-18	-34	-47	-58	-65	-65	-65	-65	-65	-162	-486
b. Extend authority to issue advance refunding bonds (sunset 12/31/05)	1/1/05	-6	-15	-16	-15	-12	-10	-8	-6	-4	-2	-64	-93
11. Tax incentives for investment in the District of Columbia (sunset 12/31/05)	[5]	-161	-56	-18	-12	-17	-62	-74	-42	-42	-37	-264	-522
12. Combined employment tax reporting (sunset 12/31/05).....	do/a DOE	----- No Revenue Effect -----											
13. Treatment of nonrefundable personal credits under the individual alternative minimum tax (sunset 12/31/05) [6]	tyba 12/31/03	-332	-260	---	---	---	---	---	---	---	---	-592	-592
14. Tax credit for electricity production from wind, closed-loop biomass, and poultry litter -- facilities placed in service date (sunset 12/31/05).....	fpisa 12/31/03	-44	-75	-97	-111	-127	-139	-144	-149	-151	-126	-454	-1,163
15. Extension of suspension of 100% of taxable income limit with respect to marginal production (through 12/31/05)	tyba 12/31/03	-78	-16	---	---	---	---	---	---	---	---	-94	-94
16. Indian employment tax credit (sunset 12/31/05).....	1/1/05	-25	-34	-10	---	---	---	---	---	---	---	-68	-68
17. Accelerated depreciation for business property on Indian reservation (sunset 12/31/05).....	1/1/05	-150	-261	-97	21	71	111	90	48	5	-10	-418	-173
18. Disclosure of tax return information to carry out administration of income contingent repayment of student loans (sunset 12/31/05) [7]	1/1/05	----- No Revenue Effect -----											
19. Tax credit for qualified electric vehicles (100% benefit through 12/31/05).....	ppisa 12/31/03	-5	-1	[8]	[8]	[8]	[8]	[8]	[8]	---	---	-5	-5
20. Deduction for clean-fuel vehicles (100% benefit through 12/31/05).....	ppisa 12/31/03	-119	-16	25	16	12	7	2	---	---	---	-81	-72
21. Disclosures relating to terrorist activities (sunset 12/31/05):													
a. Extension of authority to make disclosures regarding terrorist activities	dmo/a DOE	----- No Revenue Effect -----											
b. Technical correction regarding disclosure of taxpayer identity to law enforcement officials investigating terrorist activities	[9]	----- No Revenue Effect -----											
22. Availability of Archer medical savings accounts (sunset 12/31/05)	1/1/04	----- Negligible Revenue Effect -----											
23. Joint Committee on Taxation report and joint hearing on IRS strategic plans (sunset 12/31/05).....	DOE	----- No Revenue Effect -----											
Total of Extension of Certain Expiring Provisions		-5,709	-3,376	-1,290	-868	-540	-255	-199	-216	-263	-248	-11,785	-12,966
Technical Correction Provisions.....	DOE	----- No Revenue Effect -----											
NET TOTAL [10].....		-29,181	-42,206	-24,567	-20,157	-16,711	-10,760	-1,405	-291	-338	-324	-132,824	-145,942

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2004.

[Legend and Footnotes for Table #04-2 155 appear on the following page]

Legend and Footnotes for Table #04-2 155:

Legend for "Effective" column:

abiUSa = articles brought into the United States after
 cmd = contributions made during
 do/a = disclosures on or after
 dmo/a = disclosures made on or after

DOE = date of enactment
 epoia = expenditures paid or incurred after
 fpisa = facilities placed in service after
 oia = obligations issued after

ppisa = property placed in service after
 tyba = taxable years beginning after
 wpoifibwa = wages paid or incurred
 for individuals beginning work after

- [1] For purposes of the child tax credit, effective for taxable years beginning after December 31, 2003; for purposes of earned income credit at taxpayer's election, effective for taxable years ending after the date of enactment and before January 1, 2006.
- [2] This provision will have a negligible effect on penalty excise tax receipts. However it will have an indirect effect on income tax receipts through increases in employer-contributions for health insurance and corresponding decreases in cash wages. The table shows this indirect revenue effect, which was estimated by the Congressional Budget Office.
- [3] Loss of less than \$500,000.
- [4] The New York City Liberty Zone is defined as all business addresses located on or south of Canal Street, East Broadway (east of its intersection with Canal Street), or Grand Street (east of its intersection with East Broadway) in the Borough of Manhattan, New York, NY.
- [5] Generally effective January 1, 2004, except for the bond provision which is effective for obligations issued after the date of enactment.
- [6] The "Economic Growth and Tax Relief Reconciliation Act of 2001" provides that the child tax credit and adoption tax credit are allowed for purposes of the alternative minimum tax for 2002 through 2010.
- [7] Estimate provided by the Congressional Budget Office.
- [8] Gain of less than \$500,000.
- [9] Effective as if included in section 201 of the Victims of Terrorism Tax Relief Act of 2001.

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2005-09</u>	<u>2005-14</u>
[10] Includes the following change in outlays	2,126	4,887	4,531	4,533	4,525	2,905	195	25	26	26	20,602	23,779