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**Comments: Draft of Johnson bill in today's tax press.**

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UNCLASSIFIED

# Text of Tax Relief for Working Americans Act by Rep. Nancy Johnson (R-Conn.)

106TH CONGRESS  
1ST SESSION

## H. R. \_\_\_\_\_

### IN THE HOUSE OF REPRESENTATIVES

Mrs. JOHNSON of Connecticut introduced the following bill; which was referred to the Committee on \_\_\_\_\_

## A BILL

To amend the Internal Revenue Code of 1986 to provide marriage penalty relief, incentives to encourage health coverage, and increased child care assistance, to extend certain expiring tax provisions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 SECTION 1. SHORT TITLE.

4 (a) SHORT TITLE.—This Act may be cited as the  
5 "Tax Relief for Working Americans Act of 1999".

### 6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title.

#### TITLE I—MARRIAGE PENALTY RELIEF

2

Sec. 101. Basic standard deduction for married individuals to be twice the di-  
cution for unmarried individuals.

#### TITLE II—ADJUSTMENT OF SOCIAL SECURITY EARNING LIMIT

Sec. 201. Adjustment in monthly exempt amount for purposes of the social se-  
curity earnings test.

#### TITLE III—INCENTIVES FOR HEALTH AND LONG-TERM CARE COVERAGE

Sec. 301. Credit for health insurance costs of previously uninsured individuals  
and individuals with COBRA coverage.

Sec. 302. Deduction for health insurance costs of employees and self-employed  
individuals.

Sec. 303. Credit for taxpayers with long-term care needs.

#### TITLE IV—EXPANSION OF DEPENDENT CARE TAX CREDIT

Sec. 401. Expansion of dependent care tax credit.

#### TITLE V—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 501. Nonrefundable personal credits allowed against alternative minimum  
tax.

Sec. 502. Income averaging for farmers not to increase alternative minimum  
tax liability.

#### TITLE VI—ELIMINATION OF 60-MONTH LIMIT ON STUDENT LOAN INTEREST DEDUCTION

Sec. 601. Elimination of 60-month limit on student loan interest deduction.

#### TITLE VII—INCREASE IN LOW-INCOME HOUSING CREDIT STATE CEILING

Sec. 701. Increase in State ceiling on low-income housing credit.

#### TITLE VIII—FARM AND RANCH RISK MANAGEMENT ACCOUNTS

Sec. 801. Farm and ranch risk management accounts.

#### TITLE IX—INCENTIVES FOR URBAN REVITALIZATION AND OPEN SPACE

Sec. 901. Expensing of environmental remediation costs expended to contain  
water sites outside of targeted areas.

Sec. 902. Modifications to encourage contributions of capital gain real property  
made for conservation purposes and of qualified conservation  
contributions.

#### TITLE X—EXTENSION OF CERTAIN EXPIRING PROVISIONS

Sec. 1001. Research credit.

Sec. 1002. Work opportunity credit.

Sec. 1003. Permanent subpart F exception for active financing income.

Sec. 1004. Credit for electricity produced from renewable resources.

3

## 1 TITLE I—MARRIAGE PENALTY 2 RELIEF

### 3 SEC. 101. BASIC STANDARD DEDUCTION FOR MARRIED IN- 4 DIVIDUALS TO BE TWICE THE DEDUCTION 5 FOR UNMARRIED INDIVIDUALS.

6 (a) IN GENERAL.—Paragraph (2) of section 63(c) of  
7 the Internal Revenue Code of 1986 (relating to standard  
8 deduction) is amended—

9 (1) by striking "\$5,000" in subparagraph (A)  
10 and inserting "twice the dollar amount in effect  
11 under subparagraph (C) for the taxable year",

12 (2) by adding "or" at the end of subparagraph  
13 (B),

14 (3) by striking "in the case of" and all that fol-  
15 lows in subparagraph (C) and inserting "in any  
16 other case", and

17 (4) by striking subparagraph (D).

18 (b) TECHNICAL AMENDMENT.—Subparagraph (B) of  
19 section 1(d)(6) of such Code is amended by striking  
20 "(other than with" and all that follows through "shall be  
21 applied" and inserting "(other than sections 63(c)(4) and  
22 151(d)(4)(A) shall be applied".

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 1999.

**TITLE II—ADJUSTMENT OF SOCIAL SECURITY EARNING LIMIT**

**SEC. 201. ADJUSTMENT IN MONTHLY EXEMPT AMOUNT FOR PURPOSES OF THE SOCIAL SECURITY EARNINGS TEST.**

(a) INCREASE IN MONTHLY EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended—

(1) in clause (iii), by inserting "and" at the end; and

(2) by striking clauses (iv) through (vii) and inserting the following new clause:

"(iv) for each month of any taxable year ending after 1999 and before 2001, \$2,500."

**(b) CONFORMING AMENDMENTS.—**

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking "after 2001 and before 2003" and inserting "after 1999 and before 2001"; and

(B) in subclause (II), by striking "2001" and inserting "1998".

5

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting "and section 201 of the Tax Relief for Working Americans Act of 1999" after "1996".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after 1999.

**TITLE III—INCENTIVES FOR HEALTH AND LONG-TERM CARE COVERAGE**

**SEC. 301. CREDIT FOR HEALTH INSURANCE COSTS OF PREVIOUSLY UNINSURED INDIVIDUALS AND INDIVIDUALS WITH COBRA COVERAGE.**

(a) IN GENERAL.—Subpart A of part IV of sub-

chapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to non-refundable personal credits) is amended by inserting after section 25A the following new section:

**"SEC. 25B. HEALTH INSURANCE COSTS OF PREVIOUSLY UNINSURED INDIVIDUALS AND INDIVIDUALS WITH COBRA COVERAGE.**

(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 60 percent of the amount paid during the taxable year

6

for coverage for the taxpayer, his spouse, and dependents under qualified health insurance.

**"(b) DOLLAR LIMITATION.—**

(1) IN GENERAL.—The amount allowed as a credit under subsection (a) to the taxpayer for the taxable year shall not exceed the sum of the monthly limitations for eligible months during such taxable year.

(2) MONTHLY LIMITATION.—The monthly limitation for any eligible month is the amount equal to

(A) \$1,200 if, as of the first day of such month, the taxpayer has self-only coverage under qualified health insurance; and

(B) \$2,400 if, as of the first day of such month, the taxpayer has family coverage under qualified health insurance.

(3) ELIGIBLE MONTH.—For purposes of this subsection—

(A) IN GENERAL.—The term "eligible month" means any month which begins at least 1 year after the most recent month that the individual—

(i) was eligible to participate in any group health plan of an employer which

7

provided qualified health insurance (determined without regard to subsection (d)(2)), or

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4 (ii) participated in any group health  
5 plan of any other entity which provided  
6 such insurance.

7 (B) JOINT RETURNS.—In the case of a  
8 joint return, a month shall be treated as an eli-  
9 gible month only if it is an eligible month of  
10 each spouse, determined by applying this para-  
11 graph separately to each spouse.

12 (4) CERTAIN OTHER COVERAGE.—Amounts  
13 paid for coverage of an individual for any month  
14 shall not be taken into account under subsection (a)  
15 if, as of the first day of such month, such individual  
16 is covered under any medical care program described  
17 in—

18 (A) title XVIII, XIX, or XXI of the So-  
19 cial Security Act.

20 (B) chapter 55 of title 10, United States  
21 Code,

22 (C) chapter 17 of title 38, United States  
23 Code,

24 (D) chapter 89 of title 5, United States  
25 Code, or

6

1 (E) the Indian Health Care Improvement  
2 Act.

3 (5) SPECIAL RULE FOR MARRIED INDIVID-  
4 UALS.—In the case of an individual—

5 (A) who is married (within the meaning  
6 of section 7703) as of the close of the taxable  
7 year but does not file a joint return for such  
8 year, and

9 (B) who does not live apart from such in-  
10 dividual's spouse at all times during the taxable  
11 year,

12 the limitation under paragraph (2)(A) (and not the  
13 limitation under paragraph (2)(B)) shall apply to  
14 such individual.

15 (e) LIMITATION BASED ON ADJUSTED GROSS IN-  
16 COME.—

17 (1) IN GENERAL.—The aggregate amount  
18 which would (but for this subsection) be allowed as

19 a credit under this section shall be reduced (but not  
20 below zero) by the amount determined under para-  
21 graph (2).

22 (2) AMOUNT OF REDUCTION.—

23 (A) IN GENERAL.—The amount deter-  
24 mined under this paragraph shall be the

1 amount which bears the same ratio to such ag-  
2 gregate amount as—

3 (i) the excess of—  
4 (I) the taxpayer's modified ad-  
5 justed gross income for such taxable  
6 year, over

7 (II) the applicable dollar  
8 amount, bears to

9 (ii) \$10,000.

10 (B) MODIFIED ADJUSTED GROSS IN-  
11 COME.—For purposes of this paragraph, the  
12 term 'modified adjusted gross income' means  
13 adjusted gross income increased by any amount  
14 excluded from gross income under section 911,  
15 931, or 933.

16 (C) ROUNDING.—Any amount determined  
17 under subparagraph (A) which is not a multiple  
18 of \$10 shall be rounded to the next lowest \$10.

19 (3) APPLICABLE DOLLAR AMOUNT.—For pur-  
20 poses of paragraph (2), the term 'applicable dollar  
21 amount' means—

22 (A) \$60,000 in the case of a taxpayer  
23 whose qualified health insurance coverage cov-  
24 ers more than 1 individual referred to in sub-  
25 section (a), and

10

1 (B) \$30,000—

2 (i) in any case not described in sub-  
3 paragraph (A), and

4 (ii) in the case of a married individ-  
5 ual filing a separate return.

6 For purposes of this paragraph, marital status shall  
7 be determined under section 7703.

8 (d) QUALIFIED HEALTH INSURANCE.—For pur-

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9	poses of this section—	24	such individual's taxable year begins.
10	“(1) IN GENERAL.—Except as otherwise pro-	25	“(3) INFLATION ADJUSTMENT.—
11	vided in this paragraph, the term ‘qualified health	12	
12	insurance’ means insurance which constitutes medi-	1	“(A) IN GENERAL.—In the case of a tax-
13	cal care, as defined in section 213(d) without regard	2	able year beginning after 2000, each dollar
14	to—	3	amount in subsection (e)(3) shall be increased
15	“(A) paragraph (1)(C) thereof, and	4	by an amount equal to—
16	“(B) so much of paragraph (1)(D) thereof	5	“(i) such dollar amount, multiplied by
17	as relates to qualified long-term care insurance	6	“(ii) the cost-of-living adjustment de-
18	contracts.	7	termined under section 1(f)(3) for the cal-
19	“(2) EXCLUSION OF COVERAGE PROVIDED	8	endar year in which the taxable year be-
20	UNDER GROUP HEALTH PLANS, ETC.—Such term	9	gins, determined by substituting ‘calendar
21	shall not include insurance provided through any	10	year 1999’ for ‘calendar year 1992’ in sub-
22	group health plan of an employer or any other en-	11	paragraph (B) thereof.
23	tity.	12	“(B) ROUNDING.—If any amount as ad-
24	“(3) EXCLUSION OF CERTAIN OTHER CON-	13	justed under subparagraph (A) is not a multiple
25	TRACTS.—Such term shall not include insurance if a	14	of \$100, such amount shall be rounded to the
		15	next lowest multiple of \$100.”
	11	16	(b) CLERICAL AMENDMENT.—The table of sections
1	substantial portion of its benefits are excepted bene-	17	for subpart A part IV of subchapter A of chapter 1 of
2	fits (as defined in section 9832(c)).	18	such Code is amended by inserting after the item relating
3	“(c) INDIVIDUALS WITH COBRA CONVERGE.—In	19	to section 25A the following new item:
4	the case of continuation coverage under a group health		“Sec. 25B. Health insurance costs of previously uninsured indi-
5	plan which is required to be provided by Federal law for		viduals and individuals with COBRA coverage.”
6	an individual during the period specified in section	20	(c) EFFECTIVE DATE.—The amendments made by
7	4980B(f)(2)(B), notwithstanding subsection (d)—	21	this section shall apply to taxable years beginning after
8	“(1) such coverage shall be treated as qualified	22	December 31, 1999.
9	health insurance, and		13
10	“(2) the term ‘eligible month’ includes months	1	SEC. 302. DEDUCTION FOR HEALTH INSURANCE COSTS OF
11	of such coverage.	2	EMPLOYEES AND SELF-EMPLOYED INDIVID-
12	“(f) SPECIAL RULES.—	3	UALS.
13	“(1) COORDINATION WITH OTHER DEDUC-	4	(a) IN GENERAL.—Part VII of subchapter B of chap-
14	TIONS.—No credit shall be allowed under this sec-	5	ter 1 of the Internal Revenue Code of 1986 (relating to
15	tion for the taxable year if any amount paid for	6	additional itemized deductions) is amended by redesignat-
16	qualified health insurance is taken into account in	7	ing section 222 as section 223 and by inserting after sec-
17	determining the deduction allowed for such year	8	tion 221 the following new section:
18	under section 213 or 222.	9	“SEC. 222. COSTS OF HEALTH INSURANCE AND LONG-TERM
19	“(2) DENIAL OF CREDIT TO DEPENDENTS.—No	10	CARE INSURANCE.
20	credit shall be allowed under this section to any indi-	11	“(a) IN GENERAL.—In the case of an individual,
21	vidual with respect to whom a deduction under sec-	12	there shall be allowed as a deduction an amount equal to
22	tion 151 is allowable to another taxpayer for a tax-	13	the sum of—
23	able year beginning in the calendar year in which	14	“(1) the applicable health care percentage of

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15 the amount paid during the taxable year for cov-  
 16 erage for the taxpayer, his spouse, and dependents  
 17 under qualified health insurance, and  
 18 "(2) the applicable long-term care percentage of  
 19 the amount of eligible long-term care premiums (as  
 20 defined in section 213(d)(10)) paid during the tax-  
 21 able year for coverage for the taxpayer, his spouse,  
 22 and dependents under a qualified long-term care in-  
 23 surance contract (as defined in section 7702B(b)).  
 24 "(b) APPLICABLE PERCENTAGES.—For purposes of  
 25 subsection (a) —

14

1 "(1) APPLICABLE HEALTH CARE PERCENT-  
 2 AGE.—  
 3 "(A) IN GENERAL.—Except as provided in  
 4 subparagraph (B), the applicable health care  
 5 percentage shall be determined in accordance  
 6 with the following table:

For taxable years beginning in calendar year—	The applicable health care percentage is—
2000 .....	60
2001 .....	70
2002 .....	80
2003 .....	90
2004 and thereafter .....	100

7 "(B) SPECIAL RULE.—In the case of an  
 8 individual who is an employee within the mean-  
 9 ing of section 401(c)(1) and whose qualified  
 10 health insurance is not provided through a  
 11 group health plan of an employer, subparagraph  
 12 (A) shall be applied by substituting '100' for  
 13 '90' but only with respect to the lesser of the  
 14 taxpayer's earned income (within the meaning  
 15 of section 401(c)) or the payments referred to  
 16 in subsection (a)(1).

17 "(2) APPLICABLE LONG-TERM CARE PERCENT-  
 18 AGE.—  
 19 "(A) IN GENERAL.—Except as otherwise  
 20 provided in this paragraph, the applicable long-  
 21 term care percentage shall be determined in ac-  
 22 cordance with the following table based on the

15  
 number of years of continuous coverage (as of  
 the close of the taxable year) of the individual  
 under a qualified long-term care insurance con-  
 tract (as defined in section 7702B(b)).

If the number of years of continuous coverage is—	The applicable long-term care percentage is—
Less than 1 .....	50
At least 1 but less than 2 .....	60
At least 2 but less than 3 .....	70
At least 3 but less than 4 .....	80
At least 4 but less than 5 .....	90
At least 5 .....	100

5 "(B) SPECIAL RULES FOR INDIVIDUALS  
 6 WHO HAVE ATTAINED AGE 60.—In the case of  
 7 an individual who has attained age 60 as of the  
 8 close of the taxable year, the following table  
 9 shall be substituted for the table in subpara-  
 10 graph (A).

If the number of years of continuous coverage is—	The applicable long-term care percentage is—
Less than 1 .....	60
At least 1 but less than 2 .....	70
At least 2 but less than 3 .....	80
At least 3 .....	100

11 "(C) ONLY COVERAGE AFTER 1999 TAKEN  
 12 INTO ACCOUNT.—Only coverage for periods  
 13 after December 31, 1999, shall be taken into  
 14 account under this paragraph.

15 "(D) CONTINUOUS COVERAGE.—An indi-  
 16 vidual shall not fail to be treated as having con-  
 17 tinuous coverage if the aggregate breaks in cov-  
 erage during any 1-year period are less than 60  
 days.

18 "(E) SELF-EMPLOYED INDIVIDUALS.—In  
 19 the case of an individual who is an employee  
 20 within the meaning of section 401(c)(1) and  
 21 whose qualified long-term care insurance con-  
 22 tract (as defined in section 7702B(b)) is not  
 provided through a group health plan of an em-  
 ployer, the applicable long-term care percentage  
 shall be—

23 "(i) 100 percent with respect to the  
 24 lesser of—

13	"(I) the eligible long-term care	18	18
14	premiums (as defined in section	1	employer, paragraph (3) of section 25B(d) shall
15	213(d)(10)) referred to in subsection	2	not apply for purposes of this section.
16	(a)(2), or	3	"(B) LIMITATION.—The amount taken
17	"(II) the excess of the taxpayer's	4	into account under subsection (a)(1) by reason
18	earned income (within the meaning of	5	of subparagraph (A) shall not exceed the excess
19	section 401(e)) for the taxable year	6	of—
20	over the payments referred to in sub-	7	"(i) the taxpayer's earned income
21	section (a)(1), and	8	(within the meaning of section 401(e)),
22	"(ii) the percentage determined under	9	over
23	the other provisions of this paragraph with	10	"(ii) the amount which would (without
24	respect to the remainder of such premiums	11	regard to this paragraph) be taken into ac-
25	(determined by treating the premiums	12	count under subsection (a)(1)
		13	"(c) SPECIAL RULES.—
	17	14	"(1) COORDINATION WITH MEDICAL DEDUC-
1	taken into account under clause (i) as	15	TION, ETC.—Any amount paid by a taxpayer for in-
2	being attributable to individuals in the	16	surance to which subsection (a) applies shall not be
3	order of their ages, beginning with the old-	17	taken into account in computing the amount allow-
4	est).	18	able to the taxpayer as a deduction under section
5	"(c) EXCLUSION OF SUBSIDIZED COVERAGE.—Sub-	19	213(a).
6	section (a) shall not apply to any taxpayer for any cal-	20	"(2) DEDUCTION NOT ALLOWED FOR SELF-EM-
7	endar month for which the taxpayer participates in any	21	PLOYMENT TAX PURPOSES.—The deduction allow-
8	group health plan of an employer or any other entity if	22	able by reason of this section shall not be taken into
9	less than 50 percent of the cost of the taxpayer's coverage	23	account in determining an individual's net earnings
10	under such plan is borne by the taxpayer. The preceding	24	from self-employment (within the meaning of section
11	sentence shall be applied separately with respect to para-	25	1402(a) for purposes of chapter 2."
12	graphs (1) and (2) of subsection (a).		
13	"(d) QUALIFIED HEALTH INSURANCE.—For pur-	19	
14	poses of this section—	1	(b) CONFORMING AMENDMENTS.—
15	"(1) IN GENERAL.—The term 'qualified health	2	(1) Subsection (l) of section 162 of such Code
16	insurance' has the meaning given such term by sec-	3	is hereby repealed.
17	tion 25B(d) determined without regard to paragraph	4	(2) Subsection (a) of section 62 of such Code
18	(2) thereof.	5	is amended by inserting after paragraph (17) the
19	"(2) SPECIAL RULE.—	6	following new item:
20	"(A) IN GENERAL.—In the case of an indi-	7	"(15) COSTS OF HEALTH INSURANCE AND
21	vidual who is an employee within the meaning	8	LONG-TERM CARE INSURANCE.—The deduction al-
22	of section 401(e)(1) and whose qualified health	9	lowed by section 222."
23	insurance (without regard to this paragraph) is	10	(3) The table of sections for part VII of sub-
24	not provided through a group health plan of an	11	chapter B of chapter 1 of such Code is amended by

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12 striking the last item and inserting the following  
13 new items:

"Sec. 222. Costs of health insurance and long-term care insurance"  
"Sec. 223. Cross reference."

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 1999.

17 **SEC. 303. CREDIT FOR TAXPAYERS WITH LONG-TERM CARE**  
18 **NEEDS.**

19 (a) ALLOWANCE OF CREDIT.—

20 (1) IN GENERAL.—Section 24(a) of the Internal  
21 Revenue Code of 1986 (relating to allowance of child  
22 tax credit) is amended to read as follows:

20

1 "(a) ALLOWANCE OF CREDIT.—There shall be al-  
2 lowed as a credit against the tax imposed by this chapter  
3 for the taxable year an amount equal to the sum of—

4 "(1) \$500 multiplied by the number of qualify-  
5 ing children of the taxpayer, plus

6 "(2) \$1,000 multiplied by the number of appli-  
7 cable individuals with respect to whom the taxpayer  
8 is an eligible caregiver for the taxable year.

9 In any case in which the applicable individual and the eli-  
10 gible caregiver are the same individual, the credit allowed  
11 by paragraph (2) with respect to such individual shall not  
12 exceed the aggregate amount paid by the taxpayer during  
13 the taxable year (not compensated for by insurance or oth-  
14 erwise) for qualified long-term care services (as defined  
15 in section 7702B(e)) for such individual."

16 (2) ADDITIONAL CREDIT FOR TAXPAYER WITH  
17 3 OR MORE SEPARATE CREDIT AMOUNTS.—So much  
18 of section 24(d) of such Code as precedes paragraph  
19 (1)(A) thereof is amended to read as follows:

20 "(d) ADDITIONAL CREDIT FOR TAXPAYERS WITH 3  
21 OR MORE SEPARATE CREDIT AMOUNTS.—

22 "(1) IN GENERAL.—If the sum of the number  
23 of qualifying children of the taxpayer and the num-  
24 ber of applicable individuals with respect to which  
25 the taxpayer is an eligible caregiver is 3 or more for

21

1 any taxable year, the aggregate credits allowed  
2 under subpart C shall be increased by the lesser  
3 of—

4 (3) CONFORMING AMENDMENTS.—

5 (A) The heading for section 32(n) of such  
6 Code is amended by striking "CHILD" and in-  
7 serting "FAMILY CARE".

8 (B) The heading for section 24 is amended  
9 to read as follows:

10 **"SEC. 24. FAMILY CARE CREDIT."**

11 (C) The table of sections for subpart A of  
12 part IV of subchapter A of chapter 1 of such  
13 Code is amended by striking the item relating  
14 to section 24 and inserting the following new  
15 item:

"Sec. 24. Family care credit."

16 (b) DEFINITIONS.—Section 24(c) of such Code (de-  
17 fining qualifying child) is amended to read as follows:

18 "(c) DEFINITIONS.—For purposes of this section—

19 "(1) QUALIFYING CHILD.—

20 "(A) IN GENERAL.—The term 'qualifying  
21 child' means any individual if—

22 "(i) the taxpayer is allowed a deduc-  
23 tion under section 151 with respect to such  
24 individual for the taxable year,

22

1 "(ii) such individual has not attained  
2 the age of 17 as of the close of the cal-  
3 endar year in which the taxable year of the  
4 taxpayer begins, and

5 "(iii) such individual bears a relation-  
6 ship to the taxpayer described in section  
7 32(e)(3)(B).

8 "(B) EXCEPTION FOR CERTAIN NONCITI-  
9 ZENS.—The term 'qualifying child' shall not in-  
10 clude any individual who would not be a de-  
11 pendent if the first sentence of section  
12 152(b)(3) were applied without regard to all  
13 that follows 'resident of the United States'.



14 amount, the standard deduction under sec-  
15 tion 63(c)(2)(C), and any additional stand-  
16 ard deduction under section 63(c)(3) which  
17 would be applicable to the individual if  
18 clause (iii) applied.

19 "(v) An individual who would be de-  
20 scribed in clause (iii) for the taxable year  
21 if—

22 "(I) the requirements of clause  
23 (iv) are met with respect to the indi-  
24 vidual, and

26

1 "(II) the requirements of sub-  
2 paragraph (B) are met with respect to  
3 the individual in lieu of the support  
4 test of section 152(a).

5 "(B) RESIDENCY TEST.—The require-  
6 ments of this subparagraph are met if an indi-  
7 vidual has as his principal place of abode the  
8 home of the taxpayer and—

9 "(i) in the case of an individual who  
10 is an ancestor or descendant of the tax-  
11 payer or the taxpayer's spouse, is a mem-  
12 ber of the taxpayer's household for over  
13 half the taxable year, or

14 "(ii) in the case of any other individ-  
15 ual, is a member of the taxpayer's house-  
16 hold for the entire taxable year.

17 "(C) SPECIAL RULES WHERE MORE THAN  
18 1 ELIGIBLE CAREGIVER—

19 "(i) IN GENERAL.—If more than 1 in-  
20 dividual is an eligible caregiver with re-  
21 spect to the same applicable individual for  
22 taxable years ending with or within the  
23 same calendar year, a taxpayer shall be  
24 treated as the eligible caregiver if each  
25 such individual (other than the taxpayer)

27

1 files a written declaration (in such form  
2 and manner as the Secretary may pre-  
3 scribe) that such individual will not claim  
4 such applicable individual for the credit  
5 under this section.

6 "(ii) NO AGREEMENT.—If each indi-  
7 vidual required under clause (i) to file a  
8 written declaration under clause (i) does  
9 not do so, the individual with the highest  
10 modified adjusted gross income (as defined  
11 in section 32(e)(5)) shall be treated as the  
12 eligible caregiver.

13 "(iii) MARRIED INDIVIDUALS FILING  
14 SEPARATELY.—In the case of married indi-  
15 viduals filing separately, the determination  
16 under this subparagraph as to whether the  
17 husband or wife is the eligible caregiver  
18 shall be made under the rules of clause (ii)  
19 (whether or not one of them has filed a  
20 written declaration under clause (i)).

21 (c) IDENTIFICATION REQUIREMENTS.—

22 (1) IN GENERAL.—Section 24(e) of such Code  
23 is amended by adding at the end the following new  
24 sentence: "No credit shall be allowed under this sec-  
25 tion to a taxpayer with respect to any applicable in-

28

1 dividual unless the taxpayer includes the name and  
2 taxpayer identification number of such individual,  
3 and the identification number of the physician cer-  
4 tifying such individual, on the return of tax for the  
5 taxable year."

6 (2) ASSESSMENT.—Section 6213(g)(2)(1) of  
7 such Code is amended—

8 (A) by inserting "or physician identifica-  
9 tion" after "correct TIN", and

10 (B) by striking "child" and inserting  
11 "family care".

12 (d) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 1999.

15 **TITLE IV—EXPANSION OF**  
16 **DEPENDENT CARE TAX CREDIT**

17 **SEC. 401. EXPANSION OF DEPENDENT CARE TAX CREDIT.**

18 (a) INCREASE IN PERCENTAGE OF EMPLOYMENT-  
19 RELATED EXPENSES ALLOWED AS CREDIT.—Paragraph  
20 (2) of section 21(a) of the Internal Revenue Code of 1986  
21 (defining applicable percentage) is amended to read as fol-  
22 lows:

23 “(2) APPLICABLE PERCENTAGE DEFINED.—

24 “(A) IN GENERAL.—For purposes of para-  
25 graph (1), the term ‘applicable percentage’

29

means 50 percent reduced (but not below 20  
percent) by each \$2,000 (or fraction thereof) by  
which the taxpayer's adjusted gross income for  
the taxable year exceeds \$30,000.

“ (B) PHASEIN.—In the case of taxable  
years beginning before January 1, 2004, the  
percentage determined under the following table  
shall be substituted for ‘50 percent’:

For taxable years beginning in calendar year—	The percentage is—
2000 .....	30
2001 .....	35
2002 .....	40
2003 .....	45

9 (b) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME  
10 PARENTS.—Subsection (c) of section 21 of such Code (re-  
11 lating to special rules) is amended by adding at the end  
12 the following:

13 “(11) MINIMUM CREDIT ALLOWED FOR STAY-  
14 AT-HOME PARENTS.—Notwithstanding subsection  
15 (d), in the case of any taxpayer with one or more  
16 qualifying individuals described in subsection  
17 (b)(1)(A) under the age of 1 at any time during the  
18 taxable year, such taxpayer shall be deemed to have  
19 employment-related expenses with respect to such  
20 qualifying individuals in an amount equal to the  
21 greater of—

30

“(A) the amount of employment-related ex-  
penses incurred for such qualifying individuals  
for the taxable year (determined under this sec-  
tion without regard to this paragraph); or

“(B) \$120 for each month in such taxable  
year during which such qualifying individual is  
under the age of 1.”

(c) EFFECTIVE DATE.—The amendments made by  
this section apply to taxable years beginning after Decem-  
ber 31, 1999.

11 **TITLE V—ALTERNATIVE**  
12 **MINIMUM TAX RELIEF**

13 **SEC. 501. NONREFUNDABLE PERSONAL CREDITS ALLOWED**  
14 **AGAINST ALTERNATIVE MINIMUM TAX.**

15 (a) IN GENERAL.—Subsection (a) of section 26 of the  
16 Internal Revenue Code of 1986 is amended to read as fol-  
17 lows:

“(a) LIMITATION BASED ON AMOUNT OF TAX.—The  
19 aggregate amount of credits allowed by this subpart for  
20 the taxable year shall not exceed the sum of—

“(1) the taxpayer's regular tax liability for the  
taxable year reduced the foreign tax credit allowable  
under section 27(a), and

“(2) the tax imposed for the taxable year by  
section 55(a).”

31

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code  
is amended by striking paragraph (2) and by redesi-  
gnating paragraph (3) as paragraph (2).

(2) Section 904 of such Code is amended by  
striking subsection (h) and by redesignating sub-  
sections (i), (j), and (k) as subsections (h), (i), and  
(j), respectively.

(c) EFFECTIVE DATE.—The amendments made by  
this section shall apply to taxable years beginning after  
December 31, 1999.

12 **SEC. 502. INCOME AVERAGING FOR FARMERS NOT TO IN-**  
13 **CREASE ALTERNATIVE MINIMUM TAX LIABIL-**  
14 **ITY.**

*to have in the end the same*

*Apply to case of stay-at-home parents*

15 (a) IN GENERAL.—Section 55(e) of the Internal Rev-  
 16 enue Code of 1986 (defining regular tax) is amended by  
 17 redesignating paragraph (2) as paragraph (3) and by in-  
 18 serting after paragraph (1) the following new paragraph:  
 19 “(2) COORDINATION WITH INCOME AVERAGING  
 20 FOR FARMERS.—Solely for purposes of this section,  
 21 section 1301 (relating to averaging of farm income)  
 22 shall not apply in computing the regular tax.”  
 23 (b) EFFECTIVE DATE.—The amendment made by  
 24 this section shall apply to taxable years beginning after  
 25 December 31, 1998.

32

1 **TITLE VI—ELIMINATION OF 60-**  
 2 **MONTH LIMIT ON STUDENT**  
 3 **LOAN INTEREST DEDUCTION**

4 **SEC. 601. ELIMINATION OF 60-MONTH LIMIT ON STUDENT**  
 5 **LOAN INTEREST DEDUCTION.**

6 (a) IN GENERAL.—Section 221 of the Internal Reve-  
 7 nue Code of 1986 (relating to interest on education loans)  
 8 is amended by striking subsection (d) and by redesignat-  
 9 ing subsections (c), (f), and (g) as subsections (d), (e),  
 10 and (f), respectively.

11 (b) CONFORMING AMENDMENT.—Section 6050(e) of  
 12 the Internal Revenue Code of 1986 is amended by striking  
 13 “section 221(c)(1)” and inserting “section 221(d)(1)”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply with respect to any loan interest  
 16 paid after December 31, 1997.

17 **TITLE VII—INCREASE IN LOW-IN-**  
 18 **COME HOUSING CREDIT**  
 19 **STATE CEILING**

20 **SEC. 701. INCREASE IN STATE CEILING ON LOW-INCOME**  
 21 **HOUSING CREDIT.**

22 (a) IN GENERAL.—Clause (i) of section 42(h)(3)(C)  
 23 of the Internal Revenue Code of 1986 (relating to State  
 24 housing credit ceiling) is amended by striking “\$1.25” and  
 25 inserting “\$1.75”.

33

1 (b) ADJUSTMENT OF STATE CEILING FOR IN-  
 2 CREASES IN COST-OF-LIVING.—Paragraph (3) of section  
 3 42(h) of such Code (relating to housing credit dollar  
 4 amount for agencies) is amended by adding at the end  
 5 the following new subparagraph:

6 “(H) COST-OF-LIVING ADJUSTMENT.—

7 “(i) IN GENERAL.—In the case of a  
 8 calendar year after 2000, the dollar  
 9 amount contained in subparagraph (C)(i)  
 10 shall be increased by an amount equal to—

11 “(I) such dollar amount, multi-  
 12 plied by

13 “(II) the cost-of-living adjust-  
 14 ment determined under section 1(f)(3)  
 15 for such calendar year by substituting  
 16 ‘calendar year 1999’ for ‘calendar  
 17 year 1992’ in subparagraph (B) there-  
 18 of.

19 “(ii) ROUNDING.—If any increase  
 20 under clause (i) is not a multiple of 5  
 21 cents, such increase shall be rounded to  
 22 the next lowest multiple of 5 cents.”

23 (c) EFFECTIVE DATE.—The amendments made by  
 24 this section shall apply to calendar years after 1999.

34

1 **TITLE VIII—FARM AND RANCH**  
 2 **RISK MANAGEMENT ACCOUNTS**

3 **SEC. 801. FARM AND RANCH RISK MANAGEMENT AC-**  
 4 **COUNTS.**

5 (a) IN GENERAL.—Subpart C of part II of sub-  
 6 chapter E of chapter 1 of the Internal Revenue Code of  
 7 1986 (relating to taxable year for which deductions taken)  
 8 is amended by inserting after section 468B the following  
 9 new section:

10 **“SEC. 468C. FARM AND RANCH RISK MANAGEMENT AC-**  
 11 **COUNTS.**

12 “(a) DEDUCTION ALLOWED.—In the case of an indi-

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13 individual engaged in an eligible farming business, there shall  
14 be allowed as a deduction for any taxable year the amount  
15 paid in cash by the taxpayer during the taxable year to  
16 a Farm and Ranch Risk Management Account (herein-  
17 after referred to as the 'FARRM Account').

18 "(b) LIMITATION.—The amount which a taxpayer  
19 may pay into the FARRM Account for any taxable year  
20 shall not exceed 20 percent of so much of the taxable in-  
21 come of the taxpayer (determined without regard to this  
22 section) which is attributable (determined in the manner  
23 applicable under section 1301) to any eligible farming  
24 business.

35

1 "(c) ELIGIBLE FARMING BUSINESS.—For purposes  
2 of this section, the term 'eligible farming business' means  
3 any farming business (as defined in section 263A(e)(4))  
4 which is not a passive activity (within the meaning of sec-  
5 tion 469(c) of the taxpayer.

6 "(d) FARRM ACCOUNT.—For purposes of this  
7 section—

8 "(1) IN GENERAL.—The term 'FARRM Ac-  
9 count' means a trust created or organized in the  
10 United States for the exclusive benefit of the tax-  
11 payer, but only if the written governing instrument  
12 creating the trust meets the following requirements:

13 "(A) No contribution will be accepted for  
14 any taxable year in excess of the amount al-  
15 lowed as a deduction under subsection (a) for  
16 such year.

17 "(B) The trustee is a bank (as defined in  
18 section 408(n)) or another person who dem-  
19 onstrates to the satisfaction of the Secretary  
20 that the manner in which such person will ad-  
21 minister the trust will be consistent with the re-  
22 quirements of this section.

23 "(C) The assets of the trust consist en-  
24 tirely of cash or of obligations which have ade-  
25 quate stated interest (as defined in section

36

1 1274(c)(2)) and which pay such interest no-  
2 less often than annually.

3 "(D) All income of the trust is distributed  
4 currently to the grantor.

5 "(E) The assets of the trust will not be  
6 commingled with other property except in a  
7 common trust fund or common investment  
8 fund.

9 "(2) ACCOUNT TAXED AS GRANTOR TRUST.—

10 The grantor of a FARRM Account shall be treated  
11 for purposes of this title as the owner of such Ac-  
12 count and shall be subject to tax thereon in accord-  
13 ance with subpart E of part 1 of subchapter J of  
14 this chapter (relating to grantors and others treated  
15 as substantial owners).

16 "(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

17 "(1) IN GENERAL.—Except as provided in para-  
18 graph (2), there shall be includible in the gross in-  
19 come of the taxpayer for any taxable year—

20 "(A) any amount distributed from a  
21 FARRM Account of the taxpayer during such  
22 taxable year, and

23 "(B) any deemed distribution under—

24 "(i) subsection (f)(1) (relating to de-  
25 posits not distributed within 5 years).

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1 "(ii) subsection (f)(2) (relating to ces-  
2 sation in eligible farming business), and

3 "(iii) subparagraph (A) or (B) of sub-  
4 section (f)(3) (relating to prohibited trans-  
5 actions and pledging account as security).

6 "(2) EXCEPTIONS.—Paragraph (1)(A) shall not  
7 apply to—

8 "(A) any distribution to the extent attrib-  
9 utable to income of the Account, and

10 "(B) the distribution of any contribution  
11 paid during a taxable year to a FARRM Ac-  
12 count to the extent that such contribution ex-

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13 equals the limitation applicable under subsection  
14 (b) if requirements similar to the requirements  
15 of section 408(d)(4) are met.

16 For purposes of subparagraph (A), distributions  
17 shall be treated as first attributable to income and  
18 then to other amounts.

19 "(3) EXCLUSION FROM SELF-EMPLOYMENT  
20 TAX.—Amounts included in gross income under this  
21 subsection shall not be included in determining net  
22 earnings from self-employment under section 1402.

23 "(f) SPECIAL RULES.—

24 "(1) TAX ON DEPOSITS IN ACCOUNT WHICH  
25 ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

38

1 "(A) IN GENERAL.—If, at the close of any  
2 taxable year, there is a nonqualified balance in  
3 any FARRM Account—

4 "(i) there shall be deemed distributed  
5 from such Account during such taxable  
6 year an amount equal to such balance, and

7 "(ii) the taxpayer's tax imposed by  
8 this chapter for such taxable year shall be  
9 increased by 10 percent of such deemed  
10 distribution.

11 The preceding sentence shall not apply if an  
12 amount equal to such nonqualified balance is  
13 distributed from such Account to the taxpayer  
14 before the due date (including extensions) for  
15 filing the return of tax imposed by this chapter  
16 for such year (or, if earlier, the date the tax-  
17 payer files such return for such year).

18 "(B) NONQUALIFIED BALANCE.—For pur-  
19 poses of subparagraph (A), the term 'non-  
20 qualified balance' means any balance in the Ac-  
21 count on the last day of the taxable year which  
22 is attributable to amounts deposited in such Ac-  
23 count before the 4th preceding taxable year.

24 "(C) ORDERING RULE.—For purposes of  
25 this paragraph, distributions from a FARRM

39

1 Account shall be treated as made from deposits  
2 in the order in which such deposits were made,  
3 beginning with the earliest deposits. For pur-  
4 poses of the preceding sentence, income of such  
5 an Account shall be treated as a deposit made  
6 on the date such income is received by the Ac-  
7 count.

8 "(2) CESSATION IN ELIGIBLE FARMING BUSI-  
9 NESS.—At the close of the first disqualification pe-  
10 riod after a period for which the taxpayer was en-  
11 gaged in an eligible farming business, there shall be  
12 deemed distributed from the FARRM Account (if  
13 any) of the taxpayer an amount equal to the balance  
14 in such Account at the close of such disqualification  
15 period. For purposes of the preceding sentence, the  
16 term 'disqualification period' means any period of 2  
17 consecutive taxable years for which the taxpayer is  
18 not engaged in an eligible farming business.

19 "(3) CERTAIN RULES TO APPLY.—Rules similar  
20 to the following rules shall apply for purposes of this  
21 section:

22 "(A) Section 408(e)(2) (relating to loss of  
23 exemption of account where individual engages  
24 in prohibited transaction).

40

1 "(B) Section 408(e)(4) (relating to effect  
2 of pledging account as security).

3 "(C) Section 408(g) (relating to commu-  
4 nity property laws).

5 "(D) Section 408(h) (relating to custodial  
6 accounts).

7 "(4) TIME WHEN PAYMENTS DEEMED MADE —  
8 For purposes of this section, a taxpayer shall be  
9 deemed to have made a payment to a FARRM Ac-  
10 count on the last day of a taxable year if such pay-  
11 ment is made on account of such taxable year and  
12 is made within 3½ months after the close of such  
13 taxable year.

14 "(5) INDIVIDUAL.—For purposes of this sec-

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15 tion, the term 'individual' shall not include an estate  
16 or trust.

17 "(g) REPORTS.—The trustee of a FARRM Account  
18 shall make such reports regarding such Account to the  
19 Secretary and to the person for whose benefit the Account  
20 is maintained with respect to contributions, distributions,  
21 and such other matters as the Secretary may require  
22 under regulations. The reports required by this subsection  
23 shall be filed at such time and in such manner and fur-  
24 nished to such persons at such time and in such manner  
25 as may be required by those regulations."

41

1 (b) DEDUCTION ALLOWED IN COMPUTING AD-  
2 JUSTED GROSS INCOME.—Subsection (a) of section 62 of  
3 such Code (defining adjusted gross income) is amended  
4 by inserting after paragraph (18) the following new para-  
5 graph:

6 "(19) CONTRIBUTIONS TO FARM AND RANCH  
7 RISK MANAGEMENT ACCOUNTS.—The deduction al-  
8 lowed by section 468C(a)."

9 (c) TAX ON EXCESS CONTRIBUTIONS.—

10 (1) Subsection (a) of section 4973 of such Code  
11 (relating to tax on certain excess contributions) is  
12 amended by striking "or" at the end of paragraph  
13 (3), by redesignating paragraph (4) as paragraph  
14 (5), and by inserting after paragraph (3) the follow-  
15 ing new paragraph:

16 "(4) a FARRM Account (within the meaning of  
17 section 468C(d)), or"

18 (2) Section 4973 of such Code is amended by  
19 adding at the end the following new subsection:

20 "(g) EXCESS CONTRIBUTIONS TO FARRM AC-  
21 COUNTS.—For purposes of this section, in the case of a  
22 FARRM Account (within the meaning of section  
23 468C(d)), the term 'excess contributions' means the  
24 amount by which the amount contributed for the taxable  
25 year to the Account exceeds the amount which may be con-

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1 tributed to the Account under section 468C(b) for such  
2 taxable year. For purposes of this subsection, any con-  
3 tribution which is distributed out of the FARRM Account  
4 in a distribution to which section 468C(e)(2)(B) applies  
5 shall be treated as an amount not contributed."

6 (3) The section heading for section 4973 of  
7 such Code is amended to read as follows:

8 "SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN AC-  
9 COUNTS, ANNUITIES, ETC."

10 (4) The table of sections for chapter 43 of such  
11 Code is amended by striking the item relating to sec-  
12 tion 4973 and inserting the following new item:

"Sec. 4973. Excess contributions to certain accounts, annuities,  
etc."

13 (d) TAX ON PROHIBITED TRANSACTIONS.—

14 (1) Subsection (c) of section 4975 of such Code  
15 (relating to prohibited transactions) is amended by  
16 adding at the end the following new paragraph:

17 "(6) SPECIAL RULE FOR FARRM ACCOUNTS.—

18 A person for whose benefit a FARRM Account  
19 (within the meaning of section 468C(d)) is estab-  
20 lished shall be exempt from the tax imposed by this  
21 section with respect to any transaction concerning  
22 such Account (which would otherwise be taxable  
23 under this section) if, with respect to such trans-  
24 action, the account ceases to be a FARRM Account

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1 by reason of the application of section 468C(f)(3)(A)  
2 to such Account."

3 (2) Paragraph (1) of section 4975(c) of such  
4 Code is amended by redesignating subparagraphs  
5 (E) and (F) as subparagraphs (F) and (G), respec-  
6 tively, and by inserting after subparagraph (D) the  
7 following new subparagraph:

8 "(E) a FARRM Account described in sec-  
9 tion 468C(d)."

10 (c) FAILURE TO PROVIDE REPORTS ON FARRM AC-  
11 COUNTS.—Paragraph (2) of section 6693(a) of such Code

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12 (relating to failure to provide reports on certain tax-fa-  
13 vored accounts or annuities) is amended by redesignating  
14 subparagraphs (C) and (D) as subparagraphs (D) and  
15 (E), respectively, and by inserting after subparagraph (B)  
16 the following new subparagraph:

17 "(C) section 468C(g) (relating to FARRM  
18 Accounts)."

19 (f) CLERICAL AMENDMENT.—The table of sections  
20 for subpart C of part II of subchapter E of chapter 1 of  
21 such Code is amended by inserting after the item relating  
22 to section 468B the following new item:

"Sec. 468C. Farm and Ranch Risk Management Accounts."

23 (g) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 the date of the enactment of this Act.

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## 1 TITLE IX—INCENTIVES FOR 2 URBAN REVITALIZATION AND 3 OPEN SPACE

### 4 SEC. 301. EXPENSING OF ENVIRONMENTAL REMEDIATION 5 COSTS EXPANDED TO CONTAMINATED SITES 6 OUTSIDE OF TARGETED AREAS.

7 (a) IN GENERAL.—Clause (ii) of section 198(e)(1)(A)  
8 of the Internal Revenue Code of 1986 (relating to quali-  
9 fied contaminated sites) is amended to read as follows:

10 "(ii) which is within the United  
11 States, and".

12 (b) EXPENSE TREATMENT MADE PERMANENT.—  
13 Section 198 of such Code is amended by striking sub-  
14 section (h).

15 (c) CONFORMING AMENDMENT.—Paragraph (2) of  
16 section 198(e) of such Code is amended to read as follows:

17 "(2) NATIONAL PRIORITIES LISTED SITES NOT  
18 INCLUDED.—Such term shall not include any site  
19 which is on, or proposed for, the national priorities  
20 list under section 105(a)(8)(B) of the Comprehen-  
21 sive Environmental Response, Compensation, and  
22 Liability Act of 1980 (as in effect on the date of the  
23 enactment of this section)."

24 (d) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply to expenditures paid or incurred

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1 after the date of the enactment of this Act in taxable years  
2 ending after such date.

### 3 SEC. 302. MODIFICATIONS TO ENCOURAGE CONTRIBU- 4 TIONS OF CAPITAL GAIN REAL PROPERTY 5 MADE FOR CONSERVATION PURPOSES AND 6 OF QUALIFIED CONSERVATION CONTRIBU- 7 TIONS.

8 (a) CONTRIBUTIONS OF CAPITAL GAIN REAL PROP-  
9 erty MADE FOR CONSERVATION PURPOSES AND OF  
10 QUALIFIED CONSERVATION CONTRIBUTIONS NOT SUB-  
11 JECT TO SPECIAL LIMITATION ON CONTRIBUTIONS OF  
12 CAPITAL GAIN PROPERTY.—Subparagraph (C) of section  
13 170(b)(1) of the Internal Revenue Code of 1986 (relating  
14 to special limitation with respect to contributions de-  
15 scribed in subparagraph (A) of capital gain property) is  
16 amended by redesignating clause (iv) as clause (v) and by  
17 inserting after clause (iii) the following new clause:

18 "(iv) In the case of charitable con-  
19 tributions described in subparagraph (A)  
20 of capital gain property, clauses (i) and (ii)  
21 shall not apply to—

22 "(I) any qualified conservation  
23 contribution (as defined in section  
24 170(h)), or

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1 "(II) any other contribution of  
2 capital gain property which is real  
3 property if the contribution is of the  
4 donor's entire interest in such prop-  
5 erty and is to a qualified organization  
6 (as defined in section 170(h)(3))  
7 which is organized for conservation  
8 purposes (as defined in section  
9 170(h)(4)(A)) and which provides the  
10 taxpayer, at the time of such dona-  
11 tion, a letter of intent which contains  
12 an acknowledgment of the donee's in-  
13 tent that the property is being ac-  
14 quired for any such conservation pur-  
15 pose."

16 (b) UNLIMITED CARRYOVER FOR CONTRIBUTIONS OF  
17 CAPITAL GAIN REAL PROPERTY FOR CONSERVATION  
18 PURPOSES AND OF QUALIFIED CONSERVATION CON-  
19 TRIBUTIONS OF CAPITAL GAIN PROPERTY.—Paragraph  
20 (1) of section 170(d) of such Code is amended by adding  
21 at the end the following new subparagraph:

22 “(C) UNLIMITED CARRYOVER FOR CON-  
23 TRIBUTIONS OF CAPITAL GAIN REAL PROPERTY  
24 FOR CONSERVATION PURPOSES AND OF QUALI-  
25 FIED CONSERVATION CONTRIBUTIONS OF CAP-

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1 ITAL GAIN PROPERTY.—The 5 taxable year lim-  
2 itation in subparagraph (A) shall not apply to  
3 any charitable contribution to which clauses (i)  
4 and (ii) of subsection (b)(1)(C) do not apply by  
5 reason of clause (iv) thereof. For purposes of  
6 this paragraph, the excess described in the ma-  
7 terial preceding clause (i) of subparagraph (A)  
8 shall be treated as attributable to contributions  
9 described in the preceding sentence of this sub-  
10 paragraph to the extent of such contributions.”.

11 (c) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to contributions made in taxable  
13 years beginning after the date of the enactment of this  
14 Act.

## 15 TITLE X—EXTENSION OF 16 CERTAIN EXPIRING PROVISIONS

### 17 SEC. 1001. RESEARCH CREDIT.

18 (a) CREDIT MADE PERMANENT.—

19 (1) IN GENERAL.—Section 41 of the Internal  
20 Revenue Code of 1986 (relating to credit for increas-  
21 ing research activities) is amended by striking sub-  
22 section (h).

23 (2) CONFORMING AMENDMENT.—Paragraph (1)  
24 section 45C(b) of such Code is amended by striking  
25 subparagraph (D).

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1 (3) EFFECTIVE DATE.—The amendments made  
2 by this subsection shall apply to amounts paid or in-

3 curred after June 30, 1999.

4 (b) INCREASE IN PERCENTAGES UNDER ALTER-  
5 NATIVE INCREMENTAL CREDIT.—

6 (1) IN GENERAL.—Subparagraph (A) of section  
7 41(e)(4) of such Code is amended—

8 (A) by striking “1.65 percent” and insert-  
9 ing “2.65 percent”.

10 (B) by striking “2.2 percent” and inserting  
11 “3.2 percent”, and

12 (C) by striking “2.75 percent” and insert-  
13 ing “3.75 percent”.

14 (2) EFFECTIVE DATE.—The amendments made  
15 by this subsection shall apply to taxable years begin-  
16 ning after June 30, 1999.

### 17 SEC. 1002. WORK OPPORTUNITY CREDIT.

18 (a) CREDIT MADE PERMANENT.—Subsection (c) of  
19 section 51 of the Internal Revenue Code of 1986 is amend-  
20 ed by striking paragraph (4).

21 (b) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall apply to individuals who begin work  
23 for the employer after June 30, 1999.

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### 1 SEC. 1003. PERMANENT SUBPART F EXEMPTION FOR AC- 2 TIVE FINANCING INCOME.

3 (a) BANKING, FINANCING, OR SIMILAR BUSI-  
4 NESSES.—Subsection (h) of section 954 of the Internal  
5 Revenue Code of 1986 (relating to special rule for income  
6 derived in the active conduct of banking, financing, or  
7 similar businesses) is amended by striking paragraph (9).

8 (b) INSURANCE BUSINESSES.—Subsection (a) of sec-  
9 tion 953 of such Code (defining insurance income) is  
10 amended by striking paragraph (10) and by redesignating  
11 paragraph (11) as paragraph (10).

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years of a foreign cor-  
14 poration beginning after December 31, 1998, and to tax-  
15 able years of United States shareholders with or within  
16 which such taxable years of such foreign corporation end.

### 17 SEC. 1004. CREDIT FOR ELECTRICITY PRODUCED FROM RE- 18 NEWABLE RESOURCES.

19 (a) EXTENSION AND MODIFICATION OF PLACED-IN-

L-18 (No. 102)

TAX, BUDGET &amp; ACCOUNTING TEXT

20 SERVICE RULES.—Paragraph (3) of section 45(c) of the  
21 Internal Revenue Code of 1986 is amended to read as fol-  
22 lows.

23 “(3) QUALIFIED FACILITY.—

24 “(A) WIND FACILITIES.—In the case of a  
25 facility using wind to produce electricity, the  
26 term ‘qualified facility’ means any facility

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1 owned by the taxpayer which is originally  
2 placed in service after December 31, 1993, and  
3 before July 1, 2004.

4 “(B) BIOMASS FACILITIES.—In the case of  
5 a facility using biomass to produce electricity,  
6 the term ‘qualified facility’ means, with respect  
7 to any month, any facility owned by the tax-  
8 payer which is originally placed in service before  
9 July 1, 2004, if, for such month—

10 “(i) biomass comprises not less than  
11 75 percent (on a Btu basis) of the average  
12 monthly fuel input of the facility for the  
13 taxable year which includes such month, or

14 “(ii) in the case of a facility prin-  
15 cipally using coal to produce electricity,  
16 biomass comprises not more than 25 per-  
17 cent (on a Btu basis) of the average  
18 monthly fuel input of the facility for the  
19 taxable year which includes such month.

20 “(C) SPECIAL RULES.—

21 “(i) In the case of a qualified facility  
22 described in subparagraph (B)(i)—

23 “(I) the 10-year period referred  
24 to in subsection (a) shall be treated as

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1 beginning no earlier than the date of  
2 the enactment of this paragraph, and

3 “(II) subsection (b)(3) shall not  
4 apply to any such facility originally  
5 placed in service before January 1,  
6 1997.

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“(ii) In the case of a qualified facility  
described in subparagraph (B)(ii) —

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“(I) the 10-year period referred  
to in subsection (a) shall be treated as  
beginning no earlier than the date of  
the enactment of this paragraph, and

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(b) CREDIT NOT TO APPLY TO ELECTRICITY SOLD  
TO UTILITIES UNDER CERTAIN CONTRACTS.—Subsection  
(b) of section 45 of such Code is amended by adding at  
the end the following new paragraph:

“(4) CREDIT NOT TO APPLY TO ELECTRICITY  
SOLD TO UTILITIES UNDER CERTAIN CONTRACTS.—

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“(A) IN GENERAL.—The credit determined  
under subsection (a) shall not apply to  
electricity—

“(i) produced at a qualified facility  
placed in service by the taxpayer after  
June 30, 1999, and

“(ii) sold to a utility pursuant to a  
contract originally entered into before Jan-  
uary 1, 1987 (whether or not amended or  
restated after that date).

“(B) —Subparagraph (A) shall not apply  
if—

“(i) the prices for energy and capacity  
from such facility are established pursuant  
to an amendment to the contract referred  
to in subparagraph (A)(ii);

“(ii) such amendment provides that  
the prices set forth in the contract which  
exceed avoided cost prices determined at  
the time of delivery shall apply only to an-  
nual quantities of electricity (prorated for

22 partial years) which do not exceed the  
 23 greater of—  
 24 “(I) the average annual quantity  
 25 of electricity sold to the utility under  
 53  
 1 the contract during calendar years  
 2 1994, 1995, 1996, 1997, and 1998,  
 3 or  
 4 “(II) the estimate of the annual  
 5 electricity production set forth in the  
 6 contract, or, if there is no such esti-  
 7 mate, the greatest annual quantity of  
 8 electricity sold to the utility under the  
 9 contract in any of the calendar years  
 10 1996, 1997, or 1998; and  
 11 “(iii) such amendment provides that  
 12 energy and capacity in excess of the limita-  
 13 tion in clause (ii) may be—  
 14 “(I) sold to the utility only at  
 15 prices that do not exceed avoided cost  
 16 prices determined at the time of deliv-  
 17 ery, or  
 18 “(II) sold to a third party subject  
 19 to a mutually agreed upon advance  
 20 notice to the utility.  
 21 For purposes of this subparagraph, avoided cost  
 22 prices shall be determined as provided for in 18  
 23 CFR 292.304(d)(1) or any successor regula-  
 24 tion.”

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1 (c) QUALIFIED FACILITIES INCLUDE ALL BIOMASS  
 2 FACILITIES.—

3 (1) IN GENERAL.—Subparagraph (B) of section  
 4 45(c)(1) of such Code is amended to read as follows:  
 5 “(B) biomass.”  
 6 (2) BIOMASS DEFINED.—Paragraph (2) of sec-  
 7 tion 45(c) of such Code is amended to read as fol-  
 8 lows:  
 9 “(2) BIOMASS.—The term ‘biomass’ means—  
 10 “(A) any organic material from a plant  
 11 which is planted exclusively for purposes of  
 12 being used at a qualified facility to produce  
 13 electricity, and  
 14 “(B) any solid, nonhazardous, cellulosic  
 15 waste material, which is segregated from other  
 16 waste materials, and which is derived from—  
 17 “(i) any of the following forest-related  
 18 resources: mill residues, precommercial  
 19 thinnings, slash, and brush, but not includ-  
 20 ing old-growth timber,  
 21 “(ii) waste pallets, crates, and  
 22 damage, manufacturing and construction  
 23 wood wastes (other than pressure-treated,  
 24 chemically-treated, or painted wood  
 25 wastes), and landscape or right-of-way tree

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1 trimmings, but not including unsegregated  
 2 municipal solid waste (garbage), or  
 3 “(iii) agriculture sources, including or-  
 4 chard tree crops, vineyard, grain, legumes,  
 5 sugar, and other crop by-products or resi-  
 6 dues.”

7 (d) EFFECTIVE DATE.—The amendments made by  
 8 this section shall apply to electricity produced after the  
 9 date of the enactment of this Act.

## Summary, Highlights, Examples, and Revenue Estimates For Tax Relief for Working Americans Act by Rep. Nancy Johnson (R-Conn.)

### AT-A-GLANCE SUMMARY

#### THE TAX RELIEF FOR WORKING AMERICANS ACT Sponsored by Rep. Nancy Johnson and Sens. Grassley and Feinstein

**Marriage Penalty Relief:** Increase the standard deduction for married taxpayers to put them on equal footing with unmarried couples. (Cost: \$27.6 billion)

**Senior Citizen Relief:** Allow seniors to earn up to \$30,000 a year before losing any Social Security benefits. (Cost: \$3.4 billion)

**Tax Breaks for Health Care Coverage:** Provide health care tax credits and deductions for low- and middle-income Americans. (Cost: \$28.8 billion)

**Long-Term Health Care:** Create a tax deduction to reduce the cost of long-term care insurance and a tax credit to help families care for a dependent relative in their home. (Cost: \$9.1 billion)

**Child Care and Education:** Protect the HOPE college credit, Lifetime Learning credit, \$500 Child credit, and the Child and Dependent Care tax credit for middle-class taxpayers against the AMT. (Cost: \$6.6 billion) The bill would also improve the Child and Dependent Care Tax Credit and provide tax relief for stay-at-home spouses. (Cost: \$3.2 billion)

**Student Loan Interest Deduction:** Allow middle-income taxpayers to deduct student loan interest payments on their federal taxes beyond the current 60-month payment. (Cost: \$295 million)

**Affordable Housing:** Increase the annual limitation on state authority to allocate Low Income Housing Tax Credits from \$1.25 per capita to \$1.75 per capita and index the cap to inflation. (Cost: \$1.1 billion)

**Economic Security for Farmers:** Allow farmers to contribute up to 20% of their annual income to tax-deferred accounts and ensure that income averaging does not trigger AMT. (Cost: \$600 million)

**Urban Revitalization and Preservation of Open Space:** Allow for deduction of clean-up costs of contaminated urban sites and increase the deduction for land donations to 50%. (Cost: \$700 million)

**Research and Experimentation Tax Credit:** Expires 6/30/99. Make permanent the R&D Tax Credit and increase the Alternative Incremental Research Credit. (Cost: \$11 billion)

**Work Opportunity Tax Credit:** Expires 6/30/99. Make WOTC permanent. (Cost: \$2 billion)

**Equal Treatment for American Companies (Exceptions under Subpart F):** Expires 12/31/99. Treat U.S.-based financial services companies the same as other U.S.-based companies operating in overseas markets. (Cost: \$4.6 billion)

**Tax Credit for Electricity Produced from Renewable Resources:** Expires 6/30/99. Extend the placed in service deadline for wind energy and "closed-loop biomass" facilities until July 1, 2004. (Cost: \$300 million)

**Total Bill Cost:** \$100 billion over 5 years and \$271 billion over 10 years

**BILL HIGHLIGHTS****The Tax Relief for Working Americans Act**

Sponsored by Rep. Nancy Johnson, Sen. Clinton Grassley, and Sen. Dianne Feinstein

**Total Bill Cost:** \$100 billion over 5 years**Marriage Penalty Relief:** (Cost: \$27.6 billion)

Under current law, a husband and wife filing jointly are taxed at a higher level than an unmarried couple. For 1998, the standard deduction was \$4,250 for singles (totaling \$8,500 for an unmarried couple) versus \$7,400 for spouses filing jointly. This resulted in married couples paying tax on an additional \$1,400 in income that they would not pay if they were two single people filing. The bill would increase the standard deduction for married taxpayers to twice that of a single filer (\$8,500 in 1998) putting them on equal footing with unmarried couples.

**Senior Citizen Relief:** (Cost: \$3.4 billion)

In 1999, seniors aged 65-69 can earn up to \$15,500 without losing any Social Security benefits. For each \$3 in earnings above the limit, these seniors lose \$1 in Social Security benefits. The earnings limit is scheduled to increase to \$30,000 by 2002. The bill would speed up the increase to \$30,000 in 2000.

**Expand Tax Breaks for Health Care Coverage:** (Cost: \$28.8 billion)

Current law provides over \$135 billion in tax deductions for employers who offer health insurance to their workers. Individuals who purchase their own health insurance can only take a deduction if their total health care spending exceeds 7.5% of their adjusted gross income — a high threshold that effectively eliminates the deduction for most people.

The bill would create a 60% tax credit for low- and middle-income people who lack employer-provided coverage and purchase individual or COBRA coverage. The credit would be capped at \$1200 for individuals and \$2400 for couples and families. Individuals with an adjusted gross income below \$40,000 and couples and families with income below \$70,000 would be eligible.

The bill would also create a tax deduction for people whose income is above the credit cap or who are eligible for employer-sponsored coverage. The deduction would be above-the-line so that people would not have to itemize their taxes to take advantage of it. People who pay 50% or more of the cost of their employer-sponsored coverage could take the deduction for the amount that they pay. It would be phased-in to reach 100% by 2004, starting at 60% in 2000 and increasing by 10% each year. The deduction would not delay the increase of the self-employed deduction (currently scheduled to increase to 100% in 2003), but it would allow the self-employed to take a 10% higher deduction in years 2000, 2001, and 2002. Both the credit and the deduction are for major medical insurance, not policies that provide limited or supplemental coverage.

**Help Meet the Cost of Long-Term Health Care:** (Cost: \$9.1 billion)

Current law provides the same tax incentives for employer-subsidized long-term care insurance and employer-subsidized health insurance. Individuals can deduct the cost of long-term care insurance and long-term care services if their total health care spending exceeds 7.5% of their adjusted gross income. The bill would create a tax deduction for individuals who pay at least 50% of the cost of their qualified long-term care insurance. The deduction would begin in 2000 at 50% and increase by 10% each year that a person maintains continuous coverage. Individuals aged 60 and over would qualify for an accelerated phase-in schedule. The bill would also create a tax credit to help caregivers with the cost of caring for a dependent relative in their home and individuals without caregivers with the cost of uninsured long-term care services. The credit would be worth \$500 in 2000 and increase to \$700 in 2001 and \$1000 in 2002.

**Preserve Tax Breaks for Child Care and Education:**

The individual alternative minimum tax (AMT) was originally intended to prevent upper-income taxpayers from using tax incentives and creative tax planning to avoid paying any tax. Unfortunately, more and more middle-income families will be subject to the AMT as they take advantage of child and education tax credits. The bill would prevent the EITC, college credit, Lifetime Learning credit, \$500 Child credit, and the Child and Dependent Care tax credit from triggering the AMT for middle-income families. (Cost: \$6.6 billion)

The bill would also improve the Child and Dependent Care Tax Credit to help meet the needs of low- and middle-income families by phasing-in an increase in the credit rate from 30% in 2001 to 50% in 2004 and increasing the income at which a family can receive the maximum credit from \$10,000 to \$30,000. The bill also provides needed assistance to parents who sacrifice a second income to stay home with their children by providing them with a credit to help with the costs of raising a child under the age of 13. (Cost: \$3.2 billion)

**Eliminate 60-Month Limit on Student Loan Interest Deduction:** (Cost: \$295 million)

The Taxpayer Relief Act of 1997 contained a provision allowing middle-income taxpayers to deduct student loan interest payments. The deduction is being phased in and was limited to 60 monthly payments. The bill allows taxpayers who meet the income guidelines established in the Taxpayer Relief Act to deduct student loan interest payments on their federal income taxes beyond the current 60-month payment.

**Increase Affordable Housing:** (Cost: \$1.1 billion)

The bill would increase the annual limitation on state authority to allocate Low Income Housing Tax Credits from \$1.25 per capita to \$1.75 per capita and index the cap to inflation. The Housing Credit is the primary federal-state tool for building affordable rental housing across the country. The current cap has not been adjusted since the program was created in 1986, over which time inflation has eroded the Housing Credit's purchasing power by nearly 50 percent. Nationwide, demand for Housing Credits outstrips supply by more than three to one.

## REAL-LIFE EXAMPLES

### THE TAX RELIEF FOR WORKING AMERICANS ACT Sponsored by Rep. Nancy Johnson and Sens. Grassley and Feinstein

#### Marriage Penalty:

Under current law, a married couple filing jointly, who each earn \$30,000, would pay \$13,300 in Federal taxes. Under this provision, this married couple would pay \$12,908 -- a savings of \$392.

#### Social Security Earnings Limit:

If a senior aged 67 earns \$30,000 in 2000, under current law, his Social Security benefits would be reduced by \$4,333. Under this provision, he would lose no Social Security benefits.

#### Health Coverage:

##### Health Insurance Credit

(1) An individual with an income of \$30,000 who purchases health insurance at a cost of \$2000 would be eligible for a \$1,200 tax credit. Without the credit her taxes would be \$1,957. The credit would lower her taxes to \$2,257.

(2) A family (two parents and two children) with an income of \$60,000 who purchases a health insurance policy at a cost of \$4,000 would be eligible for a \$2,400 tax credit. Without the credit, their taxes would be \$5,319. The credit would lower their taxes to \$2,919.

##### Health Insurance Deduction

(1) An individual with a gross income of \$50,000 pays 60% of the cost of his employer-sponsored plan or \$1,200. Without the deduction, his taxable income is \$43,050, and the tax he owes is \$8,766. The deduction would lower his taxable income to \$41,850, and his taxes to \$8,430 -- a savings of \$336.

(2) A couple (married filing jointly) with an income of \$75,000 purchases a health insurance policy at a cost of \$5,000. Without the deduction, their taxable income is \$62,500, and the tax they owe is \$12,002. The deduction would lower their taxable income to \$57,500, and their taxes to \$10,602 -- a savings of \$1,400.

##### Long Term Care Insurance Deduction

An individual aged 55 who has purchased a LTC insurance policy at a cost of \$1,200 for 6 continuous years is eligible for a 100% deduction for the cost of that policy. If her taxable income is \$40,000, the tax she owes is \$7,912. This deduction would lower her taxable income to \$38,800, and her tax to \$7,576 -- a savings of \$336.

### Create Economic Security for Farmers: (Cost: \$600 million)

The bill gives farmers a financial tool to manage the risk of price and income fluctuations inherent in agriculture by enabling them to contribute up to 20% of their annual income to tax-deferred accounts. The funds would be taxed as regular income as long as they are withdrawn within 5 years. If the money is not withdrawn within five years, it is subject to an additional 10% penalty. This will encourage farmers to save some of their income during good years and allow use of the funds to supplement income during bad years. The bill also ensures that income averaging does not increase a farmer's liability for the alternative minimum tax.

### Encourage Urban Revitalization and Preservation of Open Space: (Cost: \$700 million)

Disincentives in the tax code contribute to the decay of our urban centers and the loss of our rural landscapes. The bill would allow for deduction of the clean-up costs of all contaminated urban sites. The bill would also increase the deduction for land donations from 30% to 50%. Together, these provisions encourage the reuse of abandoned urban properties, promote the preservation of our farmland and greenspaces and combat urban sprawl.

### Extend Tax Incentives to Grow the Economy:

**Research and Experimental Tax Credit (R&D Tax Credit): Expires 6/30/99.** The bill would make permanent the R&D Tax Credit, which provides U.S. companies a proven incentive to maintain and increase their investment in research and development in the United States. It would also increase the rates of the Alternative Incremental Research Credit (AIRC), which was enacted in 1996 to stimulate research in companies ineligible for the traditional credit. (Cost: \$1.1 billion)

**Work Opportunity Tax Credit (WOTC): Expires 6/30/99.** WOTC encourages employers to participate in the national goal of moving people off of welfare and into the workforce by helping to offset the costs of recruiting, hiring, and training new workers. The bill would make WOTC permanent. (Cost: \$2 billion)

**Equal Treatment for American Companies (Exceptions under Subpart F): Expires 12/31/99.** Current law ensures that foreign affiliates of U.S. financial services companies are not taxed by the U.S. on their active trade or business income until that income is returned to the U.S. parent company. The bill would treat U.S.-based financial services companies the same as other U.S.-based companies operating in overseas markets. (Cost: \$4.6 billion)

**Tax Credit for Electricity Produced from Renewable Resources; Expires 6/30/99.** Current law allows wind energy and "closed-loop biomass" facilities placed in service before July 1, 1999 to claim ten years of production tax credits. The bill would extend this placed in service deadline until July 1, 2004. Additionally, the bill would expand the definition of biomass and make the credit available for five years for electricity produced after the date of enactment from all qualified biomass facilities, and a partial credit for electricity produced by facilities that co-fire biomass with coal. (Cost: \$300 million)

**House Cosponsors:** Upton, Lazio, Boehler, Greenwood, Leach, Shays, Ehlers, Lofbiando, Gilchrest, Bass, Horn, Bilbray, Kolbe, Quinn, Pryce, English, Foley, Frelinghuysen, Manzullo, and Ose.

**Long Term Care Credit**

A couple who are providing care for their mother in their home would be eligible for the \$1000 LTC tax credit. If their taxable income is \$50,000, the tax they owe is \$4,504. The credit would lower their taxes to \$2,504.

**Alternative Minimum Tax:**

(1) A couple with a teenage child (\$500 child credit), a child in the first year of college (\$1,500 HOPE scholarship), and a child in the last year of college (\$1,000 Lifetime Learning Credit); total earnings of \$65,000; \$3,000 of interest and dividends; \$500 each in IRA deductions, would have a net regular tax liability of \$4,487 (\$7,487, less \$3,000 in credits), but the AMT increases this family's tax liability to \$5,720, resulting in a loss of \$1,233 in tax credits.

(2) A head of household taxpayer, earning \$45,000; with \$500 in interest and dividends, a \$750 IRA deduction, one child with a \$1,500 HOPE scholarship and one child with a \$1,000 Lifetime Learning Credit. This taxpayer loses \$800 of credits due to the AMT.

## THE TAX RELIEF FOR WORKING AMERICANS ACT

Sponsored by Rep. Nancy L. Johnson (R-CT), Sen. Charles E. Grassley (R-IA), and  
Sen. Dianne Feinstein (D-CA)

*Revenue Estimate*  
[Rounded in Billions of Dollars]

	5-Year	10-Year
Marriage Penalty	\$27.6	\$61.4
Social Security Earnings Limit	\$ 3.4	\$ 3.4
Health Insurance Credit	\$ 9.2	\$21.4
Health Insurance Deduction	\$19.6	\$58.6
Long Term Care Insurance Deduction	\$ 4.0	\$12.5
Long Term Care Credit	\$ 5.1	\$14.0
Personal Credits Against the AMT	\$ 6.6	\$32.3
Child Care	\$ 3.2	\$ 9.4
60-Month Student Loan Interest Deduction	\$ 0.3	\$ 0.7
Low Income Housing Tax Credit	\$ 1.1	\$ 6.6
Farmer Accounts	\$ 0.6	\$ 0.9
Farmer Income Averaging/AMT	*	■
Contaminated Sites Clean-up Deduction	\$ 0.6	\$ 1.7
Land Conservation Deduction	\$ 0.1	\$ 0.2
R&D Tax Credit	\$11.0	\$27.2
WOTC	\$ 2.0	\$ 4.5
Exception from Subpart F	\$ 4.6	\$15.3
Wind/Biomass Tax Credit	\$ 0.3	\$ 1.0
<b>TOTAL:</b>	<b>\$100 billion</b>	<b>\$271 billion</b>

\* Less than \$50 million