

- Committee on Finance -
ESTIMATED REVENUE EFFECTS OF SA 2729,
THE CONRAD AMENDMENT TO H.R. 4297

Fiscal Years 2006 - 2016

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2006-11	2006-16
VI. Revenue Provisions														
A. Provisions Relating to Tax Shelters														
1. Clarification of the economic substance doctrine and related penalty provisions.....	teia DOE	244	805	1,127	1,270	1,427	1,631	1,877	2,154	2,445	2,643	2,722	6,504	18,345
2. Penalty for understatements attributable to transactions lacking economic substance.....	teia DOE	----- Estimate Included in Item VI.A.1. -----												
3. Deny deduction for interest paid to the IRS on underpayments involving certain tax motivated transactions.....	teia DOE	--	1	1	3	4	4	4	4	4	4	5	13	34
4. Repeal of special effective date for qualified transportation property under the leasing provisions of the American Jobs Creation Act of 2004.....	[1]	8	21	26	26	26	25	23	22	22	22	22	132	243
5. Disallow 75% of 2005 LIFO accounting layer for oil companies with revenues in excess of \$1 billion (use broader definition of "integrated" than H.R. 4297).....	tyei 2005	1,918	3,005	--	--	--	--	--	--	--	--	--	4,923	4,923
6. Modifications of effective dates of leasing provisions of the American Jobs Creation Act of 2004 with respect to foreign leases.....	tyba 12/31/04	3,995	-2,183	1,301	76	-590	-642	-415	-183	-130	-184	-444	6,323	4,969
7. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements.....	oyo/a DOE	1	1	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	2	2
8. Understatement of taxpayer's liability by income tax return preparer.....	dpa DOE	----- Negligible Revenue Effect -----												
9. Modifications of substantial understatement penalty for nonreportable transactions.....	tyba DOE	----- Negligible Revenue Effect -----												
B. Provisions to Close Corporate and Individual Loopholes														
1. Tax treatment of inversion transactions.....	[3]	56	352	140	176	213	256	313	379	413	450	485	1,193	3,233
2. Grant Treasury regulatory authority to address foreign tax credit transactions involving inappropriate separation of foreign taxes from related foreign income.....	teia DOE	[2]	1	1	2	2	2	2	2	2	2	2	8	18
3. Change the tax treatment of contingent convertible debt instruments.....	dlio/a DOE	3	34	51	61	62	57	50	46	40	36	32	268	472
4. Application of earnings stripping rules to partners which are C corporations.....	tybo/a DOE	2	23	25	27	29	31	33	35	38	41	44	137	328
5. Denial of deduction for certain fines, penalties, and other amounts.....	apoio/a DOE	19	59	28	12	12	12	12	12	12	12	12	142	202
6. Deny deduction for punitive damages.....	dpoio/a DOE	12	31	32	33	34	35	36	37	38	39	40	177	367
7. Limitation of employer deduction for certain entertainment expenses.....	eia DOE	1	4	4	5	5	5	5	6	6	6	6	24	53
8. Impose mark-to-market on individuals who expatriate.....	[4]	11	59	57	54	50	46	43	41	39	38	37	277	475

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2006-11	2006-16
9. Tax treatment of controlled foreign corporations established in tax havens.....	tyba 12/31/07	3	100	1,100	2,400	2,100	2,000	1,900	1,800	1,800	1,800	1,800	7,703	16,803
10. Amend section 911 housing exclusion and impose a stacking rule	tyba 2005	60	241	207	224	241	259	278	299	321	344	365	1,232	2,839
11. Limitation on annual amounts which may be deferred under nonqualified deferred compensation arrangements.....	ada 12/31/05	19	66	50	53	55	73	82	85	87	89	89	317	749
12. Increase in age of minor children whose unearned income is taxed as if parent's income.....	tyba 12/31/05	43	110	133	152	146	164	189	215	230	236	255	748	1,873
C. Oil and Gas Provisions														
1. Extension of Superfund taxes														
a. Hazardous Superfund financing rate (sunset 12/31/14).....	tyba 12/31/05	556	747	755	765	774	782	791	799	803	201	—	4,380	6,974
b. Corporate environmental income tax (sunset 12/31/14).....	tyba 12/31/05	604	1,019	1,035	1,049	1,071	1,098	1,132	1,176	1,225	498	—	5,876	9,907
2. Require current income recognition, a separate limitation, and other changes for FOGEI and FORI, and deny foreign tax credit for certain taxes paid by dual-capacity taxpayers (netting out what is already in H.R. 4297).....	tyba DOE	11	830	847	889	934	981	1,029	1,081	1,135	1,194	1,253	4,492	10,184
3. Modification of credit for producing fuel from a nonconventional source - modify section 29/45K credit inflation adjustment and phase out rules and clarify coke production credit.....	qfsa 12/31/04	102	161	81	30	22	20	20	20	20	18	10	416	504
4. Eliminate tax incentives for the amortization of geological and geophysical ("G&G") costs for integrated oil companies.....	apoi tyba 8/8/05	-85	18	63	74	57	49	49	44	42	44	45	176	400
D. Tax Administration Provisions														
1. Withholding on payments made by government entities.....	pma 12/31/06	—	5,059	177	183	190	196	203	210	218	225	233	5,805	6,894
2. Increase in certain criminal penalties.....	aaftaoa DOE	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
3. Repeal of suspension of interest and certain penalties where secretary fails to contact taxpayer.....	rotfa 12/31/05	—	66	230	259	261	263	264	266	267	268	269	1,079	2,413
4. Increase in penalty for bad checks and money orders.....	comora DOE	1	3	3	3	3	3	3	3	3	3	3	16	31
5. Frivolous tax submissions	[5]	2	3	3	3	3	3	3	3	3	3	3	17	32
6. Require partial payments with submissions of offers-in-compromise (24-month rule).....	osoa 60da DOE	12	162	174	188	202	217	233	250	269	289	295	955	2,291
7. Waiver of user fee for installment agreements using automated withdrawals.....	aeio/a 180da DOE	-1	-3	-3	-3	-3	-4	-4	-4	-4	-5	-5	-17	-39
8. Termination of installment agreements.....	foa/a DOE	----- Negligible Revenue Effect -----												
E. Additional Provisions														
1. Loan and redemption requirements on pooled financings.....	bia DOE	18	40	42	44	46	48	50	53	56	59	62	238	518
2. Reporting of interest on tax-exempt bonds.....	lea 12/31/05	[6]	2	2	2	2	3	3	3	3	3	3	11	26
NET TOTAL		7,615	15,203	7,692	8,060	7,378	7,617	8,208	8,858	9,407	8,378	7,643	53,567	96,063

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be July 1, 2006.

[Legend and Footnotes for Table #06-2 040 appear on the following page]

Legend and Footnotes for Table #06-2 040:

Legend for "Effective" column:

aaftaaa = actions and failures to act occurring after
ada = amounts deferred after
aeio/a = agreements entered into on or after
apoi/a = amounts paid or incurred on or after
apoi = amounts paid or incurred in
bia = bonds issued after
comora = checks or money orders received after
dii/a = debt instrument issued on or after
DOE = date of enactment

dpa = documents prepared after
dpoi/a = damages paid or incurred on or after
eia = expenses incurred after
foo/a = failures occurring on or after
iea = interest earned after
osoa = offers submitted on and after
oyo/a = open years on or after
pma = payments made after

qfsa = qualifying fuel sold after
rofa = returns of tax filed after
teia = transactions entered into after
tyba = taxable years beginning after
tybo/a = taxable years beginning on or after
tyei = taxable years ending in
60da = 60 days after
180da = 180 days after

- [1] Effective as if included in the provision of the American Jobs Creation Act of 2004 to which it relates.
- [2] Gain of less than \$1 million.
- [3] Effective for certain transactions substantially completed after March 20, 2002.
- [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] Effective for submissions made and issues raised after the first list is prescribed under section 6702(c).
- [6] Gain of less than \$500,000.