

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK OF
 THE "TAX ADMINISTRATION GOOD GOVERNMENT ACT OF 2004,"
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON FEBRUARY 2, 2004

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
I. Improvements in Tax Administration and Taxpayer Safeguards													
A. Improve Efficiency and Safeguards in IRS Collection													
1. Waiver of user fee for installment agreements using automated withdrawals [1].....	aeio/a 180da DOE	-3	-3	-3	-3	-3	-3	-3	-3	-4	-4	-15	-32
2. Authorize IRS to enter into installment agreements that provide for partial payment	iaeio/a DOE	48	14	5	[2]	[2]	[2]	[2]	[2]	[2]	[2]	67	67
3. Termination of installment agreements	foo/a DOE	----- Negligible Revenue Effect -----											
4. Office of Chief Counsel Review of offers-in-compromise	oicsopo/a DOE	----- No Revenue Effect -----											
5. Permit the IRS to require increased electronic filing of returns prepared by paid return preparers.....	DOE	----- No Revenue Effect -----											
6. Place threshold on tolling of statute of limitations during review by Taxpayer Advocate Service.....	afa DOE	----- Negligible Revenue Effect -----											
7. Increase in penalty for bad checks and money orders.....	comora DOE	1	2	2	2	2	2	2	2	2	2	9	19
8. Extend time limit for contesting IRS levy to 2 years.....	[3]	----- Negligible Revenue Effect -----											
9. Individuals held harmless on improper levy on individual retirement plan.....	lartia 12/31/04	----- Negligible Revenue Effect -----											
10. Allow the Financial Management Service to retain transaction fees from levied amounts [1]	DOE	----- No Revenue Effect -----											
11. Elimination of restriction on offsetting refunds from former residents.....	DOE	----- No Revenue Effect -----											
B. Processing and Personnel													
1. Information regarding statute of limitations	[4]	----- No Revenue Effect -----											
2. Annual report on IRS performance measures.....	[5]	----- No Revenue Effect -----											
3. Disclosure of tax information to facilitate combined employment tax reporting.....	DOE	----- No Revenue Effect -----											
4. Extension of declaratory judgment procedures to non-501(c)(3) tax-exempt organizations	[6]	----- Negligible Revenue Effect -----											
5. Amendment to treasury auction reforms [1]	mha DOE	----- No Revenue Effect -----											
6. Revisions relating to termination of employment of IRS employees for misconduct.....	DOE	----- Negligible Revenue Effect -----											
7. Expand IRS oversight board authority.....	DOE	----- No Revenue Effect -----											
8. IRS oversight board approval of use of critical pay authority.....	pha DOE	----- No Revenue Effect -----											
9. Low-income taxpayer clinics [1]	gma DOE	----- No Revenue Effect -----											
10. Taxpayer access to financial institutions [7]	DOE	----- No Revenue Effect -----											

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11. Enrolled agents	DOE	----- No Revenue Effect -----											
12. Establishment of disaster response team.....	DOE	----- No Revenue Effect -----											
13. Study of accelerated tax refunds.....	1ya DOE	----- No Revenue Effect -----											
14. Study of clarifying recordkeeping responsibilities.....	1ya DOE	----- No Revenue Effect -----											
15. Streamline reporting process for National Taxpayer Advocate.....	[8]	----- No Revenue Effect -----											
16. IRS Free File program.....	rfa 12/31/04	----- No Revenue Effect -----											
17. Modification of TIGTA reporting requirements.....	DOE	----- No Revenue Effect -----											
18. Study of IRS accounts receivable.....	1ya DOE	----- No Revenue Effect -----											
19. Electronic commerce advisory group.....	DOE	----- No Revenue Effect -----											
20. Require IRS to modify Schedule M-1.....	tyba DOE	----- No Revenue Effect -----											
21. Regulation of refund anticipation loans.....	ralpa 12/31/04	----- No Revenue Effect -----											
C. Other Provisions													
1. Penalty for failure to report interests in foreign financial accounts	voa DOE	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	1	3
2. Regulation of Federal income tax return preparers.....	DOE	----- No Revenue Effect -----											
3. Repeal of application of below-market loan rules to amounts paid to certain continuing care facilities	cyba 12/31/04	---	-1	-2	-2	-2	-2	-2	-2	-2	-2	-7	-17
Improvements in Tax Administration and Taxpayer Safeguards		46	12	2	-3	-3	-3	-3	-3	-4	-4	55	40
II. Reform of Penalty and Interest													
A. Individual Estimated Tax	etpmf tyba 12/31/04	---	---	-100	-103	-107	-110	-114	-119	-121	-124	-310	-898
B. Corporate Estimated Tax.....	tyba 12/31/04	---	-40	1	1	1	1	1	1	1	1	-37	-32
C. Increase in Large Corporation Threshold for Estimated Tax Payments.....	tyba 12/31/04	---	-64	-85	-79	-74	-70	-72	-82	-87	-91	-302	-704
D. Abatement of Interest.....	iao/a DOE	-1	-6	-10	-15	-19	-23	-26	-30	-34	-38	-51	-202
E. Deposits Made to Suspend the Running of Interest on Potential Underpayments	dma 1ya DOE	---	79	76	-6	-6	-6	-6	-7	-7	-7	143	110
F. Freeze of Provision Regarding Suspension of Interest Where Secretary Fails to Contact Taxpayer.....	tyba 12/31/03	---	---	46	184	186	187	189	191	193	194	416	1,370
G. Clarification of Application of Federal Tax Deposit Penalty	DOE	-5	-5	-5	-5	-5	-6	-6	-6	-6	-7	-25	-56
H. Frivolous Tax Returns and Submissions	[10]	3	3	3	3	3	3	3	3	3	3	15	30
I. Extension of Notice Requirements with Respect to Interest and Penalty Calculations.....	nib 7/1/06	----- No Revenue Effect -----											
J. Expansion of Interest Netting.....	iaa 12/31/10	---	---	---	---	---	---	---	-352	-267	-275	---	-894
Total of Reform of Penalty and Interest		-3	-33	-74	-20	-21	-24	-31	-401	-325	-344	-151	-1,276
III. United States Tax Court Modernization													
A. Tax Court Procedure	various	----- Negligible Revenue Effect -----											
B. Tax Court Pension and Compensation [11] [12]	various	-3	[13]	[13]	[13]	[13]	[13]	[13]	[13]	[13]	[13]	-1	-4
Total of United States Tax Court Modernization		-3	[13]	[13]	[13]	[13]	[13]	[13]	[13]	[13]	[13]	-1	-4
IV. Confidentiality and Disclosure													
A. Clarification of Definition of Church Tax Inquiry	DOE	----- No Revenue Effect -----											
B. Collection Activities With Respect to a Joint Return Disclosable Based on Oral Request	arma DOE	----- No Revenue Effect -----											

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C. Taxpayer Representatives Not Subject to Examination on Sole Basis of Representation of Taxpayers.....	DOE	----- No Revenue Effect -----											
D. Prohibition of Disclosure of Taxpayer Identification Number With Respect to Disclosure of Accepted Offers-in-Compromise	Dma DOE	----- No Revenue Effect -----											
E. Compliance by Contractors With Confidentiality Safeguards.....	Dma DOE	----- No Revenue Effect -----											
F. Higher Standards for Requests for and Consents to Disclosure.....	[14]	----- No Revenue Effect -----											
G. Civil Damages for Unauthorized Inspection or Disclosure.....	180da DOE	----- No Revenue Effect -----											
H. Expanded Disclosure in Emergency Circumstances.....	DOE	----- No Revenue Effect -----											
I. Disclosure of Taxpayer Identity for Tax Refund Purposes.....	DOE	----- No Revenue Effect -----											
J. Disclosure to State Officials of Proposed Actions Related to Section 501(c) Organizations.....	DOE	----- No Revenue Effect -----											
K. Treatment of Public Records.....	boaa DOE	----- No Revenue Effect -----											
L. Investigative Disclosures.....	DOE	----- No Revenue Effect -----											
M. Taxpayer Identification Number Matching.....	DOE	----- No Revenue Effect -----											
N. Form 8300 Disclosures.....	DOE	----- No Revenue Effect -----											
O. Disclosure to Law Enforcement Agencies Regarding Terrorist Activities.....	DOE	----- No Revenue Effect -----											
Total of Confidentiality and Disclosure		----- No Revenue Effect -----											
V. Simplification													
A. Establish Uniform Definition of a Qualifying Child	tyba 12/31/04	---	-67	-140	-143	-149	-160	-195	-188	-75	-75	-499	-1,192
B. Simplification Through Elimination of Inoperative Provisions	DOE	----- No Revenue Effect -----											
Total of Simplification		---	-67	-140	-143	-149	-160	-195	-188	-75	-75	-499	-1,192
VI. Revenue Raisers													
A. Provisions Designed to Curtail Tax Shelters													
1. Provisions relating to reportable transactions and tax shelters	[15]	30	76	119	120	124	131	139	150	164	179	469	1,232
2. Modification to the substantial understatement penalty	tyba DOE	---	---	7	15	23	26	30	34	38	38	45	211
3. Impose a civil penalty (of up to \$5,000) on failure to report interest in foreign financial accounts	DOE	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	1	3
4. Actions to enjoin conduct with respect to tax shelters	DOE	----- Negligible Revenue Effect -----											
5. Understatement of taxpayer's liability by income tax return preparer	dpa DOE	----- Negligible Revenue Effect -----											
6. Regulation of individuals practicing before the Department of Treasury	ata DOE	----- No Revenue Effect -----											
7. Extend statute of limitations for undisclosed listed transactions	[16]	---	---	1	1	1	1	1	1	1	1	3	8
8. Deny deduction for interest paid to the IRS on underpayments involving certain tax motivated transactions	tyba DOE	---	---	1	1	3	4	4	4	4	4	5	25

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
9. Authorize additional \$300 million per year to the IRS to combat abusive tax avoidance transactions [17].....	DOE	----- No Revenue Effect -----											
B. Other Corporate Governance Provisions													
1. Affirmation of consolidated return regulation authority	[18]	----- Negligible Revenue Effect -----											
2. Chief executive officer required to sign declaration as part of corporate income tax return	rfa DOE	----- Negligible Revenue Effect -----											
3. Denial of deduction for certain fines, penalties, and other amounts	apoio/a 4/27/03 generally	176	10	10	10	10	10	10	10	10	10	216	266
4. Denial of deduction for punitive damages	dpoio/a DOE	10	29	30	31	32	33	34	35	36	37	132	307
5. Increase the maximum criminal fraud penalty for individuals to the amount of the tax at issue.....	uaoataoa DOE	---	---	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	5
6. Double certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements	oyo/a DOE	2	1	1	[2]	[2]	[2]	[2]	[2]	[2]	[2]	4	6
C. Extension of IRS User Fees (through 9/30/13) [1].....	rma DOE	16	33	33	35	38	39	41	43	45	47	155	370
Total of Revenue Raisers		234	149	202	213	231	244	259	277	298	316	1,030	2,433
NET TOTAL		274	61	-10	47	58	57	30	-315	-106	-108	431	---

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

aeio/a = agreements entered into on or after
afa = application filed after
apoio/a = amounts paid or incurred on or after
ata = actions taken after
boaa = before, on, and after
comora = checks or money orders received after
cyba = calendar years beginning after
dma = deposits made after
Dma = disclosures made after
DOE = date of enactment
dpa = documents prepared after
dpoio/a = damages paid or incurred on or after

etpmf = estimated tax payments made for
foo/a = failures occurring on or after
gma = grants made after
iaeio/a = installment agreements entered into on or after
iaa = interest accrued after
iao/a = interest accruing on or after
lartia = levied amounts returned to individuals after
oicsopo/a = offers in compromise submitted or pending on or after
oyo/a = open years on or after
mha = meetings held after

nib = notices issued before
pha = personnel hired after
ralpa = refund anticipation loans provided after
rarma = requests and reports made after
rfa = returns filed after
rma = requests made after
tyba = taxable years beginning after
uaoataoa = underpayments and overpayments attributable to actions occurring after
voa = violations occurring after
180da = 180 days after
1ya = 1 year after

[1] Estimate provided by Congressional Budget Office.

[2] Gain of less than \$500,000.

[3] Effective with respect to levies made after the date of enactment and levies made on or before the date of enactment provided that the 9-month period has not expired as of the date of enactment.

[4] The revisions to Publication 1 would be required to be made as soon as practicable, but not later than 180 days after the date of enactment. The revisions to the Form 1040 instructional packages would be required to be made for instructions for taxable years beginning after December 31, 2004.

[5] Effective for fiscal year 2004 and thereafter.

[6] The extension of the declaratory judgment procedures to organizations other than section 501(c)(3) organizations would be effective for pleadings filed with respect to determinations (or requests for determinations) made after December 31, 2004.

Footnotes for JCX-3-04 continued:

- [7] Estimate of offsetting receipts to be provided by Congressional Budget Office.
- [8] The proposal combining the reports is effective for reports in 2005 and thereafter. The proposal authorizing reports on significant issues affected taxpayer rights is effective on the date of enactment.
- [9] Gain of less than \$1 million.
- [10] Effective for submissions made and issues raised after the date on which the Secretary first prescribes the required list.
- [11] Certain portions of the estimate were provided by the Congressional Budget Office.
- | | <u>2004</u> | <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>2004-08</u> | <u>2004-13</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| [12] Includes the following increase in outlay effects | 3 | [2] | [2] | [2] | [2] | [2] | [2] | [2] | [2] | [2] | 3 | 5 |
| [13] Loss of less than \$500,000. | | | | | | | | | | | | |
- [14] Proposal applies to requests and consents made after three months after the date of enactment.
- [15] Effective dates for provisions relating to reportable transactions and tax shelters: the penalty for failure to disclose reportable transactions is effective for returns and statements the due date of which is after the date of enactment; the modification to the accuracy-related penalty for listed or reportable transactions is effective for taxable years ending after the date of enactment; the tax shelter exception to confidentiality privileges is effective for communications made on or after the date of enactment; the material advisor and investor list disclosure provisions applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment; the failure to register tax shelter penalty applies to returns the due date for which is after the date of enactment; the investor list penalty applies to requests made after the date of enactment; and the penalty on promoters of tax shelters is effective for activities after the date of enactment.
- [16] Effective for taxable years with respect to which the period for assessing deficiencies did not expire before the date of enactment.
- [17] Estimate is subject to review by the Congressional Budget Office.
- [18] Effective for all taxable years, whether beginning before, on, or after the date of enactment.