

**OVERVIEW OF CONFERENCE AGREEMENT FOR H.R. 2488,
THE "TAXPAYER REFUND AND RELIEF ACT OF 1999"**

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of the

JOINT COMMITTEE ON TAXATION

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INTRODUCTION AND LEGISLATIVE BACKGROUND

This document,¹ prepared by the staff of the Joint Committee on Taxation, provides an overview of the conference agreement with respect to H.R. 2488, the “Taxpayer Refund and Relief Act of 1999.”

This document provides an overview of the conference agreement with respect to identical provisions (Part One), similar provisions (Part Two) (including certain minor pension reform provisions contained in either the House or Senate versions of H.R. 2488), and differing provisions (Part Three).

H.R. 2488 (the “Financial Freedom Act of 1999”) was passed by the House on July 22, 1999,² and the bill, as amended by the provisions of S. 1429 as amended by the Senate (the “Taxpayer Refund Act of 1999”),³ was passed by the Senate on July 30, 1999.

H.R. 2488 and S. 1429, respectively, were reported in response to the reconciliation instructions in the Budget Resolution for Fiscal Year 2000 (H. Con. Res. 68).

¹ This document may be cited as follows: Joint Committee on Taxation, *Overview of Conference Agreement for H.R. 2488, the “Taxpayer Refund and Relief Act of 1999”* (JCX-60-99), August 4, 1999.

² H.R. 2488 was reported by the House Committee on Ways and Means on July 16, 1999 (H. Rept. 106-238). H.R. 2488 was amended by a manager’s amendment and was passed by the House, as amended, on July 22, 1999.

³ S. 1429 was reported by the Senate Committee on Finance on July 23, 1999 (S. Rept. 106-120). S. 1429, as amended by the Senate, was approved by the Senate on July 30, 1999, and the provisions were included as a Senate amendment to H.R. 2488 and sent to conference.

OVERVIEW OF CONFERENCE AGREEMENT OF H.R. 2488

PART ONE: IDENTICAL PROVISIONS IN H.R. 2488, AS PASSED BY THE HOUSE AND THE SENATE⁴

IDENTICAL PROVISIONS	CONFERENCE AGREEMENT
I. BROAD-BASED AND FAMILY TAX RELIEF	
C Expand the exclusion from income for certain foster care payments (sec. 1301 of the House bill and sec. 203 of the Senate amendment)	Adopt provision
C Allow nonrefundable personal credits against the individual AMT (sec. 121 of the House bill and sec. 206 of the Senate amendment)	Adopt provision
IV. EDUCATION TAX RELIEF PROVISIONS	
C Student loan interest deduction--repeal 60-month rule	Adopt provision
C Increase school construction small issuer arbitrage rebate exception from \$10 million to \$15 million (sec. 404 of the House bill and sec. 405 of the Senate amendment)	Adopt provision
V. HEALTH CARE TAX RELIEF PROVISIONS	
C Additional personal exemption for caretakers of elderly family members (sec. 504 of the House bill and sec. 503 of the Senate amendment)	Adopt provision
VII. DISTRESSED COMMUNITIES AND INDUSTRIES PROVISIONS	
C Allow net operating losses from oil and gas properties to be carried back for up to five years (sec. 721 of the House bill and sec. 1104 of the Senate amendment)	Adopt provision

⁴ The Roman Numeral headings refer to the headings enumerated in Part Three of this document.

IDENTICAL PROVISIONS**CONFERENCE AGREEMENT**

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| C | Deduction for delay rental payments (sec. 722 of the House bill and sec. 1106 of the Senate amendment) | Adopt provision |
| C | Election to expense geological and geophysical expenditures (sec. 723 of the House bill and sec. 1105 of the Senate amendment) | Adopt provision |
| C | Capital gain treatment under section 631(b) to apply to outright sales by landowners (sec. 732 of the House bill and sec. 1136 of the Senate amendment (Senate floor amendment)) | Adopt provision |

VIII. SMALL BUSINESS TAX RELIEF PROVISIONS

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| C | Increase section 179 expensing (sec. 802 of the House bill and sec. 602 of the Senate amendment) | Adopt provision |
| C | Repeal of temporary Federal unemployment surtax (sec. 803 of the House bill and sec. 603 of the Senate amendment) | Adopt provision |

IX. INTERNATIONAL TAX RELIEF PROVISIONS

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| C | Prohibit disclosure of APAs and APA background files (sec. 911 of the House bill and sec. 905 of the Senate amendment) | Adopt provision |
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X. TAX-EXEMPT ORGANIZATION PROVISIONS

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| C | Provide tax exemption for organizations created by a State to provide property and casualty insurance coverage for property for which such coverage is otherwise unavailable (sec. 1001 of the House bill and sec. 801 of the Senate amendment) | Adopt provision |
| C | Modify section 512(b)(13) (sec. 1006 of the House bill and sec. 802 of the Senate amendment) | Adopt provision |

IDENTICAL PROVISIONS

CONFERENCE AGREEMENT

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| C | Provide exclusion for mileage reimbursements by charitable organizations (sec. 1302 of the House bill and sec. 805 of the Senate amendment) | Adopt provision |
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XII. PENSION REFORM PROVISIONS

A. Expanding Coverage

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| C | Increase limitation on exclusion for elective deferrals (sec. 1201(d) of the House bill and sec. 312(a) of the Senate amendment) | Adopt provision |
| C | Increase limitation on SIMPLE elective contributions (sec. 1201(f) of the House bill and sec. 312(c) of the Senate amendment) | Adopt provision |
| C | Plan loans for subchapter S owners (sec. 1202 of the House bill and sec. 313 of the Senate amendment) | Adopt provision |
| C | Elective deferrals not taken into account for deduction purposes (sec. 1204 of the House bill and sec. 314 of the Senate amendment) | Adopt provision |
| C | Option to treat elective deferrals as after-tax contributions (sec. 1208 of the House bill and sec. 311 of the Senate amendment) | Adopt provision |

B. Enhancing Fairness for Women

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| C | Equitable treatment for contributions to defined contribution plans (sec. 1222 of the House bill and sec. 322 of the Senate amendment) | Adopt provision |
| C | Faster vesting for employer matching contributions (sec. 1223 of the House bill and sec. 325 of the Senate amendment) | Adopt provision |
| C | Clarification of tax treatment of section 457 plans upon divorce (sec. 1225 of the House bill and sec. 323 of the Senate amendment) | Adopt provision |

C. Increasing Portability

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| C | Rollovers of retirement plan and IRA distributions (secs. 1231-1233 and 1239 of the House bill and secs. 331-333 and 339 of the Senate amendment) | Adopt provision |
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IDENTICAL PROVISIONS**CONFERENCE AGREEMENT**

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| C | Waiver of 60-day rule (sec. 1234 of the House bill and sec. 334 of the Senate amendment) | Adopt provision |
| C | Treatment of forms of distribution (sec. 1235 of the House bill and sec. 335 of the Senate amendment) | Adopt provision |
| C | Rationalization of restrictions on distributions (sec. 1236 of the House bill and sec. 336 of the Senate amendment) | Adopt provision |
| C | Purchase of service credit under governmental pension plans (sec. 1237 of the House bill and sec. 337 of the Senate amendment) | Adopt provision |
| C | Employers may disregard rollovers for purposes of cash-out rules (sec. 1238 of the House bill and sec. 338 of the Senate amendment) | Adopt provision |

D. Pension Security and Enforcement

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| C | Repeal of 150 percent of current liability full funding limit; extend maximum deduction rule (sec. 1241-1242 of the House bill and sec. 341 and 347 of the Senate amendment) | Adopt provision |
| C | Excise tax relief for sound pension funding (sec. 1243 of the House bill and sec. 343 of the Senate amendment) | Adopt provision |

E. Reducing Regulatory Burdens

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| C | Modification of timing of plan valuations (sec. 1252 of the House bill and sec. 362 of the Senate amendment) | Adopt provision |
| C | ESOP dividend reinvestment (sec. 1255 of the House bill and sec. 364 of the Senate amendment) | Adopt provision |

IDENTICAL PROVISIONS**CONFERENCE AGREEMENT**

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| C | Employees of tax-exempt entities (sec. 1258 of the House bill and sec. 367 of the Senate amendment) | Adopt provision |
| C | Plan amendments (sec. 1260 of the House bill and sec. 371 of the Senate amendment) | Adopt provision |
| C | Repeal 100 percent of compensation limit for multiemployer plans (sec. 346(a) of the House bill and sec. 1264 of the Senate amendment) | Adopt provision |

XIII. MISCELLANEOUS PROVISIONS

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| C | Modify excise tax on arrow components and accessories (sec. 1324 of the House bill and sec. 1109 of the Senate amendment) | Adopt provision |
| C | Increase Joint Committee on Taxation refund review threshold to \$2 million (sec. 1353 of the House bill and sec. 1110 of the Senate amendment) | Adopt provision |

XIV. EXPIRING TAX PROVISIONS

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| C | Research and experimentation tax credit -- Increase the credit rate applicable under the alternative incremental research credit one percentage point per step (sec. 1401 of the House bill and sec. 1201 of the Senate amendment) | Adopt provision |
| C | Subpart F exceptions for active financing income (sec. 1402 of the House bill and sec. 1202 of the Senate amendment) | Adopt provision |
| C | Suspension of 100-percent net income limitation for oil and gas properties (sec. 1403 of the House bill and sec. 1203 of the Senate amendment) | Adopt provision |

XV. REVENUE OFFSET PROVISIONS

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| C | Information reporting on cancellation of indebtedness (sec. 1501 of the House bill and sec. 1302 of the Senate amendment) | Adopt provision |
| C | IRS user fees (sec. 1502 of the House bill and sec. 1304 of the Senate amendment) | Adopt provision |

IDENTICAL PROVISIONS**CONFERENCE AGREEMENT**

C	Installment sales (sec. 1508 of the House bill and sec. 1313 of the Senate amendment)	Adopt provision
C	Nonaccrual experience method of accounting (sec. 1509 of the House bill and sec. 1311 of the Senate amendment)	Adopt provision
C	Charitable split-dollar insurance (sec. 1003 of the House bill and sec. 1315 of the Senate amendment)	Adopt provision
XVI. TAX TECHNICAL CORRECTIONS	(secs. 1601-1605 of the House bill and secs. 504(c) and 1401-1405 of the Senate amendment)	No provision

PART TWO: SIMILAR PROVISIONS IN H.R. 2488, AS PASSED BY THE HOUSE AND THE SENATE⁵

SIMILAR PROVISIONS

CONFERENCE AGREEMENT

II. SAVINGS AND INVESTMENT TAX RELIEF PROVISIONS

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| C | Tax treatment of income and losses on derivatives (sec. 205 of the House bill and sec. 1306 of the Senate amendment) | Adopt Senate amendment provision |
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IV. EDUCATION TAX RELIEF PROVISIONS

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| C | Student loan interest deduction (secs. 112 and 406 of the House bill and sec.401 of the Senate amendment) | Adopt House bill and Senate amendment provision with respect to repeal of 60-month rule and increasing beginning point of phaseout for joint returns to two times beginning point for single returns. Adopt Senate amendment provision with respect to phaseout range for joint returns. Increase beginning point of phaseout for single taxpayers by \$5,000. |
| C | Eliminate tax on awards from certain scholarship programs (sec. 403 of the House bill and Senate amendment) | Adopt House bill provision, which includes exclusion for NIH Undergraduate Program scholarships and certain State-sponsored programs |

V. HEALTH CARE TAX RELIEF PROVISIONS

⁵ The Roman Numeral headings refer to the headings enumerated in Part Three of this document. Included in the similar provisions are certain pension reform provisions that were included in either the House or Senate version of H.R. 2488.

SIMILAR PROVISIONS

CONFERENCE AGREEMENT

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| C | Above-the-line health insurance deduction (sec. 501 of the House bill and the Senate amendment) | Adopt Senate amendment provision, with modifications to phase in of deduction |
| C | Long-term care insurance provisions (secs. 501-502 of the House bill and the Senate amendment) | Adopt Senate amendment provision, with modifications to phase in of deduction |
| C | Vaccine excise tax provisions (sec. 506 of the House bill and sec. 504 of the Senate amendment) | Adopt House bill and Senate amendment provision relating to adding streptococcus pneumoniae to list of taxable vaccines; include study with House bill effective date in report language; Reduce rate of vaccine excise tax to 50 cents per dose effective 1/1/05 |

VI. ESTATE AND GIFT TAX RELIEF PROVISIONS

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| C | Provisions relating to the generation-skipping transfer tax (secs. 631-634 of the House bill and secs. 731-734 of the Senate amendment) | Adopt House bill provision |
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VII. DISTRESSED COMMUNITIES AND INDUSTRIES PROVISIONS

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| C | Increase the maximum dollar amount of reforestation expenditures eligible for amortization and credit (sec. 731 of the House bill and sec. 1108 of the Senate amendment) | Adopt Senate amendment provision |
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VIII. SMALL BUSINESS TAX RELIEF PROVISIONS

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| C | Accelerate 100-percent self-employed health insurance deduction (sec. 801 of the House bill and sec. 601 of the Senate amendment) | Adopt Senate amendment provision |
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SIMILAR PROVISIONS

CONFERENCE AGREEMENT

IX. INTERNATIONAL TAX RELIEF PROVISIONS

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| C | Apply look-through rules to dividends from noncontrolled section 902 corporations and separate basket excess credit carryovers (sec. 902 of the House bill and the Senate amendment) | Adopt House bill provision |
| C | Subpart F treatment of pipeline transportation income and income from transmission of high voltage electricity (secs. 903-904 of the House bill and the Senate amendment) | Adopt House bill provision |
| C | Repeal limitation on Foreign Sales Corporation tax benefits for defense products (sec. 906 of the House bill and sec. 908 of the Senate amendment) | Adopt House bill provision |

XI. REAL ESTATE RELIEF PROVISIONS

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| C | Real Estate Investment Trust Provisions (secs. 1101-1106, 1111, 1121, 1131, 1141, and 1151 of the House bill and secs. 1021-1026, 1031, 1041, 1051, 1061, and 1071 of the Senate amendment) | Adopt Senate amendment provisions with technical modifications and make provision to modify the 15-percent personal property test effective after 2000 |
| C | Accelerate scheduled increases in tax-exempt private activity bond volume limits (sec. 1351 of the House bill and sec. 1081 of the Senate amendment) | Adopt Senate amendment provision, but effective in 2000 |

XII. PENSION REFORM PROVISIONS

A. Expanding Coverage

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| C | Modification of top-heavy rules (sec. 1203 of the House bill and sec. 319 of the Senate amendment) | Adopt House bill and Senate amendment provision |
| C | Section 457 plan coordination rules (sec. 1207 of the House bill) | Adopt House bill provision |

SIMILAR PROVISIONS

CONFERENCE AGREEMENT

C	Elimination of IRS user fees for requests regarding employer plans (sec. 1208 of the House bill and sec. 317 of the Senate amendment)	Adopt House bill provision, with the modification that the waiver applies only for requests made during the first 5 plan years
C	Definition of compensation for deduction purposes (sec. 1209 of the House bill)	Adopt House bill provision
C	Increase minimum benefits (sec. 1211 of the House bill)	No provision
C	Reduce PBGC premiums for small and new plans (secs. 315-316 of the Senate amendment)	Adopt Senate amendment provision, with modification to reduce additional PBGC premium for employers with fewer than 25 employees.
B. Enhancing Fairness for Women		
C	Modification of 401(k) hardship withdrawal safe harbor (sec. 324 of the Senate amendment)	Adopt Senate amendment provision
D. Strengthening Pension Security and Enforcement		
C	Notice of significant reduction in future benefit accruals (sec. 1245 of the House bill and sec. 344 of the Senate amendment)	Adopt House bill provision, and make corresponding change to ERISA. Include in Statement of Managers language direction to Treasury with respect to regulations based upon Senate amendment.
C	Missing plan participants (sec. 342 of the Senate amendment)	Adopt Senate amendment provision, modified to include defined contribution plans.

SIMILAR PROVISIONS

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C	Investment of employee contributions in section 401(k) plans (sec. 345 of the Senate amendment)	Adopt Senate amendment provision, with a modification to the effective date to delete the exception for binding contracts.
E. Reducing Regulatory Burdens		
C	Periodic pension benefit statements (sec. 351 of the Senate amendment)	No provision
C	Notice and consent period regarding distributions (sec. 1256 of the House bill and sec. 365 of the Senate amendment)	No provision
C	Repeal of transition rule regarding definition of highly compensated employees (sec. 1257 of the House bill and sec. 366 of the Senate amendment)	Adopt Senate amendment provision
C	Treatment of employer-provided retirement advice (sec. 1259 of the House bill and sec. 352 of the Senate amendment)	Adopt Senate amendment provision, with additional report language
C	Model plans for small businesses (sec. 1261 of the House bill)	No provision
C	Reporting simplification (sec. 1262 of the House bill and sec. 370A of the Senate amendment)	Adopt Senate amendment provision
C	Improvements to Employee Plans Compliance and Resolution System (sec. 1263 of the House bill)	Adopt House bill provision
C	Substantial owner benefits in terminated plans (sec. 363 of the Senate amendment)	Adopt Senate amendment provision
C	Annual report dissemination (sec. 369 of the Senate amendment)	No provision
C	Employer-provided transit passes (sec. 370 of the Senate amendment)	Adopt Senate amendment provision

SIMILAR PROVISIONS

CONFERENCE AGREEMENT

XIII. MISCELLANEOUS PROVISIONS

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| C | Permit consolidation of life insurance and nonlife insurance companies (sec. 1315 of the House bill and sec. 1113 of the Senate amendment) | Adopt Senate amendment provision; adopt additional provision in House bill, effective in 2006 |
| C | Tax treatment of Alaska Native Settlement Trusts (sec. 1352 of the House bill and sec. 1102 of the Senate amendment) | Adopt the House bill provision |

XIV. EXPIRING TAX PROVISIONS

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| C | Extension of research and experimentation credit (sec. 1401 of the House bill and sec. 1201 of the Senate amendment) | Adopt House bill and Senate amendment provision with a 5-year extension |
| C | Work opportunity tax credit (sec. 1404 of the House bill and sec. 1204 of the Senate amendment) | Adopt House bill provision, including language relating to electronic filing to be included in the conference report |
| C | Welfare to work tax credit (sec. 1404 of the House bill and sec. 1204 of the Senate amendment) | Adopt House bill provision |

XV. REVENUE OFFSET PROVISIONS

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| C | Impose limitation on prefunding of certain employee benefits (sec. 1503 of the House bill and sec. 1312 of the Senate amendment) | Adopt Senate amendment provision |
| C | Increase elective withholding rate for nonperiodic distributions from deferred compensation plans (sec. 1504 of the House bill and sec. 1303 of the Senate amendment) | Adopt Senate amendment provision |
| C | Prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gains (sec. 1506 of the House bill and sec. 1314 of the Senate amendment) | Adopt Senate amendment provision |

SIMILAR PROVISIONS

CONFERENCE AGREEMENT

C Treatment of excess pension assets used for retiree health benefits (sec. 1507 of the House bill and sec. 1305 of the Senate amendment)

Adopt Senate amendment provision

PART THREE: DIFFERING PROVISIONS IN H.R. 2488, AS PASSED BY THE HOUSE AND THE SENATE

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
I. BROAD-BASED AND FAMILY TAX RELIEF			
<p>A. Broad Based Tax Relief (sec. 101 of the House bill and secs. 101-102 of the Senate amendment)</p>	<p>Reduce all individual income tax and AMT rates --</p> <ul style="list-style-type: none"> C 1.0% (2001-2003) C 2.5% (2004) C 5.0% (2005-2007) C 7.5% (2008) C 10.0% (2009) 	<ul style="list-style-type: none"> C 15% individual income tax rate reduced to 14% (2001) C Increase width of 14% bracket <ul style="list-style-type: none"> C \$2,000/\$4,000 (2006) C \$2,500/\$5,000 (2007 and thereafter) <p>(Senate floor amendment)</p>	<ul style="list-style-type: none"> C 15% rate reduced to 14.5% (2001-2002) and 14% (2003 & thereafter); 1 percentage point reduction in all other individual income tax and AMT rates, beginning in 2005 C Increase width of 14% bracket for single and head of household returns by \$3,000 in 2006

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
<p>B. Marriage Penalty Relief (sec. 111 of the House bill and sec. 201 of the Senate amendment)</p>	<p>C Standard deduction for joint returns two times standard deduction for single taxpayers, phased in: 2001 - 1.778 2002 - 1.889 2003 & thereafter - 2.000</p>	<p>C Same as House, phased in: 2001 - 1.671 2002 - 1.700 2003 - 1.727 2004 - 1.837 2005 - 1.951 2006 - 1.953 2007 - 1.973 2008 & thereafter - 2.000 (Senate floor amendment) C Married couple can elect to file single returns on combined form, effective 2005</p>	<p>C Standard deduction for joint return set at two times single standard deduction, phased in over 5 years beginning in 2001 C Adjust 14% rate bracket to two times single bracket beginning in 2005, phased in over 4 years</p>
<p>C. Marriage Penalty Relief for the Earned Income Credit (sec. 202 of the Senate amendment)</p>	<p>No provision</p>	<p>C Beginning point of EIC phase out for joint returns increased by \$2,000, effective 2005 C Index after 2005</p>	<p>Adopt Senate amendment provision, but effective 2006</p>
<p>D. Individual AMT Provisions (secs. 121 and 302(b) of the House bill and sec. 206, 907, and 1134 of the Senate amendment)</p>	<p>C Phase out individual AMT by 2009 and allow individuals to use AMT credits to offset 90% of regular tax liability C Repeal 90% limit on foreign tax credits under the AMT, effective taxable years after 2001</p>	<p>C Allow personal exemption in computing AMT above \$300 per exemption, effective after 2005 (Senate floor amendment) C Same as House bill, but effective taxable years after 2004</p>	<p>Adopt House bill provision</p>

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
E. Increase and Expand the Dependent Care Tax Credit (sec. 204 of the Senate amendment)	No provision	C Increase maximum credit from 30% to 40%; phase out begins at \$30,000 of AGI C Index maximum expenses C \$200/month deemed expenses for children under age 1 (Senate floor amendment) C Effective - 2001	Adopt Senate amendment provision, but increase maximum credit to 35% (2001-2005) and 40% (2006 & thereafter); deemed expenses rule for children under age 1 is effective for taxable years beginning after 2005
F. Tax Credit for Employer-Provided Child Care Facilities (sec. 205 of the Senate amendment)	No provision	\$150,000 maximum credit for qualified child care (25% credit) and referral services (10% credit); effective - 2001	No provision
G. Expansion of Adoption Tax Credit (sec. 210 of the Senate amendment)	No provision	C \$10,000 credit for special needs adoption without regard to expenses C Repeal sunset of adoption credit for non-special needs adoptions C Effective after 2000 (Senate floor amendment)	C Adopt Senate amendment provision with respect to special needs provision only
II. SAVINGS AND INVESTMENT TAX RELIEF PROVISIONS			
A. Partial Exclusion of Interest and Dividends (sec. 201 of the House bill)	C \$50/\$100 (2001-2002) C \$100/\$200 (2003-2004) C \$200/\$400 (2005 & thereafter)	No provision	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
B. Individual Capital Gains (sec. 202 of the House bill and sec. 207 of the Senate amendment)	<ul style="list-style-type: none"> Ⓒ Reduce rates from 20%/10% to 15%/7.5% Ⓒ 25% rate on unrecaptured 1250 gain reduced to 20% Ⓒ Repeal 8%/18% rates on gain from property held more than 5 years Ⓒ Effective - July 1, 1999 	<ul style="list-style-type: none"> Ⓒ Deduction up to \$1,000 of net capital gain, effective 2006 Ⓒ Collectibles taxed at ordinary income rates (Senate floor amendment) 	<ul style="list-style-type: none"> Ⓒ Reduce rates from 20%/10% to 18%/8%, effective 1/1/99 Ⓒ 25% rate on unrecaptured 1250 gain reduced to 23%, effective 1/1/99 Ⓒ Indexing with mark to market 1/1/00
C. Capital Gains of Designated Settlement Funds (sec. 203 of the House bill)	Net capital gain of a designated settlement fund taxed at individual capital gains rates, effective taxable years beginning after December 31, 1999	No provision	Adopt House bill provision
D. Suspend Five-Year Period for Exclusion of Gain on Sale of Principal Residence for Members of Uniformed Service and Foreign Service (sec. 204 of the House bill)	Suspends 5-year period indefinitely, effective date of enactment	No provision	Adopt House bill provision
E. Suspend Five-Year Period for Exclusion of Gain on Sale of Principal Residence for Employees Sent Overseas by Employer (sec. 204 of the House bill)	Suspends 5-year period for up to 5 years, effective date of enactment	No provision	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
F. Treatment of Worthless Stock of a Subsidiary (sec. 206 of the House bill)	Income from active business of insurance company or financial institution not passive income for determining eligibility for ordinary loss on worthlessness stock, effective for stock becoming worthless in taxable years beginning after December 31, 1999	No provision	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
<p>G. Individual Retirement Arrangements (sec. 113 of the House bill and secs. 301-303 and 305 of the Senate amendment)</p>	<p>C Increase Roth IRA conversion limit to \$160,000 for joint filers, effective 2000</p>	<p>C Increase Roth IRA conversion limit to \$1 million, effective 2003</p> <p>C Increase annual contribution limit for all IRAs by \$1,000/year, beginning in 2001 until it reaches \$5,000 in 2005; index thereafter</p> <p>C Increase AGI limitations on deductible IRAs by \$2,000/\$4,000 - 2008 \$2,500/\$5,000 - 2009 - 2010; index thereafter</p> <p>C Eliminate AGI limit for contributions to a Roth IRA, beginning in 2003 (Senate floor amendment)</p> <p>C Allow IRAs to invest in coins issued by a State or that are or were U.S. legal tender, beginning in 2000</p> <p>C Allow additional catch-up contributions for individuals over age 50, effective 2001</p> <p>C Allow qualified plans to include IRAs</p>	<p>C Increase Roth IRA conversion limit to \$200,000 for joint filers (\$100,000 for all other filers), effective 2003</p> <p>C Increase contribution limit for all IRAs to \$3,000 for 2001-2003, \$4,000 in 2004-2005, \$5,000 in 2006-2008, indexed after 2008</p> <p>C No provision</p> <p>C AGI limits for contributions to a Roth IRA, increased to \$200,000 to \$210,000 for joint filers (\$100,000 to \$100,110 for all other filers), beginning in 2003</p> <p>C No provision</p> <p>C Adopt Senate amendment provision</p> <p>C Follow Senate amendment</p>

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
H. Individual Development Accounts (sec. 303 of the Senate amendment)	No provision	85% credit to financial institutions for matching contributions to IDAs up to \$300 maximum credit per year, effective for contributions after 2000 and before 2006	No provision
III. BUSINESS INVESTMENT AND JOB CREATION PROVISIONS			
A. Corporate Capital Gains (sec. 301 of the House bill)	Alternative 30% rate on net capital gain if less than regular tax, effective after 2004	No provision	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
<p>B. Corporate Alternative Minimum Tax (sec. 302 of the House bill and sec. 907 and 1103 of the Senate amendment)</p>	<p>C Allow AMT credits to offset portion of tentative minimum tax: 20% - 2005 30% - 2006 40% - 2007 50% - 2008 After 2008, repeal corporate AMT and allow AMT credit to offset 90% regular tax liability</p> <p>C Repeal 90% limit on foreign tax credits under the AMT, effective taxable years after 2001</p>	<p>C 5-year old AMT credits allowed to offset lesser of 50% of tentative minimum tax or excess of tentative minimum tax over regular tax, effective 2004</p> <p>C Same as House bill, but effective taxable years after 2004</p>	<p>C Repeal 90% limit on use of NOLs, effective 2002</p> <p>C Allow AMT credits to reduce lesser of 50% of tentative minimum tax or excess of tentative minimum tax over regular tax, effective taxable years beginning after 2004</p> <p>C Adopt House bill provision</p>

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
IV. EDUCATION TAX RELIEF PROVISIONS			
A. Expand Education Savings Accounts (sec. 401 of the House bill)	<ul style="list-style-type: none"> C Increase contribution limit to \$2,000 C Include K-12 expenses C Special needs beneficiaries C Contributions by corporations C Contributions until April 15 C Coordination with HOPE credit, LLC, and QSTPs C Effective 2001 	No provision	Adopt House bill provision
B. Qualified State Tuition Plans (“QSTPs”) (sec. 402 of the House bill and the Senate amendment)	<ul style="list-style-type: none"> C Allow private plans, effective 2001 C Exclusion from gross income for distributions (effective 2001 for State plans, 2004 for private plans) C Coordination with HOPE and LLC and Education IRAs, effective 2001 	<ul style="list-style-type: none"> C Same as House, effective 2000 C Same as House, except effective 2000 for State plans C Same as House, effective 2000 C Renames section as “Collegiate Learning and Student Savings (CLASS) Act” (Senate floor amendment) 	Adopt Senate amendment provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
C. Employer-Provided Educational Assistance (sec. 404 of the Senate amendment)	No provision	C Extend exclusion for employer-provided educational assistance through 2003 (Senate floor amendment) C Extend exclusion to graduate courses, effective 2000-2003	C Adopt Senate amendment provision C No provision
D. Liberalize Construction Bond Expenditure Rule for Governmental Public School Bonds (sec. 405 of the House bill)	Allows 4-year expenditure period for public school bonds in lieu of current 2-year period, effective 1/1/00	No provision	Adopt House bill provision
E. Allow Issuance of Tax-Exempt Private Activity Bonds for Public Schools (sec. 406 of the Senate amendment)	No provision	Allows issuance of private activity bonds for public schools, subject to \$10/resident (\$5 million minimum) cap, effective 1/1/00	No provision
F. Permit Limited Guarantees of Public School Construction Bonds by Federal Home Loan Banks (sec. 407 of the Senate amendment)	No provision	Allows Federal Home Loan Banks to guarantee up to \$500 million/year of public school bonds, effective on enactment of future authorizing legislation	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
G. Expansion of Deduction for Computer Donations to Schools (sec. 1124 of the Senate amendment)	No provision	Extends age of eligible computers from 2 to 3 years and permits donation of reacquired computers, effective taxable years ending after date of enactment (Senate floor amendment)	No provision
H. Tax Credit for Computer Donations to Schools and Senior Centers (sec. 1125 of the Senate amendment)	No provision	C 30% credit for donations to schools and senior centers (whether or not tax exempt);effective for 2 years beginning with taxable years beginning 1 year after date of enactment C 50% credit for donations to schools in empowerment zones, enterprise communities, and Indian reservations, effective for 3 years beginning with taxable year beginning after date of enactment (Senate floor amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
I. Tax Credit for Interest on Higher Education Loans (sec. 208 of the Senate amendment)	No provision	C 100% credit for up to \$1,500 of interest paid on higher education loans for first 60 months interest paid C Phase out \$50,000-\$70,000 (single)/\$80,000-\$100,000 (joint) C Effective 2005	No provision
J. Scholarships for Children of Employees (sec. 408 of the Senate amendment)	No provision	\$2,000 exclusion for scholarships provided to children of employees, effective taxable years beginning after date of enactment (Senate floor amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
<p>K. Two-Percent Floor Not to Apply to Professional Development Expenses of Teachers (sec. 1123 of the Senate amendment)</p>	<p>No provision</p>	<p>Ⓒ 2% floor on miscellaneous itemized deductions does not apply to qualified professional development expenses effective for taxable years beginning after 2000 and ending before 2005</p> <p>Ⓒ Deduction for \$125 for books, supplies, etc., effective for taxable years beginning after 2000 and ending before 2005 (Senate floor amendment)</p>	<p>Ⓒ Adopt Senate amendment provision, with a limit of \$1,000 on the amount of expenses</p> <p>Ⓒ No provision</p>

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
V. HEALTH CARE TAX RELIEF PROVISIONS			
A. Medical Savings Accounts (sec. 503 of the House bill)	<ul style="list-style-type: none"> C Make MSAs permanent and remove cap C Allow all employers to offer an MSA C Permit both employer and employee contributions C Allow MSAs to be offered in a cafeteria plan C Lower minimum deductible to \$1,000 (\$2,000 for family coverage) and allow contributions up to deductible 	No provision	No provision
B. Expand Human Clinical Trials Expenses Qualifying for Orphan Drug Tax Credit (sec. 505 of the House bill)	Effective after 1999	No provision	Adopt House bill provision
C. Deduction for Prescription Drug Insurance (sec. 507 of the House bill)	Above-the-line deduction for prescription drug insurance for Medicare beneficiaries if certain Medicare and low-income assistance provisions are in effect.	No provision	Adopt House bill provision, with modifications

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
D. Tax Credit for Employee Health Insurance Expenses of Small Employers (sec. 609 of the Senate amendment)	No provision	60% (70% for family coverage) credit for up to \$1,000 (\$1,715 for family coverage) of small employer health insurance expenses for low-wage employees, effective 2001 (Senate floor amendment)	No provision
VI. ESTATE AND GIFT TAX RELIEF PROVISIONS			
A. Convert Unified Credit into Unified Exemption (sec. 621 of the House bill and sec. 702 of the Senate amendment)	Effective after 2000	Effective after 2003	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
<p>B. Reduce Estate, Gift, and GST Tax Rates (sec. 611 of the House bill and sec. 701 of the Senate amendment)</p>	<ul style="list-style-type: none"> C Repeal 5-percent bubble (which phases out the benefit of the graduated rates), effective after 2000 C Reduce rates above 53 percent in 2001 C Reduce rates above 50 percent in 2002 C Reduce rates by 1 percent, 2003-2006 C Reduce rates by 1.5 percent in 2007 C Reduce rates by 2 percent in 2008 C Repeal after 2008, with carryover basis regime 	<ul style="list-style-type: none"> C Same as House bill, but effective after 2003 C Reduce rates above 53 percent in 2001 (Senate floor amendment) 	<p>Adopt House bill provision, with modification to rules in case of transfers to surviving spouses</p>
<p>C. Increase Unified Exemption (sec. 702 of the Senate amendment)</p>	<p>No provision</p>	<p>Increase unified exemption from \$1 million to \$1.5 million, effective after 2006.</p>	<p>No provision</p>

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
D. Expand Estate Tax Rule for Conservation Easements (sec. 711 of the Senate amendment)	No provision	C Increase distance from metropolitan area, national park, or wilderness area from 25 to 50 miles, effective after 1999 C Date for determining easement compliance is date of donation, effective after 1997 C Increase distance from Urban National Forest from 10 to 25 miles, effective after 1999 (Senate floor amendment)	Adopt Senate amendment provision
E. Increase Gift Tax Annual Exclusion (sec. 721 of the Senate amendment)	No provision	Increase gift tax annual exclusion to \$20,000 in 2005 (Senate floor amendment)	No provision
F. Increase Maximum Family-Owned Business Deduction (sec. 608 of the Senate amendment)	No provision	Increase maximum deduction from \$675,000 to \$1.975 million, effective in 2001 (Senate floor amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
VII. DISTRESSED COMMUNITIES AND INDUSTRIES PROVISIONS			
A. Renewal Community Provisions (secs. 701-706 of the House bill)	Allows HUD designation of 20 renewal communities: C zero-percent capital gains C family development accounts C commercial revitalization deduction C additional 179 expensing C brownfields C WOTC C effective 2001 through 2007	No provision	Adopt House bill provision, with technical modifications to family development accounts
B. Provide That Federal Production Payments to Farmers Are Taxable in Year Received (sec. 711 of the House bill)	Effective date of enactment	No provision	Adopt House bill provision
C. Temporary Extension of Suspension of Taxable Income Limit on Percentage Depletion (sec. 724 of the House bill)	Suspend 65 percent of taxable income limit for 6 years (through 2005)	No provision	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
D. Determination of Small Refiner Exception to Oil Depletion Deduction (sec. 725 of the House bill)	Effective after 1999	No provision	Adopt House bill provision
E. Minimum Tax Relief for the Steel Industry (sec. 741 of the House bill)	Effective after 1998	No provision	No provision
VIII. SMALL BUSINESS TAX RELIEF PROVISIONS			
A. Farmer and Fishermen Income Averaging (sec. 604 of the Senate amendment)	No provision	C Coordinate farm income averaging with the AMT C Effective after 1999 C Extend to fishermen (Senate floor amendment)	Adopt Senate amendment provision
B. Farm, Fish, and Ranch Risk Management ("FFARRM") Accounts (sec. 605 of the Senate amendment)	No provision	C Effective after 2000 C Include fishermen (Senate floor amendment)	Adopt Senate amendment provision
C. S Corporation Banks (sec. 606 of the Senate amendment)	No provision	C Interest and certain dividends of banks not treated as passive income C Director shares allowed C Effective taxable years after 1999 (Senate floor amendment)	Adopt Senate amendment provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
IX. INTERNATIONAL TAX RELIEF PROVISIONS			
A. Allocate Interest Expense on Worldwide Basis (sec. 901 of the House bill and the Senate amendment)	<ul style="list-style-type: none"> C Worldwide affiliated group election includes greater than 50 percent owned (by vote or value) foreign corporations C Annual subgroup elections available for worldwide group and present-law group C Annual financial institution group elections available for worldwide group and present-law group C Effective taxable years after 2001 	<ul style="list-style-type: none"> C Worldwide affiliated group election includes greater than 80 percent owned (by vote and value) foreign corporations C No subgroup elections C One-time financial institution group election available only if worldwide group election made C Effective taxable years after 2004 (Senate floor amendment) 	<ul style="list-style-type: none"> C Adopt House bill provision, but expanded to include limited constructive ownership C Subgroup election for worldwide affiliated group only. Election applies for 5 years. C Adopt Senate amendment provision, with technical modifications C Adopt House bill effective date
B. Recharacterization of Overall Domestic Loss (sec. 905 of the House bill)	Effective for losses incurred in taxable years after 2004	No provision	Adopt House bill provision, but effective for losses incurred in taxable years after 2005
C. Modify Treatment of RIC Dividends Paid to Foreign Persons (sec. 907 of the House bill)	Effective taxable years of RICs after 2004	No provision	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
D. Repeal of Special Rules for Applying Foreign Tax Credit in Case of Foreign Oil and Gas Income (sec. 908 of the House bill)	Effective taxable years after 2004	No provision	Adopt House bill provision, but effective taxable years after 2007
E. Study of Proper Treatment of European Union under Subpart F Same Country Exceptions (sec. 909 of the House bill)	Study due no later than 6 months after date of enactment	No provision	Adopt House bill provision in conference report language
F. Provide Waiver From Denial of Foreign Tax Credits (sec. 910 of the House bill)	Effective date of enactment	No provision	No provision
G. Increase Dollar Limitation on Section 911 Exclusion (sec. 912 of the House bill)	C Increase \$3,000/year (beginning in 2003) to \$95,000 C Index in 2008	No provision	Adopt House bill provision
H. Exempt Certain Sales of Frequent-Flyer and Similar Reduced-Fare Air Transportation Rights From Aviation Excise Taxes (sec. 906 of the Senate amendment)	No provision	Effective 2005 (Senate floor amendment)	Adopt Senate amendment provision (statutory provision)
X. TAX-EXEMPT ORGANIZATION PROVISIONS			

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
A. Conform Provisions Relating to Arbitrage Treatment to Reflect Proposed State Constitutional Amendments (sec. 1002 of the House bill)	Conforms Fund payout rules to state constitutional amendments, effective 1/1/00	No provision	Adopt House bill provision
B. Allow Treasury to Grant Waivers from Sec. 4941 Self-Dealing Prohibitions (sec. 1004 of the House bill)	Effective for transactions occurring after DOE	No provision	Adopt House bill provision
C. Extend Declaratory Judgment Procedures to Non-501(c)(3) Tax-Exempt Organizations (sec. 1005 of the House bill)	Effective after DOE	No provision	Adopt House bill provision
D. Simplify Lobbying Expenditure Limitations (sec. 803 of the Senate amendment)	No provision	Repeal separate expenditure limitation on grass roots lobbying, effective 2000	Adopt Senate amendment provision
E. Tax-Free Withdrawals From IRAs for Charitable Purposes (sec. 804 of the Senate amendment)	No provision	Effective taxable years beginning after 2000	Adopt Senate amendment provision, with the modification that the exclusion applies only with respect to distributions to charitable organizations, effective after 2002

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
F. Charitable Contribution Deduction for Certain Expenses in Support of Native Alaskan Subsistence Whaling (sec. 806 of the Senate amendment)	No provision	Effective 2000	Adopt Senate amendment provision
G. Charitable Giving Provisions (secs. 807-809 of the Senate amendment)	No provision	<ul style="list-style-type: none"> Ⓒ Extend deadline for contributions to low-income schools to return filing date (effective 2000) Ⓒ \$50/\$100 non-itemizer deduction (for 2005 and 2006) (Senate floor amendment) Ⓒ Phased-in increase in AGI percentage limitations for individuals and corporations (effective 2000) 	<ul style="list-style-type: none"> Ⓒ No provision Ⓒ No provision Ⓒ No provision
H. Modify Private Foundation Excess Business Holdings Rules for Publicly Traded Stock (sec. 810 of the Senate amendment)	No provision	Effective for foundations established by bequest of decedents dying after 2006	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
I. Certain Costs of Private Foundation in Removing Hazardous Substances Treated as Qualifying Distribution (sec. 811 of the Senate amendment)	No provision	Permits distributable amount of private foundation to include costs of removing hazardous substances, effective date of enactment (for facilities transferred before December 11, 1980) (Senate floor amendment)	No provision
XI. REAL ESTATE TAX RELIEF PROVISIONS			
A. Modify At-Risk Rules for Publicly Traded Nonrecourse Debt (sec. 1161 of the House bill)	Effective after 1999	No provision	Adopt House bill provision
B. Qualified Lessee Construction Allowances Not Limited to Short-Term Leases for Certain Retailers (sec. 1171 of the House bill)	Effective after 1999	No provision	No provision
C. Exclusion From Gross Income for Certain Contributions to the Capital of Certain Retailers (sec. 1172 of the House bill)	Effective after 1999	No provision	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
D. Low-Income Housing Tax Credit (secs. 1333-1337 of the House bill and sec. 1001 of the Senate amendment)	<ul style="list-style-type: none"> C Increase per capita cap to \$1.75 (2000-2004), index thereafter C Change stacking rules C Change credit allocation rules 	<ul style="list-style-type: none"> C Increase per capita cap to \$1.75 (2001-2005), indexed beginning in 2006 (Senate floor amendment) C Allow \$2 million small State minimum, beginning in 2001 C Loosens definition of Federally subsidized building for purposes of Native American Housing Assistance (Senate floor amendment) 	Increase per capita cap to \$1.75 and index as under House bill provision; adopt House and Senate allocation rule changes, effective calendar years after 1999; include \$2 million small State minimum, effective 2000
E. Tax Credit for Renovating Historic Homes (sec. 1011 of the Senate amendment)	No provision	20% credit up to \$20,000; Effective after 1999	Miscellaneous itemized deduction for 50% of cost, up to maximum of \$50,000; adjustment to basis
F. Treatment of Leasehold Improvements (sec. 1091 of the Senate amendment)	No provision	15-year recovery period, effective after 2002	Report language directs to include study of leasehold improvements in Treasury depreciation study
XII. PENSION REFORM PROVISIONS			
A. Expanding Coverage			

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
1. Increase contribution and benefit limits (sec. 1201 of the House bill and sec. 312 of the Senate amendment)	<p>C Increase defined benefit plan limit to \$160,000; lower early retirement age to 62 and lower normal retirement age to 65</p> <p>C Increase defined contribution dollar limit to \$40,000</p> <p>C Increase compensation that can be taken into account to \$200,000</p> <p>C Increase deferrals under a section 457 plan to \$11,000 in 2001, \$12,000 in 2002, \$13,000 in 2003, \$14,000 in 2004, \$15,000 in 2005 and index thereafter</p>	<p>C No provision</p> <p>C No provision</p> <p>C No provision</p> <p>C Increase section 457 dollar limit to \$9,000 in 2001, \$10,000 in 2002, \$11,000 in 2003, \$12,000 in 2004 and index thereafter</p>	<p>C Adopt House bill provision</p>
2. SAFE annuities and trusts (sec. 318 of the Senate amendment)	No provision	Adopts simplified plan called the SAFE.	No provision
B. Enhancing Fairness for Women			

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
1. Catch-up contributions (sec. 1221 of the House bill and sec. 321 of the Senate amendment)	Increases dollar limit on deferrals under section 401(k) plans, section 403(b) plans, SIMPLE, and section 457 plans for individuals who have attained age 50 by \$1,000 each year in 2001 through 2005 until maximum catch-up is \$5,000; nondiscrimination rules apply.	Increases dollar limit on deferrals under section 401(k) plans, section 403(b) plans, SIMPLE, and section 457 plans, and IRA contributions, for individuals who have attained age 50 by 10% each year in 2001 through 2005, until maximum catch-up is 50% of dollar limit; no nondiscrimination rules apply	Adopt Senate amendment provision with respect to employer plans; IRA catch-up considered with IRA provisions
2. Minimum distribution rules (secs. 1224 and 1239 of the House bill)	<ul style="list-style-type: none"> C Conforms post-death rules to pre-death rules C Reduces excise tax for failure to comply to 10% C Directs Treasury to finalize and simplify regulations C Effective 2001 	No provision	Adopt House bill provision
C. Reducing Regulatory Burdens			

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
1. Nondiscrimination provisions (secs. 1251 and 1253 of the House bill and secs. 361 and 368 of the Senate amendment)	<ul style="list-style-type: none"> Ⓒ Repeal multiple use test Ⓒ Directs Treasury to revise regulations regarding use of facts and circumstances under nondiscrimination and line of business rules 	<ul style="list-style-type: none"> Ⓒ No provision Ⓒ Directs Treasury to implement determination letter process regarding use of facts and circumstances under nondiscrimination and coverage rules Ⓒ Plans of international organizations not subject to nondiscrimination rules 	<ul style="list-style-type: none"> Ⓒ Adopt House bill provision Ⓒ Adopt House bill provision with respect to line of business rules; Adopt Senate amendment provision with respect to coverage and nondiscrimination rules Ⓒ Adopt Senate amendment provision
2. Treatment of multiemployer plans under section 415 (sec. 346 of the Senate amendment)	<ul style="list-style-type: none"> Ⓒ 100 percent of compensation defined benefit limit does not apply to multiemployer plans 	<ul style="list-style-type: none"> Ⓒ Same as House bill Ⓒ Multiemployer plans not aggregated with other plans under section 415 except for defined benefit dollar limit Ⓒ Governmental plan early retirement rules apply to multiemployer plans 	<ul style="list-style-type: none"> Ⓒ Adopt House bill provision Ⓒ No provision Ⓒ No provision
3. Increase section 415 early retirement limit for governmental and other plans (sec. 348 of the Senate amendment)	No provision	Increase floor on reduction at age 55 from \$75,000 to 80% of defined benefit dollar limit (Senate floor amendment)	No provision
XIII. MISCELLANEOUS PROVISIONS			

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
A. Expand Employer Reporting on Annual Wage and Tax Statements (sec. 1303 of the House bill)	Effective after 1999	No provision	No provision; add report language directing IRS to modify forms
B. Survivor Benefits of Public Safety Officers Killed in the Line of Duty (sec. 1304 of the House bill)	Effective payments after 1999	No provision	Adopt House bill provision
C. Distributions From Publicly Traded Partnerships Treated as Qualifying Income of Regulated Investment Companies (secs. 1311-1312 of the House bill)	Taxable years after 2000	No provision	Adopt House bill provision
D. Equalize the Tax Treatment of Oversized “Clean Fuel” Vehicles and Electric Vehicles (sec. 1313 of the House bill)	Effective 1/1/2000	No provision	Adopt House bill provision
E. Nuclear Decommissioning (sec. 1314 of the House bill)	<ul style="list-style-type: none"> C Repeals cost of service requirement C Allows deductibility of transfers to qualified fund C Effective taxable years after 1999 	No provision	Adopt House bill provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
F. Consolidate Code provisions governing Hazardous Substance Superfund and Leaking Underground Storage Tank Trust Fund (sec. 1321 of the House bill)	Consolidates Trust Fund provisions into a new Environmental Remediation Trust Fund, effective 10/1/99	No provision	Adopt House bill provision, with a modification providing that LUST and Superfund provisions will be divided into separate accounts on enactment of Superfund reform; LUST to be reimbursed from Superfund for any Superfund use of its monies; effective 10/1/99
G. Repeal Diesel Fuel Tax on Railroads and General Fund Tax on Inland Waterway Barge Fuel (sec. 1322 of the House bill and sec. 1101 of the Senate amendment)	Repeals LUST and General Fund taxes on rail diesel fuel and General Fund tax on inland waterway barge fuels; LUST, effective 10/1/99; General Fund, effective 10/1/03	Same as House bill, except all changes effective 10/1/00	Adopt House bill provision
H. Repeal Excise Tax on Tackle Boxes (sec. 1323 of the House bill)	Repeals tax, effective 30 days after enactment	No provision	Adopt House bill provision, with transfer of additional motorboat fuels tax revenues to Aquatic Trust Fund
I. Entrepreneurial Equity Capital Formation (“SSBICS”) (secs. 1341-1347 of the House bill)	Increased exclusion and rollover benefits and pass-thru treatment, after date of enactment.	No provision	No provision
J. Clarification of Depreciation Study (sec. 1354 of the House bill)	Clarify scope of Treasury depreciation study	No provision	Adopt House bill provision in Statement of Managers language

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
K. Tax Court Provisions (secs. 1361-1363 of the House bill)	<ul style="list-style-type: none"> C Authorizes Tax Court to charge a filing fee up to \$60 C Makes Tax Court fee imposed on practitioners available to provide services to pro se taxpayers C Makes principle of equitable recoupment available C Effective date of enactment 	No provision	Adopt House bill provision
L. Modify Distilled Spirits Tax Collection Rules (secs. 1371-1380 of the House bill)	Delays tax collection point to wholesale dealer transfer to retailer; imposes a 1.5% surtax on wholesalers	No provision	No provision
M. Simplify the Active Business Rules for Tax-Free Spin-Offs (sec. 1107 of the Senate amendment)	No provision	Simplifies rule by treating certain members of an affiliated group as 1 corporation	Adopt Senate amendment provision
N. Expand Rural Airports Eligibility for Reduced Tax Rate (sec. 1111 of the Senate amendment)	No provision	Extends reduced tax rates to small airports not connected to larger airports by paved roads, effective in 2000	Adopt Senate amendment provision
O. Dividends Paid by Cooperatives (sec. 1112 of the Senate amendment)	No provision	Capital stock dividends do not reduce patronage dividends, effective taxable years after date of enactment	Adopt Senate amendment provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
P. Modify Personal Holding Company "Lending or Finance Business" Exception (sec. 1113 of the Senate amendment)	No provision	Effective taxable years after 1999	Adopt Senate amendment provision
Q. Tax Credit for Modifications to Inter-City Buses Required Under the Americans With Disabilities Act of 1990 (sec. 1115 of the Senate amendment)	No provision	Extend 50% credit in present law to inter-city buses, up to \$15,000/ bus, effective 2000-2011	No provision
R. Business Meals Deduction Provisions			
1. Increase meals deduction (sec. 804 of the House bill)	Increases deduction 5% per year to 80%, effective taxable years after 2004	No provision	Adopt House bill provision, but deduction is 55% in 2006 and 60% in 2007 and thereafter
2. Increased deduction for business meals while operating under Department of Transportation hours of service limitation (sec. 1116 of the Senate amendment)	No provision	Accelerate 80% meals deduction for taxpayers subject to Department of Transportation hours of service limitations by one year	Adopt Senate amendment provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
S. Allow Issuance of Tax-Exempt Private Activity Bonds for Highway Projects (sec. 1117 of the Senate amendment)	No provision	Allows up to \$15 billion of private activity tax-exempt bonds to be issued for 15 highway pilot projects (Senate floor amendment)	Adopt Senate amendment provision
T. Provisions Relating to Tax Incentives for the District of Columbia			
1. Extend tax credit for first-time D.C. homebuyers (sec. 1118 of the Senate amendment)	No provision	One year extension; increases phase-out for joint filers so that it is twice that of individuals	Adopt Senate amendment provision to fix marriage penalty by increasing phaseout for joint returns, effective for purchases on or after date of enactment; do not include one-year extension of credit
2. Expand zero-percent capital gains for D.C. Zone assets (sec. 1119 of the Senate amendment)	No provision	Eliminates the 10-percent poverty rate limitation (so that it applies citywide)	No provision
U. Establish a Seven-Year Recovery Period for Natural Gas Gathering Lines (sec. 1120 of the Senate amendment)	No provision	Effective after date of enactment	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
V. Reclassify Scheduled Flights on Small Seaplanes as Noncommercial Aviation (sec. 1121 of the Senate amendment)	No provision	Reclassifies small seaplane flights as noncommercial aviation, subject to full fuels tax, but exempt from ticket tax	Adopt Senate amendment provision
W. Additional Miscellaneous Provisions			
1. Exemption from federal income tax for amounts received by Holocaust victims and heirs (sec. 1122 of the Senate amendment)	No provision	Effective for amounts received before, on, or after date of enactment (Senate floor amendment)	Adopt Senate amendment provision, effective for amounts received after the date of enactment
2. Medical innovation tax credit (sec. 1137 of the Senate amendment)	No provision	40% credit for certain human clinical testing of any drug, biologic, or medical device, effective for taxable years beginning after 1998 (Senate floor amendment)	Adopt Senate amendment provision
3. Capital gain holding period for horses (sec. 812 of the Senate amendment)	No provision	Reduce capital gain holding period for horses from 2 years to 1 year, effective 2001 (Senate floor amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
4. Disclosure of tax information for combined employment tax reporting (sec. 1131 of the Senate amendment)	No provision	Permit disclosure of taxpayer identity and signatures to facilitate combined Federal/State employment tax reporting (Senate floor amendment)	No provision
5. Tax rates for trusts with disabled beneficiary (sec. 211 of the Senate amendment)	No provision	Apply single taxpayer rates to trusts for 1 beneficiary who is permanently and totally disabled, effective taxable years beginning after 2006 (Senate floor amendment)	No provision
6. Taxation of flights on noncommercial aircraft (sec. 370 of the Senate amendment)	No provision	Provide exclusion for certain noncommercial air transportation provided to employees and certain other individuals, effective after 1999 (Senate floor amendment)	No provision
7. Tax-exempt bonds for timber conservation organizations (sec. 1133 of the Senate amendment)	No provision	Liberalizes tax-exempt bond rules for section 501(c)(3) organizations engaged in timber conservation activities (Senate amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
8. Exclusion for certain severance payments (sec. 1135 of the Senate amendment)	No provision	Exclude \$2,000 of severance pay, for 2001 only (Senate floor amendment)	No provision
9. FUTA treatment of maple syrup workers (sec. 1132 of the Senate amendment)	No provision	Exclude maple syrup workers from FUTA tax, effective date of enactment (Senate floor amendment)	No provision
XIV. EXPIRING TAX PROVISIONS			
A. Extend and Modify Wind and Closed-Loop Biomass Electricity Tax Credit (sec. 1205 of the Senate amendment)	No provision	Extends current credit (7/1/99 - 6/30/04) and expands to include electricity produced from the following sources at facilities placed in service during the periods shown: <u>Poultry waste</u> -- (12/31/99 - 6/30/04) <u>Landfill gas</u> -- (12/31/99 - 6/30/04) <u>Open-loop biomass</u> -- (through 12/31/03, but no credits before 1/1/00 for existing facilities)	4-year extension for wind, closed-loop biomass and poultry waste only
B. Alaska Exemption from Diesel Dyeing (sec. 1206 of the Senate amendment)	No provision	Permanent	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
C. Expensing of Environmental Remediation Expenditures (sec. 1207 of the Senate amendment)	No provision	3-1/2 year extension (through June 30, 2004); include all of U.S., except Superfund sites	Do not include extension; include expansion to all sites other than Superfund sites
XV. REVENUE OFFSET PROVISIONS			
A. Exclusion of Like-kind Exchange Property from Nonrecognition Treatment on Sale of a Personal Residence (sec. 1510 of the House bill)	Effective sales or exchanges after date of enactment	No provision	No provision
B. Modify Foreign Tax Credit Carryover Rules (sec. 1301 of the Senate amendment)	No provision	Effective taxable years after 1999	No provision
C. Modify Estimated Tax Rules for Closely Held REITS (sec. 1316 of the Senate amendment)	No provision	Effective estimated payments due on or after September 15, 1999	Adopt Senate amendment provision
D. Prohibited Allocations of Stock in S Corporation ESOP (sec. 1317 of the Senate amendment)	No provision	Generally effective plan years beginning after 2000	Adopt Senate amendment provision
E. Modify Anti-Abuse Rules Relating to Assumption of Liabilities (sec. 1318 of the Senate amendment)	No provision	Effective assumptions after July 14, 1999	Adopt Senate amendment provision, but modify to provide that similar rules apply to partnerships

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
F. Basis Allocation Rules for Intangibles in Certain Nonrecognition Transactions (sec. 1319 of the Senate amendment)	No provision	Effective transfers after date of enactment	Adopt Senate amendment provision
G. Modify Treatment of Closely Held REITs (sec. 1505 of the House bill and sec. 1320 of the Senate amendment)	Effective taxable years ending after July 12, 1999	Same as House, but effective for taxable years ending after July 14, 1999, with binding contract or SEC filing transition relief (Senate floor amendment)	Adopt Senate amendment provision, with technical modification
H. Distributions by a Partnership to a Corporate Partner of Stock in Another Corporation (sec. 1321 of the Senate amendment)	No provision	Effective for distributions made after July 14, 1999	Adopt Senate amendment provisions, but modify to be effective on date of enactment with respect to partners in partnerships on July 14, 1999
XVI. TECHNICAL CORRECTIONS TO THE NATIONAL SUMMIT ON RETIREMENT SAVINGS	No provision	Add technical corrections to National Summit on Retirement Savings (Senate floor amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
XVII. SENSE OF THE CONGRESS AND OTHER PROVISIONS			
A. Sense of the Congress Regarding Empowerment Zones (sec. 1128 of the Senate amendment)	No provision	Sense of the Congress regarding need for additional Federal funding and tax incentives for empowerment zones and enterprise communities (Senate floor amendment)	No provision
B. Sense of the Senate Regarding Savings Incentives (sec. 1127 of the Senate amendment)	No provision	Sense of the Senate regarding need for savings incentives by providing partial exclusion for interest and dividends (Senate floor amendment)	No provision
C. Sense of the Congress Regarding Small Business Incentives (sec. 1129 of the Senate amendment)	No provision	Sense of the Congress regarding the need for additional expensing for small business (Senate floor amendment)	No provision
D. Direct Expenditure Block Grant (sec. 1126 of the Senate amendment)	No provision	Increase in mandatory spending for child care and development block grant (Senate floor amendment)	No provision

ITEM	HOUSE BILL	SENATE AMENDMENT	CONFERENCE AGREEMENT
XVIII. COMMITMENT TO DEBT REDUCTION (sec. 1701 of the House bill)	Sense of the Congress that the public debt shall be reduced to a level below \$1.6 trillion by fiscal year 2009	No provision	Include House language in Statement of Managers
XIX. CONTINGENCY FOR RATE REDUCTIONS (sec. 101 of the House bill)	For years beginning after 2001, rate reductions apply only after the first debt reduction calendar year	No provision	Adopt House bill provision
XX. EXCLUSION FROM PAYGO SCORECARD (sec. 1801 of the House bill)	OMB shall not make any estimate of direct spending outlays and receipts under sec. 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from enactment of the bill	No provision	No provision, but include House language in Statement of Managers
XXI. COMPLIANCE WITH CONGRESSIONAL BUDGET ACT (sec. 1501 of the Senate amendment)	No provision	Sunsets bill after fiscal year 2009	Adopt Senate amendment provision, but sunset certain provisions after calendar year 2008