



AMERICANS FOR TAX REFORM

POLICY BRIEF

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Tax Relief Comparison

Chairman Baucus Tax Relief (\$21billion – FY02):

- Depreciation – 10% increased expensing for capital assets and software in next 12 months (\$14b)
- Increase Section 179 expensing to \$35,000 for 12 months (\$1b)
- Five-year carryback of NOL next 12 months (\$4b)
- Extend all expiring provisions (\$1b)
- *Not Addressed*
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Chairman Baucus Spending (\$49 billion – FY02):

- Low-Income rebate checks (\$14b)
- Expanded unemployment benefits for 13 weeks and increase all individual UI benefit checks by \$65 (\$16b)
- Additional COBRA health care coverage; 50% subsidy for the purchase of additional insurance (\$17b)
- Agricultural assistance (\$2b)
- Chairman Thomas Tax Relief (\$85 billion – FY02):

- Depreciation – 30% increased expensing for capital assets and software in next 36 months (\$39b)
- Increase Section 179 expensing to \$35,000 for 24 months (\$1b)
- Five-year carryback of NOL next 36 months (\$4.7b)
- One- and two-year extensions (\$210m)
- Simplify capital gains structure (\$535m)
- Repeal corporate AMT and refund credits (\$25b)
- Accelerate income tax rates (\$12b)
- Subpart F deferral on multinational income (\$260m)
- 15-year life for leasehold improvements (\$75m)
- Increase deduction of individual's capital losses (\$840m)

Chairman Thomas Spending (\$14 billion– FY02):

- Low-Income rebate checks (\$14b)
- Distribute \$9 billion in Unemployment Trust Funds to states for UI benefits and expanded coverage (no cost)
- Social Services Block Grant for health care coverage (\$3 billion)