JOINT COMMITTEE ON TAXATION
May 14, 2008
JCX-38-08

ESTIMATED REVENUE EFFECTS OF THE CONFERENCE AGREEMENT FOR TITLE XV OF H.R. 2419, THE "HEARTLAND, HABITAT, HARVEST AND HORTICULTURE ACT OF 2008"

Fiscal Years 2008 - 2018

[Millions of Dollars]

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-12	2008-13	2008-17	2008-18
Title XV. Trade and Tax Provisions																
I. Disaster Assistance Trust Fund [1] ……	**DOE**	**-272**	**-1,017**	**-1,015**	**-910**	**-593**	**---**	**---**	**---**	**---**	**---**	**---**	**-3,807**	**-3,807**	**-3,807**	**-3,807**
II. Revenue Provisions for Agriculture Programs																
A. Extension of Custom User Fees (sunset 9/30/17) [2]……	DOE	---	---	---	---	---	---	---	2,339	3,496	4,176	---	---	---	10,011	10,011
B. Increase by 7.75 Percentage Points the Required Corporate Estimated Tax Payments Factor for Corporations with Assets of at Least $1 Billion for Payments due in July, August, and September 2012.....	DOE	---	---	---	---	4,529	-4,529	---	---	---	---	---	4,529	---	---	---
Total of Revenue Provisions for Agriculture Programs ……		**---**	**---**	**---**	**---**	**4,529**	**-4,529**	**---**	**2,339**	**3,496**	**4,176**	**---**	**4,529**	**---**	**10,011**	**10,011**
III. Tax Provisions																
A. Conservation Provisions																
1. Exclusion of Conservation Reserve Program Payments from SECA tax for individuals receiving Social Security retirement or disability benefits [3] [4].....	pma 12/31/07	[5]	-20	-21	-21	-21	-22	-22	-22	-21	-21	-21	-84	-106	-192	-213
2. Extend the special rule for contributions of qualified conservation contributions (sunset 12/31/09).....	cmi tyba 12/31/07	-27	-49	-29	---	---	---	---	---	---	---	---	-105	-105	-105	-105
3. Deduction for endangered species recovery expenditures	epoia 12/31/08	---	-8	-18	-21	-25	-30	-35	-41	-48	-56	-64	-72	-102	-283	-346

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-12	2008-13	2008-17	2008-18
4. Certain timber provisions (sunset one year after date of enactment):																
a. 15% tax rate for gain on timber harvested by a C Corp; 15-year holding period	DOE	-8	-72	-47	-28	-27	-26	-9	---	---	---	---	-182	-208	-219	-219
b. REIT provisions	DOE	1	4	-2	-3	-1	---	---	---	---	---	---	-2	-2	-2	-2
5. Qualified forestry conservation bonds ($500 million allocation) [2] [6].....	bia DOE	---	-250	---	---	---	---	---	---	---	---	---	-250	-250	-250	-250
B. Energy Provisions																
1. Credit for production of cellulosic biofuel with a maximum credit of $1.01 per gallon and a revised definition of biofuels (sunset 12/31/12)...	fpa 12/31/08	---	-6	-33	-121	-188	-54	---	---	---	---	---	-348	-403	-403	-403
2. Comprehensive study of biofuels.....	DOE	*No Revenue Effect*														
3. Modification of the incentives relating to alcohol fuels (VEETC) 45 cents.....	DOE	---	427	610	167	---	---	---	---	---	---	---	1,203	1,203	1,203	1,203
4. Calculation of volume of alcohol for fuel credits (denaturants limited to 2%).....	fsoua 12/31/08	---	42	63	19	---	---	---	---	---	---	---	124	124	124	124
5. Extension of temporary duty on ethyl alcohol through 12/31/10 [2] [7].....	DOE	---	26	35	9	---	---	---	---	---	---	---	70	70	70	70
6. Limitations on duty drawback on certain imported ethanol [2].....	[8]	5	4	1	1	1	1	1	1	1	1	1	12	12	17	17
C. Agricultural Provisions																
1. Qualified small issue bonds for farming - increase loan limit from $250,000 to $450,000 and index; and eliminate the dollar limitation in definition of substantial farmland.....	bia DOE	[5]	[5]	-1	-1	-2	-2	-3	-3	-4	-4	-4	-4	-6	-20	-24
2. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock.....	eca DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	-1	-1	-2	-2
3. Agricultural chemicals security tax credit.....	DOE	-1	-3	-3	-3	-3	-1	[9]	[9]	[9]	[9]	[9]	-13	-14	-14	-14
4. Change the depreciation classification for race horses that are two years old or younger from seven-year property to three-year property (sunset 12/31/13).....	ppisa 12/31/08	---	-18	-56	-78	-77	-68	-30	41	81	79	65	-229	-297	-126	-61
5. Temporary relief for Kiowa County, KS and surrounding area:																
a. Suspension of certain limitations on personal casualty losses.....	laa 5/4/07	-4	-3	---	---	---	---	---	---	---	---	---	-8	-8	-8	-8

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-12	2008-13	2008-17	2008-18
b. Extension of replacement period for nonrecognition of gain.....	grooa 5/4/07	[5]	-1	-1	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	-2	-2	-2	-2
c. Employee retention credit for employers affected by May 4 storms and tornados.....	wpoia 5/4/07 & before 1/1/08	-3	-7	-1	[5]	---	---	---	---	---	---	---	-11	-11	-11	-11
d. Special allowance for certain property acquired on or after May 5, 2007 (sunset equipment 12/31/08 and sunset structures 12/31/09).....	ppisa 5/5/07	-25	-14	-5	1	1	1	1	1	1	1	1	-42	-41	-36	-35
e. Increase in expensing under section 179.....	DOE	[5]	[5]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[5]	[5]	[5]	[5]
f. Expensing for certain demolition and clean-up costs (sunset 12/31/09).....	apoia 5/4/07	[5]	[5]	---	---	---	---	---	---	---	---	---	[5]	[5]	[5]	[5]
g. Treatment of public utility property disaster losses.....	DOE	[5]	[9]	[9]	[9]	---	---	---	---	---	---	---	[5]	[5]	[5]	[5]
h. Treatment of net operating losses attributable to storm losses.....	DOE	-5	-2	1	1	[9]	[9]	[9]	[9]	[9]	[9]	[9]	-5	-5	-1	-1
i. Treatment of representations regarding income eligibility for purposes of qualified rental project requirements.....	DOE	*Negligible Revenue Effect*														
j. Special rules for use of retirement funds (generally sunsets 12/31/08).....	DOE	[5]	-3	1	[9]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	-2	-3	-2	-3
6. Modifications to the advance coal project credit and the gasification project credit.....	DOE	*No Revenue Effect*														
D. Other Revenue Provisions																
1. Limitation on excess farming losses of certain taxpayers ($300,000).....	tyba 12/31/09	---	---	48	81	77	72	63	55	46	37	28	206	278	479	508
2. Increase and index dollar threshold for farm optional method and nonfarm optional method for computing net earnings from self-employment [3] [10].....	tyba 12/31/07	2	13	10	11	11	11	11	12	12	12	12	46	57	105	117
3. Information reporting for Commodity Credit Corporation transactions.....	lro/a 1/1/07	*No Revenue Effect*														
E. Protection of Social Security [1] [11] ……	DOE	*No Net Budget Effect*														
Total of Tax Provisions ……		**-65**	**60**	**552**	**14**	**-254**	**-118**	**-23**	**44**	**68**	**49**	**18**	**301**	**180**	**322**	**340**
IV. Trade Provisions																
A. Caribbean Basin Initiative (sunset 9/30/10) [2].....	DOE	---	-78	-83	---	---	---	---	---	---	---	---	-161	-161	-161	-161

Provision	Effective	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-12	2008-13	2008-17	2008-18
B. Haitian Hemispheric Opportunity through Partnership Encouragement [2].....	DOE	---	---	---	-13	-14	-15	-16	-17	-18	-19	-20	-27	-42	-112	-133
C. Unused merchandise drawback [2].....	DOE	*No Revenue Effect*														
D. Requirements Relating to Determination of Transaction Value of Imported Merchandise [2]	DOE	*No Revenue Effect*														
Total of Trade Provisions ……		**---**	**-78**	**-83**	**-13**	**-14**	**-15**	**-16**	**-17**	**-18**	**-19**	**-20**	**-188**	**-203**	**-273**	**-294**
NET TOTAL ……		**-337**	**-1,035**	**-546**	**-909**	**3,668**	**-4,662**	**-39**	**2,366**	**3,546**	**4,206**	**-2**	**835**	**-3,830**	**6,253**	**6,250**

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be June 1, 2008.

Legend for "Effective" column:

apoia = amounts paid or incurred after
bia = bonds issued after
bio/b = bonds issued on or before
cmi = contributions made in
DOE = date of enactment
ea = expenditures after
eca = exchanges completed after
epoia = expenditures paid or incurred after
fpa = fuel produced after
fsoua = fuel sold or used after
grooa = gains realized on or after
laa = losses arising after
lro/a = loans repaid on or after
pma = payments made after
ppisa = property placed in service after
spa = services performed after
tyba = taxable years beginning after
wpoia = wages paid or incurred after

[1] Estimated outlay effects provided by the Congressional Budget Office and is preliminary and subject to change.
[2] Estimate provided by the Congressional Budget Office.
[3] Estimate includes effects on Social Security outlays provided by the Congressional Budget Office.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-12	2008-13	2008-17	2008-18
[4] The provision has the following off-budget effects ……	[5]	-17	-18	-17	-17	-18	-18	-18	-17	-17	-17	-69	-87	-156	-173

[5] Loss of less than $500,000.
[6] Credit rate set at 100 percent of the credit rate that would allow bonds to be issued without discount or premium.
[7] Estimate includes interactive effects of limitations and reductions of duty drawbacks. An estimate of a stand-alone extension of the temporary duty rate under subheading 9901.00.50 of the Harmonized Tariff Schedule would yield smaller changes in revenues.
[8] Effective for articles entered for consumption, or withdrawn from warehouse for consumption, on or after October 1, 2008; and articles entered for consumption, or withdrawn from warehouse for consumption, before October 1, 2008, if a duty drawback claim is filed with respect to such articles on or after October 1, 2010.
[9] Gain of less than $500,000.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2008-12	2008-13	2008-17	2008-18
[10] The provision has the following off-budget effects ……	1	11	9	9	10	10	10	10	11	10	11	41	51	93	103

[11] Provision transfers funds from the General Fund (on budget) to the Social Security Trust Fund (off budget) through fiscal year 2017.