

[EXCERPTS FROM...]

**ESTIMATES OF FEDERAL TAX EXPENDITURES
FOR FISCAL YEARS 2019-2023**

Prepared for the
HOUSE COMMITTEE ON WAYS AND MEANS
and the
SENATE COMMITTEE ON FINANCE
By the Staff
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INTRODUCTION

Tax expenditure analysis can help both policymakers and the public to understand the actual size of government, the uses to which government resources are put, and the tax and economic policy consequences that follow from the implicit or explicit choices made in fashioning legislation. This report¹ on tax expenditures for fiscal years 2019-2023 is prepared by the staff of the Joint Committee on Taxation (“Joint Committee staff”) for the House Committee on Ways and Means and the Senate Committee on Finance. The report also is submitted to the House and Senate Committees on the Budget.

As in the case of earlier reports,² the estimates of tax expenditures in this report were prepared in consultation with the staff of the Office of Tax Analysis in the Department of the Treasury (“the Treasury”). The Treasury published its estimates of tax expenditures for fiscal years 2019-2029 on October 7, 2019.³ The lists of tax expenditures in this Joint Committee staff report and the Administration’s budgetary statement overlap considerably; the differences are discussed in Part I of this report under the heading “Comparisons with Treasury.”

The Joint Committee staff has made its estimates (as shown in Table 1) based on the provisions in Federal tax law enacted through September 30, 2019. Expired or repealed provisions are not listed unless they have continuing revenue effects that are associated with ongoing taxpayer activity. Proposed extensions or modifications of expiring provisions are not included until they have been enacted into law. The tax expenditure calculations in this report are based on the January 2019 Congressional Budget Office (“CBO”) revenue baseline and Joint Committee staff projections of the gross income, deductions, and expenditures of individuals and corporations for calendar years 2019-2023.

Part I of this report contains a discussion of the concept of tax expenditures; Part II is a discussion of the measurement of tax expenditures; and Part III contains various estimates. Estimates of tax expenditures for fiscal years 2019-2023 are presented in Table 1. Table 2 shows the distribution of tax returns by income class, and Table 3 presents distributions of selected individual tax expenditures by income class.

¹ This report may be cited as follows: Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2019-2023* (JCS-55-19), December 18, 2019. This document can also be found on the Joint Committee on Taxation website at www.jct.gov.

² The Joint Committee staff prepared its first report on estimates of Federal tax expenditures in 1972 (JCS-28-72), covering fiscal years 1967-1971. Reports cover every five-year period since fiscal years 1977-1981 (JCS-10-77). A complete collection of these reports on estimates of Federal tax expenditures, including this report, is available at <https://www.jct.gov/publications.html?func=select&id=5>.

³ The Treasury publication is available at <https://home.treasury.gov/system/files/131/Tax-Expenditures-2021.pdf>.

I. THE CONCEPT OF TAX EXPENDITURES

Overview

Tax expenditures are defined under the Congressional Budget and Impoundment Control Act of 1974 (the “Budget Act”) as “revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.”⁴ Thus, tax expenditures include any reductions in income tax liabilities that result from special tax provisions or regulations that provide tax benefits to particular taxpayers.

Special income tax provisions are referred to as tax expenditures because they may be analogous to direct outlay programs and may be considered alternative means of accomplishing similar budget policy objectives. Tax expenditures are similar to direct spending programs that function as entitlements to those who meet the established statutory criteria.

Estimates of tax expenditures are prepared for use in budget analysis. They are a measure of the economic benefits that are provided through the tax laws to various groups of taxpayers and sectors of the economy. The estimates also may be useful in determining the relative merits of achieving specific public goals through tax benefits or direct outlays. It is appropriate to evaluate tax expenditures with respect to cost, distributional consequences, alternative means of provision, and economic effects and to allow policymakers to evaluate the tradeoffs among these and other potentially competing policy goals.

The legislative history of the Budget Act indicates that tax expenditures are to be defined with reference to a normal income tax structure (referred to here as “normal income tax law”). The determination of whether a provision is a tax expenditure is made on the basis of a broad concept of income that is larger in scope than “income” as defined under general U.S. income tax principles. The Joint Committee staff uses its judgment in distinguishing between those income tax provisions (and regulations) that can be viewed as a part of normal income tax law and those special provisions that result in tax expenditures. A provision traditionally has been listed as a tax expenditure by the Joint Committee staff if there is a reasonable basis for such classification and the provision results in more than a *de minimis* revenue loss, which solely for this purpose means a total revenue loss of less than \$50 million over the five fiscal years 2019-2023. The Joint Committee staff emphasizes, however, that in the process of listing tax expenditures, no judgment is made, nor any implication intended, about the desirability of any special tax provision as a matter of public policy.

⁴ Congressional Budget and Impoundment Control Act of 1974 (Pub. L. No. 93-344), sec. 3(3). The Budget Act requires CBO and the Treasury to publish detailed lists of tax expenditures annually. The Joint Committee staff issued reports prior to the statutory obligation placed on the CBO and continued to do so thereafter. In light of this precedent and a subsequent statutory requirement that the CBO rely exclusively on Joint Committee staff estimates when considering the revenue effects of proposed legislation, the CBO has always relied on the Joint Committee staff for the production of its annual tax expenditure publication. See Pub. L. No. 99-177, sec. 273, codified at 2 USC 601(f).

The Budget Act uses the term tax expenditure to refer to the special tax provisions that are contained in the Federal income taxes on individuals and corporations.⁵ Other Federal taxes such as excise taxes, employment taxes, and estate and gift taxes may also have exceptions, exclusions, and credits, but those special tax provisions are not included in this report because they are not part of the income tax.⁶ Thus, for example, the income tax exclusion for employer-paid health insurance is included, but the Federal Insurance Contributions Act (“FICA”) tax exclusion for employer-paid health insurance is not treated as a tax expenditure in this report.

Some provisions in the Internal Revenue Code (“the Code”) provide for special tax treatment that is less favorable than normal income tax law. Examples of such provisions include (1) the denial of deductions for certain business interest expenses, (2) the denial of deductions for certain executive compensation, and (3) the denial of deductions for unreimbursed employee expenses (in the case of taxable years 2018-2025). Tax provisions that provide treatment less favorable than normal income tax law and are not related directly to progressivity are called *negative* tax expenditures.⁷ Special provisions of the law the principal purpose of which is to enforce general tax rules, or to prevent the violation of other laws, are not treated as negative tax expenditures even though they may increase the tax burden for certain taxpayers. Examples of these compliance and enforcement provisions include the (1) limitation on net operating loss carryforwards and certain built-in losses following ownership changes (sec. 382), (2) wash sale rules (sec. 1091), (3) denial of capital gain treatment for gains on certain obligations not in registered form (sec. 1287), and (4) disallowance of a deduction for fines and penalties (sec. 162(f)).

Individual income tax

Under the Joint Committee staff methodology, the normal structure of the individual income tax includes the following major components: one personal exemption for each taxpayer and one for each dependent, the standard deduction, the existing tax rate schedule, and deductions for investment and employee business expenses. Most other tax benefits for individual taxpayers are classified as exceptions to normal income tax law.

⁵ The Federal income tax on individuals also applies to estates and trusts, which are subject to a separate income tax rate schedule (sec. 1(e) of the Code). Estates and trusts may benefit from some of the same tax expenditure provisions that apply to individuals. In Table 1 of this report, the tax expenditures that apply to estates and trusts have been included in the estimates of tax expenditures for individual taxpayers.

⁶ Other analysts have explored applying the concept of tax expenditures to payroll and excise taxes. See Jonathan Barry Forman, “Would a Social Security Tax Expenditure Budget Make Sense?” *Public Budgeting and Financial Management*, 5, 1993, pp. 311-335, Bruce F. Davie, “Tax Expenditures in the Federal Excise Tax System,” *National Tax Journal*, 47, March 1994, pp. 39-62, and Lindsay Oldenski, “Searching for Structure in the Federal Excise Tax System: An Excise Tax Expenditure Budget,” *National Tax Journal*, 57, September 2004, pp. 613-637. Prior to 2003, the President’s budget contained a section that reviewed and tabulated estate and gift tax provisions that the Treasury considered tax expenditures.

⁷ Although the Budget Act does not require the identification of negative tax expenditures, the Joint Committee staff has presented a number of negative tax expenditures for completeness.

The Joint Committee staff views the standard deduction and the personal exemptions as defining the zero-rate bracket that is a part of normal tax law.⁸ An itemized deduction that is not necessary for the generation of income is classified as a tax expenditure, but only to the extent that it, when added to a taxpayer's other itemized deductions, exceeds the standard deduction. While some features of the tax law, such as the child credit and the credit for nonchild dependents, provide what may be considered adjustments for family size that have the objective of achieving a similar policy as personal exemptions, they do not do so in a way that defines a zero-rate bracket. For example, the size of the zero-rate bracket for taxpayers with similar household composition would vary based on other tax attributes of the household. The Joint Committee staff considers these credits to be tax expenditures.

An exclusion from gross income applies generally to amounts received under a life insurance contract that are paid by reason of the death of the insured. This exclusion is classified as a tax expenditure.

All employee compensation is subject to tax unless the Code contains a specific exclusion for the income. Specific exclusions for employer-provided benefits include: coverage under accident and health plans,⁹ accident and disability insurance, group term life insurance, educational assistance, tuition reduction benefits, transportation benefits (parking, van pools, and transit passes), dependent care assistance, adoption assistance, meals and lodging furnished for the convenience of the employer, employee awards, and other miscellaneous fringe benefits (*e.g.*, working condition fringes, employee discounts, services provided to employees at no additional cost to employers, and *de minimis* fringe benefits). Each of these exclusions is classified as a tax expenditure in this report.

Under normal income tax law, employer contributions to pension plans and income earned on pension assets generally would be taxable to employees as the contributions are made and as the income is earned, and employees would not receive any deduction or exclusion for their pension contributions. Under present law, employer contributions to qualified pension plans and, generally, employee contributions made at the election of the employee through salary reduction are not taxed until distributed to the employee, and income earned on pension assets is not taxed until distributed. The tax expenditure for "net exclusion of pension contributions and earnings" is computed as the income taxes forgone on current tax-excluded pension contributions and earnings less the income taxes paid on current pension distributions (including the 10-percent additional tax paid on early withdrawals from pension plans).

⁸ For taxable years beginning after December 31, 2017, and before January 1, 2026, the standard deduction for each filing status is increased by more than the amount of the prior-law personal exemptions for the taxpayer (including in the case of a married taxpayer filing jointly, the taxpayer's spouse), and the personal exemption amount is zero.

⁹ Present law contains an exclusion for employer-provided coverage under accident and health plans (sec. 106) and an exclusion for benefits received by employees under employer-provided accident and health plans (sec. 105(b)). These two exclusions are viewed as a single tax expenditure. Under normal income tax law, the value of employer-provided accident and health coverage would be includable in the income of employees, but employees would not be subject to tax on the accident and health insurance benefits (reimbursements) that they might receive.

Under present law, Social Security and tier 1 railroad retirement benefits are partially excluded or fully excluded from gross income.¹⁰ This exclusion of Social Security and railroad retirement benefits can be classified as a tax expenditure.

Public assistance benefits are excluded from gross income by statute or by Treasury regulations. Table 1 contains tax expenditure calculations for workers' compensation benefits and special benefits for disabled coal miners.

The individual income tax does not include in gross income the imputed income that individuals receive from the services provided by owner-occupied housing and durable goods.¹¹ However, the Joint Committee staff does not classify this exclusion as a tax expenditure.¹² The measurement of imputed income for tax purposes presents administrative problems and its exclusion from taxable income may be regarded as an administrative necessity.¹³ Under normal income tax law, individuals are allowed to deduct only the interest on indebtedness incurred in connection with a trade or business or an investment. Thus, the deduction for mortgage interest on a principal or second residence is classified as a tax expenditure.

The Joint Committee staff assumes that, for administrative feasibility, normal income tax law would tax capital gains in full in the year the gains are realized through sale, exchange, gift, or transfer at death. Thus, the deferral of tax until realization is not classified as a tax expenditure. However, reduced rates of tax,¹⁴ further deferrals of tax (beyond the year of sale, exchange, gift, or transfer at death), and exclusions of certain capital gains are classified as tax expenditures. Because of the same concern for administrative feasibility, it is also assumed that normal income tax law does not provide for any indexing of the basis of capital assets for

¹⁰ For taxpayers with modified adjusted gross incomes above certain levels, up to 85 percent of Social Security and tier 1 railroad retirement benefits are includable in income.

¹¹ The National Income and Product Accounts include estimates of imputed income for owner-occupied housing. The accounts appear in *Survey of Current Business*, published monthly by the U.S. Department of Commerce, Bureau of Economic Analysis. However, a taxpayer-by-taxpayer accounting of imputed income would be necessary for a tax expenditure estimate.

¹² The Treasury Department provides a tax expenditure calculation for the exclusion of net rental income of homeowners that combines the positive tax expenditure for the failure to impute rental income with the negative tax expenditure for the failure to allow a deduction for depreciation and other costs.

¹³ If the imputed income from owner-occupied homes were included in adjusted gross income, it would be proper to include all mortgage interest deductions and related property tax deductions as part of the normal income tax structure, since interest and property tax deductions would be allowable as a cost of producing imputed income. It also would be appropriate to allow deductions for depreciation and maintenance expenses for owner-occupied homes.

¹⁴ The Joint Committee staff reports the surtax on net investment income imposed by section 1411 as a negative tax expenditure. The net investment income tax partially offsets the reduced rates of tax on capital gains and qualified dividend income. However, it operates as a special higher rate of tax on interest income. The estimates include both of these features of the tax.

changes in the general price level. Thus, under normal income tax law (as under present law), the income tax is levied on nominal gains as opposed to real gains in asset values.

There are many types of State and local government bonds and qualified private activity bonds the interest on which is exempt from Federal income taxation or for which a tax credit is available.¹⁵ Table 1 contains a separate tax expenditure listing for each type of bond.

Under the Joint Committee staff view of normal tax law, compensatory stock options generally are subject to regular income tax at the time the options are exercised and employers receive a corresponding tax deduction.¹⁶ The employee's income is equal to the difference between the purchase price of the stock and the market price on the day the option is exercised. Present law provides for special tax treatment for incentive stock options and options acquired under employee stock purchase plans. When certain requirements are satisfied, then: (1) the income that is received at the time the option is exercised is excluded for purposes of the regular income tax but, in the case of an incentive stock option, included for purposes of the alternative minimum tax ("AMT"); (2) the gain from any subsequent sale of the stock is taxed as a capital gain; and (3) the employer does not receive a tax deduction with respect to the option. The special tax treatment provided to the employee is viewed as a tax expenditure by the Joint Committee staff, and an estimate of this tax expenditure is contained in Table 1. However, it should be noted that the revenue loss from the special tax treatment provided to the employee is accompanied by a significant revenue gain from the denial of the deduction to the employer. The negative tax expenditure created by the denial of the deduction for employers is incorporated in the calculation of the tax expenditure.

The individual AMT and the passive activity loss rules are not viewed by the Joint Committee staff as a part of normal income tax law. Instead, they are viewed as provisions that reduce the magnitude of the tax expenditures to which they apply. For example, the AMT reduces the value of the deduction for State and local income taxes (for those taxpayers subject to the AMT) by not allowing the deductions to be claimed in the calculation of AMT liability. Similarly, the passive loss rules defer otherwise allowable deductions and credits from passive activities until a time when the taxpayer has passive income or disposes of the assets associated with the passive activity. Exceptions to the individual AMT and the passive loss rules are not classified as tax expenditures by the Joint Committee staff because the effects of the exceptions already are incorporated in the estimates of related tax expenditures. In two cases the restrictive effects of the AMT are presented separately because there are no underlying positive tax expenditures reflecting these effects: the negative tax expenditures for the AMT's disallowance of the standard deduction; and the net AMT attributable to the net operating loss limitation.

¹⁵ The authority to issue tax-credit bonds and direct-pay bonds is repealed for bonds issued after December 31, 2017. Table 1 continues to list tax expenditures for these items as they have continuing revenue effects that are associated with ongoing taxpayer activity.

¹⁶ If the option has a readily ascertainable fair market value, normal law taxes the option at the time it is granted and the employer is entitled to a deduction at that time.

III. TAX EXPENDITURE ESTIMATES

Tax expenditures are grouped in Table 1 in the same functional categories as outlays in the Federal budget. Within each budget function, tax expenditures are ordered by the Code section that provides for the special treatment. Estimates are shown separately for individuals and corporations. Those tax expenditures that do not fit clearly into any single budget category have been placed in the most appropriate category. Totals for each tax expenditure are presented for the five-year period covering fiscal years 2019-2023, respectively.

Several of the tax expenditure items involve small amounts of revenue, and those estimates are indicated in Table 1 by footnote 3. For each of these items, the footnote means that the tax expenditure is less than \$50 million in the fiscal year.

Table 2 presents distributional projections of tax return data for each of nine income classes including: (1) the number of all returns (including filing and nonfiling units), (2) the number of taxable returns, (3) the number of returns with itemized deductions, and (4) the amount of tax liability.

Table 3 provides distributional estimates by income class for some of the tax expenditures that affect individual taxpayers. Not all tax expenditures that affect individuals are shown in this table because of the difficulty in making reliable estimates of the income distribution of items that do not appear on tax returns under present law.

Table 1.--Tax Expenditure Estimates By Budget Function, Fiscal Years 2019 - 2023 [1]

[Billions of Dollars]

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
National Defense											
Deduction for overnight-travel expenses of national guard and reserve members.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.5
Exclusion of military disability benefits.....	---	---	---	---	---	0.3	0.3	0.3	0.3	0.3	1.5
Exclusion of combat pay.....	---	---	---	---	---	0.7	0.7	0.8	0.8	0.9	3.9
Exclusion of benefits and allowances to armed forces personnel.....	---	---	---	---	---	5.7	5.9	6.1	6.5	6.8	31.0
International Affairs											
Deduction for foreign taxes instead of a credit.....	0.1	0.2	0.3	0.4	0.5	---	---	---	---	---	1.5
Deduction for foreign-derived intangible income derived from trade or business within the United States.....	12.6	18.6	22.5	26.7	31.3	---	---	---	---	---	111.7
Reduced tax rate on active income of controlled foreign corporations [2].....	72.4	78.6	82.1	86.2	90.6	---	---	---	---	---	409.9
Exclusion of foreign earned income:											
Salary.....	---	---	---	---	---	1.2	1.3	1.3	1.3	1.4	6.5
Housing.....	---	---	---	---	---	7.5	8.0	8.5	9.1	9.7	42.7
Exclusion of certain allowances for Federal employees abroad.....	---	---	---	---	---	1.5	1.5	1.6	1.6	1.7	7.9
Deferral of active financing income.....	1.9	2.4	2.8	3.0	3.1	---	---	---	---	---	13.3
Special rules for interest-charge domestic international sales corporations.....	1.6	1.7	1.7	1.8	1.9	---	---	---	---	---	8.7
Tonnage tax.....	0.1	0.1	0.1	0.1	0.1	---	---	---	---	---	0.5
General Science, Space, and Technology											
Credit for increasing research activities (Code section 41).....	10.3	12.0	12.2	12.8	14.3	1.4	1.6	1.7	1.9	2.1	69.8
Expensing of research and experimental expenditures.....	3.6	2.5	1.8	1.6	0.6	---	---	---	---	---	10.1
Energy											
Residential energy-efficient property credit.....	---	---	---	---	---	2.0	1.7	1.3	0.6	0.1	5.8

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Credits for alternative technology vehicles:											
Other alternative fuel vehicles.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Credit for plug-in electric vehicles.....	0.6	0.5	0.4	0.4	0.5	0.8	0.5	0.4	0.4	0.4	4.8
Credits for electricity production from renewable resources (section 45).....	4.8	4.5	3.7	2.8	2.6	0.3	0.2	0.2	0.1	0.1	19.3
Wind.....	4.5	4.1	3.4	2.6	2.3	0.2	0.2	0.2	0.1	0.1	17.9
Closed-loop biomass.....	---	---	---	---	---	---	---	---	---	---	---
Geothermal.....	0.1	0.1	0.1	0.1	0.1	[3]	[3]	[3]	[3]	[3]	0.5
Qualified hydropower.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Small irrigation power.....	---	---	---	---	---	---	---	---	---	---	---
Municipal solid waste.....	0.1	0.1	0.1	0.1	0.1	[3]	[3]	[3]	[3]	[3]	0.3
Open-loop biomass.....	0.1	0.1	0.1	0.1	0.1	[3]	[3]	[3]	[3]	[3]	0.4
Coal production credits:											
Refined coal.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Indian coal.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Credit for carbon dioxide sequestration.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Energy credit (section 48).....	3.2	3.7	4.2	4.1	3.8	0.4	0.4	0.5	0.6	0.4	21.2
Solar.....	3.1	3.6	4.1	4.0	3.7	0.3	0.4	0.5	0.4	0.4	20.8
Geothermal.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
Fuel Cells.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.2
Microturbines.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Combined heat and power.....	0.1	0.2	0.2	0.2	0.2	[3]	[3]	[3]	[3]	[3]	0.9
Small wind.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Geothermal heat pump systems.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
Credits for investments in clean coal facilities.....	0.2	0.2	0.2	0.2	0.2	---	---	---	---	---	1.1
Credit for investment in advanced energy property.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.4
Credit for holders of clean renewable energy bonds (Code sections 54 and 54C) [4][5].....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.4
Credit for holders of qualified energy conservation bonds [4][5].....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.2
Exclusion of energy conservation subsidies provided by public utilities.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.1

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Exclusion of interest on State and local government qualified private activity bonds for energy production facilities.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Amortization of geological and geophysical expenditures associated with oil and gas exploration.....	0.1	0.1	0.1	0.1	0.1	[3]	[3]	[3]	[3]	[3]	0.4
Depreciation recovery periods for energy-specific items:											
Five-year MACRS for certain energy property (solar, wind, etc.).....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.2
10-year MACRS for smart electric distribution property.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.2
15-year MACRS for certain electric transmission property.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.2
15-year MACRS for natural gas distribution line.....	0.1	0.1	0.1	0.1	0.1	---	---	---	---	---	0.4
Amortization of air pollution control facilities.....	0.4	0.4	0.4	0.4	0.3	---	---	---	---	---	1.9
Excess of percentage over cost depletion:											
Oil and gas.....	0.4	0.4	0.4	0.5	0.5	[3]	[3]	[3]	[3]	[3]	2.4
Other fuels.....	0.1	0.1	0.1	0.1	0.1	[3]	[3]	[3]	[3]	[3]	0.6
Expensing of exploration and development costs:											
Oil and gas.....	0.4	0.4	0.4	0.3	0.3	0.1	0.1	0.1	0.1	0.1	2.4
Other fuels.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.3
Exceptions for publicly traded partnership with qualified income derived from certain energy-related activities.....	---	---	---	---	---	0.2	0.3	0.3	0.4	0.5	1.7
Natural Resources and Environment											
Expensing of timber-growing costs.....	0.3	0.3	0.3	0.3	0.3	[3]	[3]	[3]	[3]	[3]	1.5
Special depreciation allowance for certain reuse and recycling property.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Amortization and expensing of reforestation expenditures.....	[3]	[3]	[3]	[3]	[3]	0.1	0.1	0.1	0.1	0.1	0.7
Special rules for mining reclamation reserves.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.2
Special tax rate for nuclear decommissioning reserve funds.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Exclusion of earnings of certain environmental settlement funds.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Excess of percentage over cost depletion, nonfuel minerals.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.3
Expensing of exploration and development costs, nonfuel minerals.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.3

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Treatment of income from exploration and mining of natural resources as qualifying income under the publicly-traded partnership rules.....	---	---	---	---	---	[3]	[3]	[3]	[3]	0.1	0.2
Agriculture											
Exclusion of cancellation of indebtedness income of farmers.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.4
Exclusion of cost-sharing payments.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.2
Two-year carryback period for net operating losses attributable to farming.....	[3]	[3]	[3]	[3]	[3]	[3]	0.1	0.1	0.1	0.1	0.4
Expensing of soil and water conservation expenditures.....	[3]	[3]	[3]	[3]	[3]	0.1	0.1	0.1	0.1	0.1	0.5
Expensing by farmers for fertilizer and soil conditioner costs.....	[3]	[3]	[3]	[3]	[3]	0.1	0.1	0.1	0.1	0.1	0.8
Cash accounting for agriculture.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Income averaging for farmers and fishermen.....	---	---	---	---	---	0.2	0.2	0.2	0.2	0.2	1.0
Commerce and Housing											
Reduced rates of tax on dividends and long-term capital gains.....	---	---	---	---	---	176.6	171.3	167.5	165.2	164.8	845.3
Credit for low-income housing.....	8.7	9.0	9.4	9.8	10.2	0.3	0.4	0.4	0.4	0.4	49.0
Credit for employer-paid FICA taxes on tips.....	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.1	1.1	7.8
Credit for rehabilitation of historic structures.....	1.0	0.9	0.9	1.0	1.1	0.3	0.2	0.2	0.3	0.3	6.1
Credit for rehabilitation of structures, other than historic structures.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Exclusion of capital gains on sales of principal residences.....	---	---	---	---	---	34.7	35.9	37.1	38.6	40.5	187.0
Exclusion of interest on State and local government qualified private activity bonds for rental housing.....	0.2	0.2	0.2	0.2	0.2	0.7	0.7	0.7	0.7	0.7	4.5
Exclusion of interest on State and local government qualified private activity bonds for owner-occupied housing [6].....	0.2	0.2	0.2	0.2	0.2	0.6	0.6	0.7	0.7	0.7	4.2
Exclusion of interest on State and local government small-issue qualified private activity bonds.....	[3]	[3]	[3]	[3]	[3]	0.1	0.1	0.1	0.1	0.1	0.8
Limitation on deduction for FDIC premiums*.....	-1.4	-1.4	-1.4	-1.4	-1.5	---	---	---	---	---	-7.1
Deduction for mortgage interest on owner-occupied residences.....	---	---	---	---	---	27.0	30.2	33.2	35.4	37.0	162.7
Limitation on net interest deduction to 30 percent of adjusted taxable income*.....	-7.8	-8.8	-8.9	-13.4	-18.7	-1.7	-1.6	-1.7	-1.8	-1.9	-66.3

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Depreciation of equipment in excess of the alternative depreciation system [7].....	52.7	46.3	41.5	37.2	28.4	18.8	16.7	15.1	13.7	10.7	281.1
Depreciation of rental housing in excess of alternative depreciation system.....	0.6	0.6	0.5	0.5	0.4	3.5	3.4	3.2	2.9	2.7	18.3
Depreciation of buildings other than rental housing in excess of alternative depreciation system.....	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	2.5
Limit NOL deduction*.....	-0.9	-0.9	-1.0	-1.0	-1.1	-0.1	-0.1	-0.1	-0.1	-0.1	-5.8
Insurance companies two year NOL carryback.....	3.2	3.2	3.2	3.1	2.8	0.4	0.4	0.4	0.4	0.4	17.4
Expensing under section 179 of depreciable business property.....	2.3	2	1.7	1.4	1.3	13.4	11.6	10.2	8.2	7.8	59.9
Expensing of magazine circulation expenditures.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Amortization of business startup costs.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.4
Expensing of costs to remove architectural and transportation barriers to the handicapped and elderly.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
20-percent deduction for qualified business income.....	---	---	---	---	---	39.0	45.3	47.4	49.7	52.1	233.5
Distributions in redemption of stock to pay various taxes imposed at death.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.3
Cash accounting, other than agriculture.....	1.5	0.9	0.7	0.6	0.5	4.5	2.9	2.5	2.4	2.5	19.0
Deferral of gain on non-dealer installment sales.....	4.0	4.0	4.1	4.2	4.4	1.2	1.2	1.2	1.3	1.3	26.9
Special rules for magazine, paperback book, and record returns.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.2
Completed contract rules.....	0.8	0.7	0.7	0.7	0.8	0.6	0.3	0.1	0.1	0.1	5.0
Limitation on active passthrough losses in excess of \$500,000/\$250,000*.....	---	---	---	---	---	-12.2	-12.9	-13.5	-14.0	-14.6	-67.2
Inventory methods and valuation:											
Last in first out.....	0.7	0.7	0.8	0.8	0.8	0.2	0.2	0.2	0.2	0.2	4.7
Lower of cost or market.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.3
Specific identification for homogeneous products.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Exemption of credit union income.....	1.8	1.9	2.1	2.2	2.3	---	---	---	---	---	10.3
Exclusion from UBTI of certain payments to controlling exempt organizations.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Exclusion of gain or loss on sale or exchange of brownfield property.....	[3]	[3]	[3]	[3]	[3]	---	---	---	---	---	0.1
Special treatment of life insurance company reserves.....	2.0	2.1	2.1	2.1	2.2	---	---	---	---	---	10.5
Tax-exempt status and election to be taxed only on investment income for certain small property and casualty insurance companies.....	0.1	0.1	0.1	0.1	0.1	---	---	---	---	---	0.3
Proration for property and casualty insurance companies.....	0.2	0.2	0.2	0.2	0.2	---	---	---	---	---	1.0
Special deduction for Blue Cross and Blue Shield companies.....	0.3	0.4	0.4	0.4	0.4	---	---	---	---	---	1.9
Interest rate and discounting period assumptions for reserves of property and casualty insurance companies.....	1.6	1.6	1.6	1.6	1.7	---	---	---	---	---	8.1
Exclusion of capital gains at death.....	---	---	---	---	---	38.7	40.9	43.8	46.1	48.3	217.8
Carryover basis of capital gains on gifts.....	---	---	---	---	---	0.7	1.6	3.5	4.2	5.9	16.0
Deferral of gain on like-kind exchanges.....	2.7	3.1	3.1	3.1	3.1	7.2	7.6	7.3	7.0	6.8	51.0
Exclusion of gain from certain small business stock.....	---	---	---	---	---	1.3	1.3	1.4	1.4	1.5	6.9
Income recognition rule for gain or loss from section 1256 contracts.....	[3]	[3]	[3]	[3]	0.1	1.1	1.1	1.1	1.2	1.2	5.9
Exemptions from imputed interest rules.....	[3]	[3]	[3]	[3]	[3]	0.7	0.8	0.8	0.9	0.9	4.1
Surtax on net investment income*.....	---	---	---	---	---	-33.9	-33.7	-33.6	-34.0	-34.6	-169.9
Credit for the cost of carrying tax-paid distilled spirits in wholesale inventories.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Transportation											
Treatment of employer-paid transportation benefits (parking, van pools, and transit passes, black car services).....	-2.2	-2.2	-2.3	-2.3	-2.4	6.5	6.7	6.8	7.0	7.2	23.0
Exclusion of interest on State and local government qualified private activity bonds for private airports, docks, and mass-commuting facilities.....	0.1	0.2	0.2	0.2	0.2	0.5	0.6	0.6	0.6	0.6	3.6
Exclusion of interest on State and local government qualified private activity bonds for highway projects and rail-truck transfer facilities.....	[3]	[3]	[3]	[3]	[3]	0.1	0.1	0.1	0.1	0.1	0.4

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Deferral of tax on capital construction funds of shipping companies.....	0.1	0.1	0.1	0.1	0.1	---	---	---	---	---	0.3
Community and Regional Development											
New markets tax credit.....	1.3	1.3	1.2	1.2	1.1	[3]	[3]	[3]	[3]	[3]	6.0
Exclusion of interest on State and local government qualified private activity bonds for sewage, water, and hazardous waste facilities.....	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.5
Recovery zone economic development bonds [4][5].....	[3]	[3]	[3]	[3]	[3]	0.2	0.2	0.2	0.2	0.2	1.2
Qualified opportunity zones.....	2.6	2.6	2.6	2.5	2.4	0.9	0.9	0.9	0.8	0.8	16.9
National disaster relief.....	----- <i>Estimate Contained in Other Provisions</i> -----										
Education, Training, Employment, and Social Services											
<i>Education and training:</i>											
Credits for tuition for post-secondary education [5].....	---	---	---	---	---	18.3	18.3	18.3	18.3	18.3	91.4
Credit for holders of qualified zone academy bonds [4][5].....	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.1
Qualified school construction bonds [4][5].....	[3]	[3]	[3]	[3]	[3]	0.7	0.7	0.7	0.7	0.7	3.2
Deduction for teacher classroom expenses.....	---	---	---	---	---	0.2	0.2	0.2	0.2	0.2	1.1
Exclusion of income attributable to the discharge of certain student loan debt and NHSC and certain State educational loan repayments.....	---	---	---	---	---	0.2	0.2	0.2	0.2	0.2	1.0
Exclusion of scholarship and fellowship income.....	---	---	---	---	---	3.5	3.6	3.7	3.8	3.8	18.4
Exclusion of employer-provided tuition reduction benefits.....	---	---	---	---	---	0.3	0.3	0.3	0.3	0.3	1.6
Exclusion of employer-provided education assistance benefits.....	---	---	---	---	---	1.3	1.3	1.3	1.4	1.4	6.7
Exclusion of interest on State and local government qualified private activity bonds for private nonprofit and qualified public educational facilities.....	0.6	0.6	0.6	0.6	0.6	2.0	2.0	2.1	2.1	2.1	13.2
Exclusion of interest on State and local government qualified private activity bonds for student loans.....	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.5
Deduction for charitable contributions to educational institutions.....	1.1	1.1	1.1	1.1	1.2	6.6	6.8	7.0	7.3	7.5	40.7
Deduction for interest on student loans.....	---	---	---	---	---	2.2	2.3	2.4	2.5	2.6	12.0

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Exclusion tax on earnings of qualified tuition programs:											
Prepaid tuition programs.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.5
Savings account programs.....	---	---	---	---	---	1.2	1.2	1.5	2.0	2.4	8.2
Exclusion of earnings of Coverdell education savings accounts.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.5
<i>Employment:</i>											
Credit for family and medical leave.....	1.0	0.7	0.3	0.2	0.1	0.4	0.3	0.1	0.1	---	3.4
Work opportunity tax credit.....	0.5	0.3	0.1	0.1	[3]	0.1	[3]	[3]	[3]	[3]	1.2
Exclusion of employee awards.....	---	---	---	---	---	0.4	0.4	0.4	0.4	0.5	2.1
Exclusion of housing allowances for ministers.....	---	---	---	---	---	0.7	0.7	0.8	0.8	0.9	3.9
Treatment of meals and lodging (other than military).....	-0.8	-0.9	-0.9	-0.9	-1.0	2.9	3.0	3.2	3.3	3.4	11.3
Exclusion of miscellaneous fringe benefits.....	---	---	---	---	---	8.1	8.5	8.9	9.3	9.6	44.4
Treatment of employee moving expenses*.....	---	---	---	---	---	-1.3	-1.3	-1.4	-1.5	-1.5	-7.0
Exclusion of employer-provided (on-site) gyms.....	---	---	---	---	---	1.6	1.6	1.7	1.7	1.8	8.4
Limits on deductible compensation [8]*.....	-1.5	-1.5	-1.6	-1.6	-1.6	---	---	---	---	---	-7.8
Treatment of meals and entertainment.....	-3.2	-3.2	-3.2	-3.4	-3.5	3.2	3.3	3.5	3.6	3.8	1.0
Disallowance of deduction for excess parachute payments (applicable if payments to a disqualified individual are contingent on a change of control of a corporation and are equal to or greater than three times the individual's annualized includible compensation) [8]*.....	-0.1	-0.1	-0.1	-0.1	-0.1	---	---	---	---	---	-0.3
Special tax provisions for employee stock ownership plans (ESOPs).....	1.4	1.5	1.6	1.7	1.8	2.2	2.3	2.4	2.5	2.7	20.1
Deferral of taxation on spread on acquisition of stock under incentive stock option plans*.....	-1.5	-1.5	-1.5	-1.5	-1.5	0.7	0.7	0.7	0.7	0.7	-4.1
Deferral of taxation on spread on employee stock purchase plans*.....	-0.2	-0.2	-0.2	-0.2	-0.2	0.1	0.1	0.1	0.1	0.1	-0.5
Exclusion of income earned by voluntary employees' beneficiary associations.....	---	---	---	---	---	1.2	1.3	1.3	1.4	1.4	6.6

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
<i>Social services:</i>											
Credit for child and dependent care and exclusion of employer-provided child care [5][9].....	---	---	---	---	---	4.6	4.6	4.7	4.9	5.0	23.8
Adoption credit and employee adoption benefits exclusion.....	---	---	---	---	---	0.3	0.4	0.4	0.4	0.4	1.9
Credit for children and other dependents [5].....	---	---	---	---	---	117.7	118.3	118.8	120.3	121.1	596.2
Credit for disabled access expenditures.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Credit for employer-provided dependent care.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1
Exclusion of certain foster care payments.....	---	---	---	---	---	0.5	0.5	0.5	0.6	0.6	2.6
Deduction for charitable contributions, other than for education and health [10].....	1.6	1.6	1.6	1.7	1.7	32.9	33.9	35.0	36.1	37.2	183.4
Health											
Credit for purchase of health insurance by certain displaced persons [5].....	---	---	---	---	---	0.1	[3]	---	---	---	0.1
Subsidies for insurance purchased through health benefit exchanges [5].....	---	---	---	---	---	52.9	53.2	52.8	54.8	57.8	271.4
Credit for orphan drug research.....	1.2	1.4	1.7	2.0	1.3	[3]	[3]	[3]	[3]	[3]	8.6
Tax credit for small businesses purchasing employer insurance [5].....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.1
Exclusion of workers' compensation benefits (medical benefits).....	---	---	---	---	---	4.0	4.2	4.6	4.8	5.0	22.7
Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums [11].....	---	---	---	---	---	152.5	173.9	190.3	202.3	214.9	933.9
Exclusion of medical care and TRICARE medical insurance for military dependents, retirees, and retiree dependents not enrolled in Medicare.....	---	---	---	---	---	3.6	3.9	4.3	4.6	5.0	21.4
Exclusion of health insurance benefits for military retirees and retiree dependents enrolled in Medicare.....	---	---	---	---	---	0.6	0.7	0.8	0.9	1.0	4.0
Exclusion of interest on State and local government qualified private activity bonds for private nonprofit hospital facilities.....	0.3	0.3	0.3	0.4	0.4	1.3	1.3	1.3	1.3	1.3	8.3
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed.....	---	---	---	---	---	6.4	6.8	7.1	7.1	7.4	36.5

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Deduction for charitable contributions to health organizations.....	0.9	0.9	1.0	1.0	1.0	3.6	3.7	3.9	4.0	4.1	24.2
Deduction for medical expenses and long-term care expenses.....	---	---	---	---	---	7.1	7.4	8.1	9.1	10.1	41.7
Health savings accounts.....	---	---	---	---	---	6.9	7.1	7.3	7.6	7.9	36.8
Income Security											
Credit for certain individuals for elective deferrals and IRA contributions.....	---	---	---	---	---	1.2	1.2	1.2	1.2	1.2	6.0
Earned income credit [5].....	---	---	---	---	---	70.0	71.4	73.1	75.0	77.0	366.5
Phase out of the personal exemption for the regular income tax, and disallowance of the personal exemption and the standard deduction against the alternative minimum tax*.....	---	---	---	---	---	-0.3	-0.3	-0.3	-0.3	-0.4	-1.7
Additional standard deduction for the blind and the elderly.....	---	---	---	---	---	5.3	5.7	6.0	6.5	6.8	30.3
Exclusion of other employee benefits:											
Premiums on group term life insurance.....	---	---	---	---	---	3.5	3.7	3.8	3.8	4.0	18.8
Premiums on accident and disability insurance.....	---	---	---	---	---	4.3	4.5	4.7	4.9	5.1	23.3
Exclusion of amounts received under life insurance contracts.....	0.9	0.9	1.0	1.0	1.0	13.6	14.0	14.5	15.0	15.6	77.5
Exclusion of survivor annuities paid to families of public safety officers killed in the line of duty.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.1
Exclusion of workers' compensation benefits (disability and survivors payments).....	---	---	---	---	---	2.7	2.8	2.8	2.5	2.5	13.2
Exclusion of special benefits for disabled coal miners.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.1
Exclusion of damages on account of personal physical injuries or physical sickness.....	---	---	---	---	---	1.8	1.8	1.8	1.8	1.9	9.0
Exclusion of disaster mitigation payments.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.2
Deduction for casualty and theft losses.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.5
Net exclusion of pension contributions and earnings:											
Plans covering partners and sole proprietors (sometimes referred to as "Keogh plans").....	---	---	---	---	---	14.4	16.0	17.3	18.3	19.0	85.1
Defined benefit plans.....	---	---	---	---	---	84.8	96.5	109.4	123.6	138.4	552.8
Defined contribution plans.....	---	---	---	---	---	125.0	145.1	157.8	168.3	179.4	775.6

Function	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
Individual retirement arrangements:											
Traditional IRAs.....	---	---	---	---	---	18.2	18.9	19.9	21.3	22.5	100.9
Roth IRAs.....	---	---	---	---	---	7.7	8.2	8.7	9.5	10.4	44.5
ABLE accounts [12].....	---	---	---	---	---	[3]	0.1	0.1	0.1	0.1	0.3
Social Security and Railroad Retirement											
Exclusion of untaxed Social Security and railroad retirement benefits.....	---	---	---	---	---	36.7	39.1	41.5	44.0	46.7	208.0
Veterans' Benefits and Services											
Exclusion of veterans' disability compensation.....	---	---	---	---	---	10.0	9.8	9.3	9.4	9.6	48.0
Exclusion of interest on State and local government qualified private activity bonds for veterans' housing.....	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.2
Exclusion of veterans' pensions.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of veterans' readjustment benefits.....	---	---	---	---	---	1.5	1.5	1.5	1.6	1.7	7.7
General Government											
Build America bonds [4][5].....	---	---	---	---	---	3.3	3.3	3.3	3.3	3.3	16.6
Exclusion of interest on public purpose State and local government bonds.....	5.8	5.9	6.0	6.1	6.2	21.7	22.0	22.3	22.7	23.0	141.8
Deduction of nonbusiness State and local government taxes.....	---	---	---	---	---	21.2	22.5	23.6	24.6	25.3	117.2
Eliminate requirement that financial institutions allocate interest expense attributable to tax-exempt interest	0.4	0.4	0.4	0.4	0.4	---	---	---	---	---	2.0
Interest											
Deferral of interest on savings bonds.....	---	---	---	---	---	1.0	0.9	0.9	0.9	0.8	4.5

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. An "*" indicates a negative tax expenditure for the 2019 - 2023 period.

[Footnotes for the Table appear on the following page]

Footnotes for the Table:

[1] Reflects legislation enacted by September 30, 2019.

[2] There is a one-time tax on the accumulated deferred income of CFCs. Taxpayers can elect to pay the one-time tax over the course of eight years. Estimate does not include any offset with respect to the one-time tax on prior year income.

[3] Positive tax expenditure of less than \$50 million.

[4] Estimate includes an outlay to State and local governments. For the purposes of this table outlays are attributed to individuals.

[5] Estimate includes refundability associated with the following

	Corporations					Individuals					Total
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019-23
outlay effects:											
Credit for holders of clean renewable energy bonds.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.1
Credit for holders of qualified energy conservation bonds.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	0.2
Recovery zone economic development bonds.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.6
Credits for tuition for post-secondary education.....	---	---	---	---	---	6.2	6.2	6.2	6.2	6.2	31.1
Credit for holders of qualified zone academy bonds.....	---	---	---	---	---	0.1	0.1	0.1	0.1	0.1	0.3
Qualified school construction bonds.....	---	---	---	---	---	0.7	0.7	0.7	0.7	0.7	3.3
Credit for child and dependent care and exclusion of employer-provided child care.....	---	---	---	---	---	0.8	0.8	0.8	0.8	0.8	3.9
Credit for children and other dependents.....	---	---	---	---	---	46.2	46.2	46.1	46.8	47.1	232.3
Credit for purchase of health insurance by certain displaced persons.....	---	---	---	---	---	0.1	[3]	---	---	---	0.1
Subsidies for insurance purchased through health benefit exchanges.....	---	---	---	---	---	43.4	43.7	43.3	45.0	47.5	222.9
Tax credit for small businesses purchasing employer insurance.....	---	---	---	---	---	[3]	[3]	[3]	[3]	[3]	[3]
Earned income credit.....	---	---	---	---	---	61.6	62.8	64.2	65.8	67.5	322.1
Build America bonds.....	---	---	---	---	---	3.3	3.3	3.3	3.3	3.3	16.6

[6] Estimate includes effect of credit for interest on certain home mortgages (section 25).

[7] Includes bonus depreciation and general acceleration under MACRS.

[8] Estimate does not include effects of changes made by the Emergency Economic Stabilization Act of 2008.

[9] Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.

[Footnotes for the Table continue on the following page]

Footnotes for the Table continued:

[10] In addition to the general charitable deduction, the tax expenditure accounts for the higher percentage limitation for public charities, the fair market value deduction for related-use tangible personal property, the enhanced deduction for inventory, the fair market value deduction for publicly traded stock and exceptions to the partial interest rules.

[11] Estimate includes employer-provided health insurance purchased through cafeteria plans and TRICARE medical insurance, which are also included in other line items on this table.

[12] Estimate does not include outlays due to Medicaid.